soltec

INTEGRATED ANNUAL REPORT 2022

Consolidated Management Report and Financial Statements

ABOUT THIS REPORT

Non-financial information statement

With effect from 1 January 2018, Law 11/2018 of 28 December came into force, amending the Commercial Code, the revised text of the Corporations Act approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on the Auditing of Accounts, on non-financial information and diversity (hereinafter, Law 11/2018), which replaces Royal Decree Law 18/2017, of 24 November, which transposed into Spanish law Directive 2014/95/EU of the European Parliament and of the Council, with regard to the disclosure of non-financial information and information on diversity.

Pursuant to the provisions of Law 11/2018, certain companies, including Soltec Power Holdings, S.A. and its subsidiaries (referred to in the document as, "Soltec" or "the Company") must prepare a statement of non-financial information, which must be incorporated in the consolidated management report or in a separate report for the same financial year that includes the same content and meets the requirements. It also includes, among other matters: the information necessary to understand the evolution, results and situation of the Company, the impact of its activity with respect to environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as with respect to personnel, including the measures, if any, that have been adopted to promote the principle of equal treatment and opportunities between women and men, non-discrimination and inclusion of persons with disabilities and universal accessibility.

In this respect, as far as the statement of financial information is concerned, the information has been included in this integrated report. The traceability of Law 11/2018 can be consulted in the section "Non-financial information statement indicators" and "GRI table".

Methodology followed in the preparation of the report

Frame of reference

This report has been prepared in accordance with the main guidelines established by the International Integrated Reporting Council (IIRC) and has been prepared using as reference the Global Reporting Initiative (GRI) standard in accordance with its core option. In addition, through its content, it has responded to the indicators proposed by the sectoral standard (Solar Technology & Project Developers) of the Sustainability Accounting Standards Board (SASB) initiative.

Reporting principles followed in the Annual Report

The principles of integrated reporting are essential to achieve transparency and have therefore been applied by the Company in the preparation of this report. The principles are divided into two groups: principles for determining the content of the report and principles for determining the quality of the report. The following is a breakdown of the **principles applied by the Company in order to ensure the correct collection and quality of information:**

- Principles for determining the content of the report
- Principles for determining the quality of the report

Principles for determining the content of the report

1. Stakeholder engagement:

The Company should indicate who its stakeholders are and how it has responded to their reasonable expectations and interests in relation to the development of Soltec's activity and its main strategic lines, as a basic reference for many of the decisions taken in the preparation of this report.

In the chapter of the integrated report on corporate social responsibility management, information has been provided on who the stakeholders are, as well as on the relationship with them and how we identify and respond to their expectations.

2. Sustainability context:

In the integrated report Soltec needs to include the Company's performance in the broader context of sustainability. The entire report aims to show how Soltec contributes—or intends to contribute in the future—to improving economic, environmental and social conditions, developments and trends in the Company's areas of operation.

When preparing this report, an assessment has been made of how the activities and services Soltec provides interact with the economic, environmental and social context in which the Company conducts its business. This analysis has been taken into account in the design of the content of the report.

3. Materiality:

The integrated report needs to address aspects that reflect the significant economic, environmental and social effects of the Company, or that may have a significant influence on the developments and decisions of its stakeholders.

For this reason, Soltec has carried out a materiality study to define the most significant aspects of the Company's sustainability.

4. Completeness:

The report addresses the material aspects and their coverage, such that they reflect the significant economic, environmental and social effects to enable stakeholders to analyse the organisation's performance in the period under analysis.

Once the Company has identified the material aspects, it has provided sufficient information about them, thus giving a complete picture of Soltec in the reporting period to enable stakeholders to understand the Company's evolution, results and current situation.

Principles for determining the quality of the report

The principles adopted for the report serve to ensure the best decisions are made so that the report maintains the appropriate quality of information. Soltec firmly believes that quality information enables stakeholders to make informed, reasonable assessments of the Company's performance. The following principles have been applied to ensure the quality of the report:

Balance: this integrated report shows both positive and negative aspects of the Company's performance, and offers an objective, comprehensive view of its overall development.

Comparability: so that its stakeholders can analyse the Company's performance in recent years and compare it with that of other organisations, the report offers comparative information for the year 2022 and this has been included in the contents of the report.

Accuracy: the report includes accurate, detailed information on the management approach and on economic, environmental and social indicators to ensure fulfilment of stakeholders' expectations.

Timeliness: Soltec will publish this integrated report with updated information on an annual basis, in accordance with applicable precepts and regulations in order to provide its stakeholders with regular access to updated information about the Company's performance.

Clarity: in order to avoid inaccuracy or the omission of significant information that may be misleading, Soltec presents the information on its situation in an accessible and clear way for all its stakeholders.

Reliability: throughout this report, the Company has given details of the process followed for its preparation, laying the foundations to ensure that future content can be reviewed and evaluated externally to assess the quality and degree of materiality of the information.

Non-Financial Information Statement, Annual Corporate Governance Report and Annual Report on Directors' Remuneration

For the purposes of article 538 of the Capital Companies Act, it is noted that the Non-Financial Information Statement, the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration for the year 2022 are part of this Management Report.

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CONSOLIDATED FINANCIAL STATEMENTS

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More information: which is within the report

More information:which is located in an external link

LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In its latest electricity market report, the International Energy Agency expects renewables to increase their share of the global energy mix by six percentage points between now and 2025, i.e. from 29% to 35%. They represent six points less for fossil fuels. The sooner each country's energy mix shifts towards renewables and reduces the influence of fossil fuels in the same proportion, the calmer, more pleasant and more predictable our daily lives will be for our pockets.

The COP 26 climate summit has urged governments to take immediate action to accelerate decarbonisation and reach the goal of emission neutrality by 2050. This has led the European Union to be more ambitious in setting emission reduction targets, supporting photovoltaic solar energy and opening up a path of opportunities for our sector.

Internationally, central banks continue to gradually raise interest rates, generating uncertainty for investment and difficulty in leveraging. Spain also adds its own dose of uncertainty in an election year that is crucial for the continuity of transition incentives or, alternatively, for their detriment in favour of policies that are not good for renewable deployment.

This beginning of 2023 comes with a clear shift in public priorities and strong energy investment commitments. Geopolitical and economic disruptions have highlighted the importance of energy independence and the urgency of investing in the national productive and industrial fabric.

Now is the time to commit to a sustainable, secure energy model. The photovoltaic industry is experiencing an unprecedented moment.

Each nation has taken appropriate steps to accelerate this journey towards energy security and cheapness. The US has already implemented various protectionist measures to boost its production of renewable components. The Spanish government also clearly supports the development of renewable energies.

In Spain, following the government's approval of Royal Decree 6/2022 last year, the government went a step further in its commitment to renewables, removing administrative hurdles in order to speed up the deployment of renewables.

For its part, the European Commission announced its plan for independence from fossil fuels through the EU Solar Energy Strategy, which will boost deployment to reach more than 320 GW of newly installed solar photovoltaic power by 2025, and almost 600 GW by 2030; an ambitious but necessary target in a Europe that has no consolidated energy independence. This is a good example of where we must continue to move forward and of governments' clear commitment to a renewable future. For its part, the United States has shown great speed in its resolve. The Inflation Reduction Act (IRA) will completely reshape the country's renewable energy supply chain. The re-opening of closed facilities is incentivised and opportunities are provided to build all the elements needed to complete entire supply chains from scratch quickly and easily.

This is precisely what could cloud our horizon and put Spain and Europe in an unfavourable situation: industrial supply shortages. Key to this urgent deployment is the availability of material to make it possible. If we do not achieve guarantees in this area, we will be forced to hit the brake and slow down the growth of renewables. With the large number of projects expected to come on stream, supply shortages are not a distant possibility. This is why industry players must work closely with the institutions and ensure the right pace of growth for our industry.

We have a differential potential thanks to our geographical diversification, our experience and our integration. Our time is now.

A strategy of vertical integration

In this context of challenging global events and great dynamism in the solar photovoltaic industry, at Soltec we have consolidated our roadmap through the 2022-2025 Strategic Plan based on three key pillars: vertical integration, sustainability and innovation.

This strategy charts our course for the years to come and reinforces our firm commitment to further vertical integration at the core of our corporate strategy. Among other lines, we are committed to synergies between our three business lines: industrial, development and asset management.

As a result of this strategy, we estimate revenues in 2025 to be in the range of EUR 780 - 840 million and EBITDA of EUR 100 - 120 million. In addition, the investments made during the period 2023-2025 will strengthen our presence in our key markets: Spain, Italy, Latin America and the United States. With 1 GW of assets under management projected for 2025, we generate even more value for our shareholders.

Environmental, social and governance commitment

Our commitment to sustainable generation is clear.

In fact, our ambitious strategic plan will allow us to continue on the path of reducing emissions and generating positive impacts on the environment as well as on local communities.

As a leading company in the industry, we are not only called on to have a direct impact on economic growth, but it is also our duty to keep pace with technological and social developments to address sustainable challenges. We are in a position to drive R&D&I to pave the way for a more sustainable world and to stimulate dialogue with communities to build bridges for a fairer future for them. During 2022, we have continued our commitment to corporate social responsibility as a fundamental axis of our activity through our ecovoltaic practices, a value that goes hand in hand with our cutting-edge technology, so highly valued in the renewable industry.

We must continue to move forward at a brisk pace. At Soltec we have been working for almost two decades to have a renewable and sustainable energy system based on safety and efficiency. We have a differential potential thanks to our geographical diversification, our experience and our integration. Our time is now.

Raúl Morales
Chairman and CEO of Soltec

1. SOLTEC: A UNIQUE COMPANY IN THE PHOTOVOLTAIC SECTOR

Soltec has consolidated its position as a vertically integrated Company, with very different capacities with respect to other companies in the photovoltaic sector, making it a **unique Company** in a sector that is highly dynamic at global level. Solar energy is emerging as a key energy source for achieving energy independence, and Soltec's integrated capabilities make it uniquely positioned to capture this growth.

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION

1.1 An integrated, sustainable and innovative business model

Soltec has become a leading company in the photovoltaic energy sector through its experience and professional know-how, and with three fundamental divisions:

DEVELOPMENT

Industrial Division (Soltec Industrial):

From this division the Company designs, supplies and installs solar trackers, also offering construction services and maintenance services for solar photovoltaic plants.

1	2	3	4
Initial Development Phase	Permits	PPA[1] & Permits	Close financing

EQUIPMENT

Trackers & construction services

Fully integrated model

INSTALLATION/ CONSTRUCTION

Development Division (Soltec Development):

Division that allows the development of photovoltaic projects to be channelled from zero to "Ready to Build".

Industrial and construction services. Manufacture of trackers

1	2	3	4	5
Project engineering	On-site services	Construction services	Commissioning	O&M

OWNERSHIP

Asset Management Division (Soltec Assets):

As an example of the Company's commitment to vertical integration, a new line of business dedicated to asset management was launched in 2022 for the management and operation of solar photovoltaic projects.

1	2	3	4	5
Close of financing	Monitoring of the plant	Sale of energy	Regulatory compliance	Continual optimisation of performance

(1) Power Purchase Agreement
Source: Company

Why become an IPP (Independent Power Producer)?

During the 2022 financial year, Soltec has reinforced its commitment to vertical integration through the incorporation of a new business division dedicated to asset management, which joins the other two lines of business of the Company: the industrial division and the development division, thus gradually becoming an IPP with industrial capabilities.

This new line of business generates a set of additional synergies that enable the business to better adapt to the market context. In addition, with this new division, Soltec expects to obtain an additional revenue stream from the sale of energy that provides **recurrence, strength and stability**, and to mitigate existing risks in the value chain through geographic and business diversification. This new area allows the Company to differentiate itself from its competitors and maximise the value of its projects.

Corporate structure

Soltec is divided into three parent companies: Soltec Energías Renovables, S.L.U., Soltec Development, S.A.U. and Soltec Asset Management, S.A.U. (hereinafter, Soltec Industrial, Soltec Development and Soltec Assets, respectively), on which various subsidiaries that make up the scope of Soltec Power Holdings, S.A. depend.

Soltec Power Holdings

- **Soltec Energías Renovables, S.L.**: It provides a wide range of solar tracker sales services, as well as tracker installation and maintenance services when required by customers.
- **Soltec Development, S.A.U.**: It is responsible for the promotion and implementation of projects for energy production through photovoltaic solar energy.
- **Soltec Asset Management, S.A.U.**: It is responsible for the management of the assets owned by the Company.

Born in the land of the sun, thanks to an enterprising engineer

Soltec was founded in Molina de Segura (Murcia) in **2004**, driven by the determination and effort of its founders, with Raúl Morales at the head, the current CEO of Soltec. Soltec started out specialising in developing photovoltaic projects and also working as an EPC contractor on small projects in the Region of Murcia, Spain.

In **2007**, Soltec designed and launched its first solar tracker, achieving with this innovation its first 20 MW in solar tracker development and construction.

In **2009**, Soltec developed and launched its first single-axis PV tracker with a motorised structure that allows several rows of PV panels to rotate around several horizontal axes.

Who is Raúl Morales?

Raúl Morales, the current CEO of Soltec is an industrial engineer by profession and combines his passion for renewable energies with a strong commitment to operational productivity, inspired by a culture of innovation and talent attraction.

An engineer, cyclist, passionate about his land and father of a large family, Raúl is a leader in the Company with the firm belief that photovoltaic energy offers great possibilities to achieve decarbonisation and a cleaner and more sustainable world. Thanks to his experience and contribution, he has been part of the history of photovoltaic development in our country and Latin America.

During the following years, Soltec continued to innovate and develop new products that allowed it to obtain more competitive trackers and consolidate its position as one of the world's leading manufacturers of solar trackers.

It is worth highlighting the launch in **2011** of the Solarfighter product, a solar tracker aimed at the residential self-consumption market, as well as the creation of the SFUtility tracker in **2012**, the first tracker for large-scale projects (more than 100MW), capable of being installed on any type of terrain with a control system incorporated in each tracker that adapts to any weather conditions.

Soltec began its international expansion in **2008**, with its entry into Italy. This international vision accelerated in the following years, especially from **2014** onwards, with the opening of an office in Chile and the signing of its first international supply contracts, including the signing of the first project with Enel in Chile, in the Atacama Desert. This project was one of the first steps in the Company's international expansion. Subsequently, it expanded to Brazil (2015), Peru (2016), Mexico (2016) and the United States (2016).

In **2017**, Soltec launched the SF7 single-axis solar tracker, with higher performance and adaptation to the terrain, as well as the SF7 Bifacial, which allows energy to be collected on both sides of the photovoltaic module.

During the 2018 financial year, the photovoltaic project development division was set up, commercially known as "Powertis" at the time (currently under the Soltec Development brand). This business line is dedicated to the development of photovoltaic projects, leveraging the Company's experience and the international expansion of the industrial division.

This year also saw the start of Soltec Industrial's expansion into Asia and Africa, with supply contracts being signed in new markets such as Australia, Namibia and Thailand, without neglecting its commitment to existing geographical areas.

As from 2019, Soltec Industrial cemented its expansion in Europe, Latin America and North America and began operating in Asia, Africa and APAC. Over the same period, Powertis consolidated its business in Brazil, Italy and Spain and in 2021 it entered three new markets: Colombia, Denmark and the United States.

In 2020, in the midst of the coronavirus pandemic, Soltec successfully completed the IPO process in October, and began trading on **Spain's Continuous Market**, raising 150 million euros in the primary market to finance the Company's growth plans (mainly for the industrial division, and partially for the development division). In addition to boosting the Company's growth, the IPO process was a turning point in the levels of transparency, professionalisation, workflows and talent at the Company.

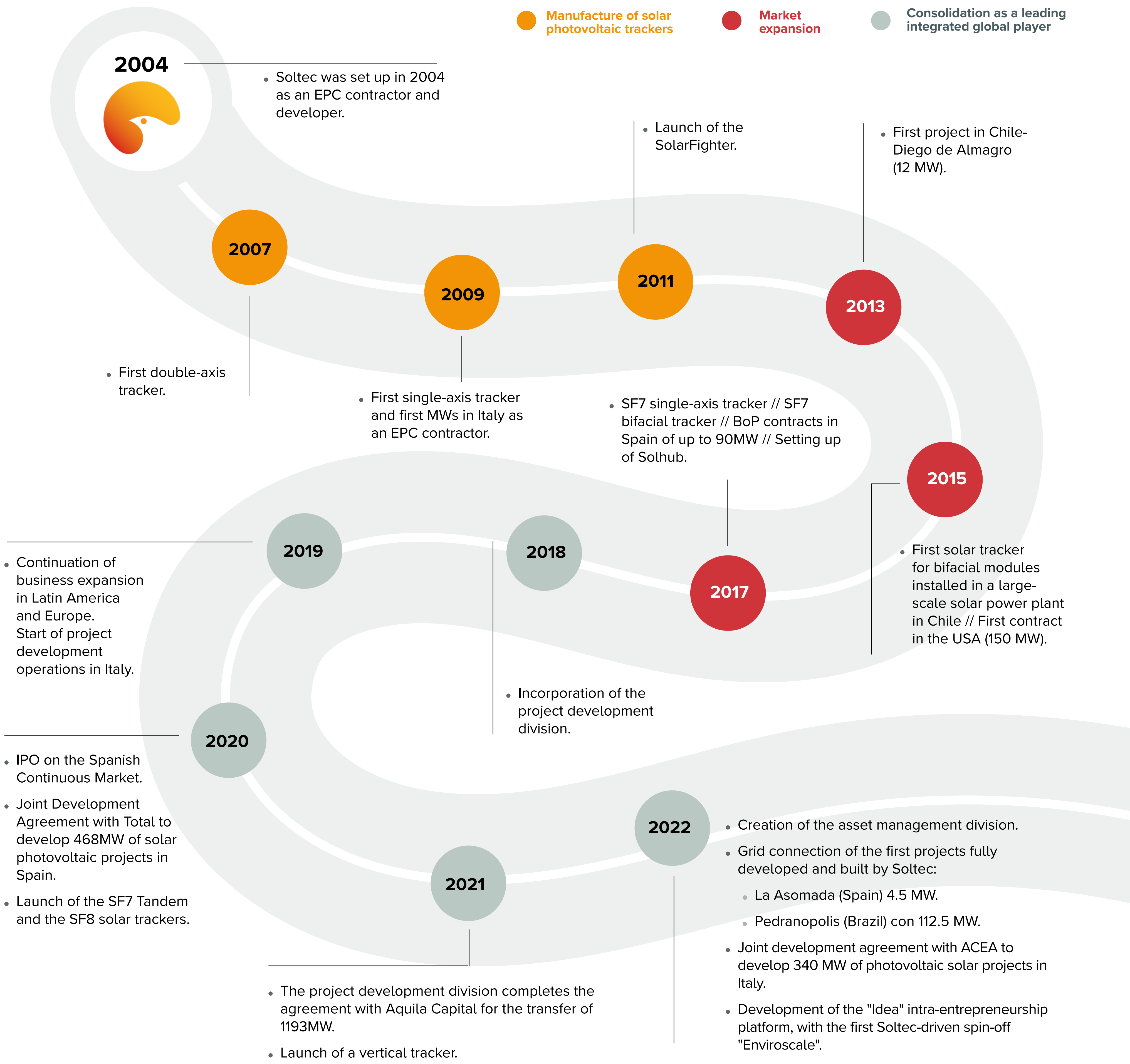
In the **2021** financial year Soltec launched a new version of the Solarfighter, the first product the Company designed for distributed generation PV projects (up to 12MW).

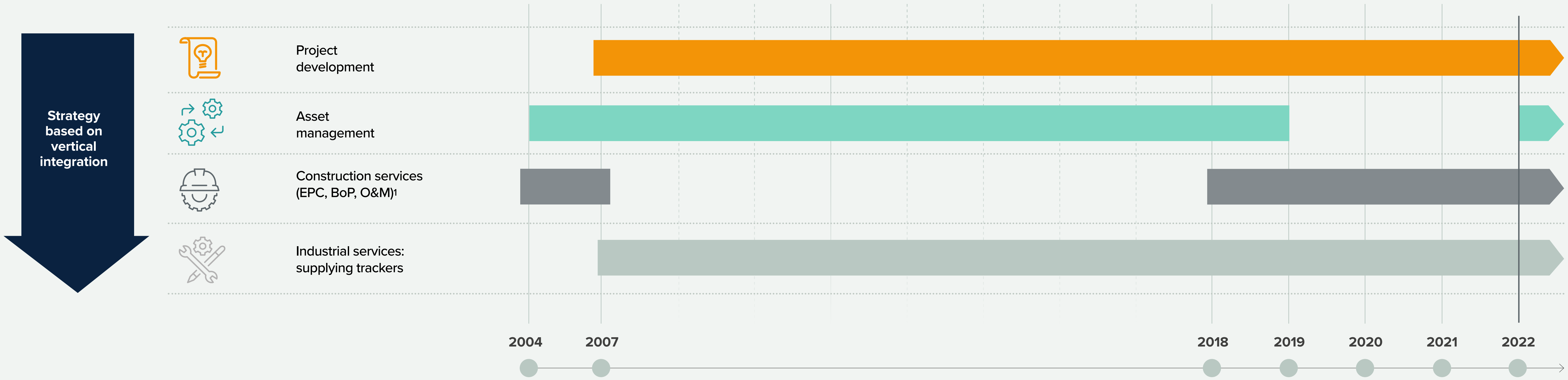
In the same year, the Company also extended the range of products it presents to its customers with a new solar tracker with a vertical and bifacial configuration, commercially known as SF-One, with which it consolidated a portfolio of flexible and versatile products, adapting to all types of projects in a global market and to the demands of its customers.

Another major milestone in **2021** in the midst of the energy transition was the creation of the Green Hydrogen Sector Association of the Region of Murcia, together with other partner entities and the creation of consortiums for its development.

In **2022** the Company took one step further in its vertical integration and created a new asset management division, Soltec Assets.

Find out more about Soltec's history through this link





Source: Company

(1) EPC: Engineering, Procurement and Construction; BoP: Balance of Plant; O&M: Operation & Maintenance

In order to remain a benchmark in the sector, Soltec bases its activity on the following three pillars:

SUSTAINABILITY

Sustainability is at the heart of the Company's business model. The Company's developments are carried out under the concept of Ecovoltaica to promote an activity that contributes directly to energy transition at a key moment, moving towards decarbonisation and generating a positive impact on society. The products and services it develops provide customers with efficient, sustainable solutions. The Company has also worked to create a sustainable business model.

INTEGRATION

Soltec has a vertically integrated business model in which the synergies between its different activities give the Company the ability to grow and capture margins.

INNOVATION

Soltec has been characterised by its innovative nature from the outset to ensure the innovative development of its industrial products (solar tracker), updating its technology and improving its calculation algorithms every two years, as well as through the development of open innovation to enhance the Company's participation in energy transition.

1.2 Purpose, mission, vision and values

Soltec's **corporate purpose is to create a cleaner, more sustainable, fairer world through energy**, and it is aligned with the United Nations Sustainable Development Goals (SDGs).

The **PURPOSE**, which mirrors the expectations of all stakeholders, reflects:

- **Soltec's commitment to the future of the planet.**
- **The Company's commitment to energy transition.**
- **The intention to achieve this, with and for society.**
- **The commitment to a sustainable and fair energy model.**

To **achieve its purpose**, the Company has a **mission, vision and values** which are condensed into the following concepts:

Soltec's **MISSION** is to develop integral solutions through sustainable solar power.

Soltec's **VISION** is to become an international benchmark in sustainable solar power by contributing integral, innovative solutions throughout the value chain.

Soltec develops its mission through the use of various resources or capital that the Company uses to carry out all the activities in the value chain of its businesses, thereby generating significant value-added for its stakeholders and advancing towards achieving the Company's vision.

FINANCIAL CAPITAL:

- Existence of three distinct business divisions with separate capital structures.
- The IPO in the 2020 financial year returned an inflow of EUR 150 million to finance mainly the industrial division (EUR 78 million) and the project development division (EUR 60 million) and transaction costs. At present, the industrial division has no additional capital needs.
- The project development division bases its financing on asset turnover.
- In January 2023, the Company strengthened the capital structure of the asset management division by signing a EUR 100 million financing agreement to boost the growth of the business by financing part of the equity required for its construction.

SHARE CAPITAL

- Commitment to Ecovoltaics in the projects developed by the Company to guarantee the sustainable development of photovoltaic plants, preserving the environmental, ecological and social balance of the areas where they are installed.
- Integration of social and environmental clauses in supply contracts.

HUMAN CAPITAL

- Existence of a multicultural, diverse team.
- Recruitment and training of personnel from the communities adjacent to the projects in which the Company works, thereby promoting the development of these areas.
- Continuous training in all areas of the Company.
- Focus on end-customer satisfaction.

INTELLECTUAL CAPITAL

- Experience and track record in the photovoltaic sector.
- Promotion of innovation.
- Collaboration with technological and industrial partners.

NATURAL CAPITAL

- Sustainable management of materials used in the Company's business operations.
- Promoting the circular economy.

The Sustainable Development Goals (SDGs), approved by all Member States of the United Nations as part of the 2030 Agenda for Sustainable Development, constitute a universal call to action to end poverty, protect the planet and improve the lives and prospects of people around the world.

Soltec, thanks to its business model and the sector in which it operates, contributes directly to achieving the objectives highlighted below.

Additionally, the company seeks to contribute to achieving the other objectives by carrying out complementary volunteering and social action activities.

Soltec's main stakeholders

Soltec pays special attention to relations with its stakeholders, as one of the main drivers, to improve its reputation and trust, as well as to identify new risks and opportunities, and to develop innovation processes that favour new business opportunities. Accordingly, it has undertaken an analysis of the significance of each one with regard to the Company's activities and the impact the latter have on them.

Stakeholders have increasingly high expectations regarding the performance of the organisations with which they interact and are able to influence long-term sustainability performance and strategies through their decisions. For Soltec, the creation of relationships of trust with them, attending to their needs, is one of the main pillars of its sustainability management.

In this respect, the Company has implemented specific channels through which it ensures constant dialogue with them, identifying their expectations and defining the most appropriate response mechanisms.

General stakeholder categories	Main aspects of interest this stakeholder group has with regard to the Company	Communication channels with stakeholders
Society	• Job creation and contribution to social development • Ethical and responsible conduct • Creating environmentally responsible products • Supply of clean energy • Voluntary actions and community impact • Clear and transparent language • Efficient resource management	• Conferences • Media
Customers	• Development of sustainable products • Quality control • Value for money • Global position and market share • Corporate Social Responsibility and ethical and legal conduct • Security of installations • Procurement terms and conditions	• Fairs and conferences • Media • "Jira" system
Financial market	• Transparent and truthful information • Financial stability and robustness • Proper management of resources • Inclusion of sustainability in the Company's processes • Ethical conduct and respect for legality/prevailing regulations • Sustainability and environment	• General Meeting • Shareholder/investor channel • Corporate Access (seminars, roadshows, one-on-one meetings) • CNMV (Privilege information and other relevant information) • Media
Suppliers	• Development of sustainable products • Quality control • Value for money • Global position and market share • Corporate Social Responsibility and ethical and legal conduct • Security of installations Procurement Terms and Conditions • Supply of complete electronics	• GoSupply • SERES Platform • Media
Regulator	• Compliance with policies and procedures • Ethical and responsible conduct • Transparent information	• CNMV (Privilege information - other relevant information) • Media
Employees	• Clear and transparent language • Work-life balance • Job stability and training • Payroll and personal income tax withholdings • Availability of resources needed to achieve projects • Equality and diversity • Health and safety	• Formal and informal meetings • Internal communication channels • "Jira" system • Media

www.soltecpowerholdings.com
www.soltec.com

Social media:

Soltec's differential values

Soltec has **strong** values that govern its day-to-day business. These values emphasise solidarity, commitment to social justice, commitment to sustainability and environmental responsibility, transparency, equality and innovation as mechanisms for positive change. Soltec employees have a strong sense of non-conformity and proactivity, as well as loyalty and respect for its mission and vision. Teamwork and trust in the team are key to the Company's development.

Soltec's differential values

Customer focus: Soltec's work focuses on guaranteeing efficient results, anticipating situations and responding proactively to the changes that a globalised and dynamic environment presents them with on a daily basis.

Commitment: To achieve the sustainable development of the business, it is essential to establish strategic alliances with stakeholders that make it possible to address social, economic and environmental challenges.

Adapting to change: the environment the Company is in is constantly evolving and therefore its ability to adapt and its flexibility have become priority areas.

Quality and continuous improvement: the continuous improvement of the products and services through innovation is a key element of the business proposal, which is embedded in the Company's culture at every level.

1.3 Market environment

The photovoltaic sector is currently experiencing a period of great dynamism thanks to the growth opportunities offered by the global energy transition objectives, based on the decarbonisation and electrification of the energy sector. At global level, commitments have materialised from both public and private players to accelerate the path towards carbon neutrality.

At the same time, the Russian-Ukrainian conflict has highlighted Europe's need to achieve energy independence, forcing it to accelerate its energy transition and bring forward its plans to achieve 100% renewable energy by 2035 by 15 years, in line with the United States and the United Kingdom.

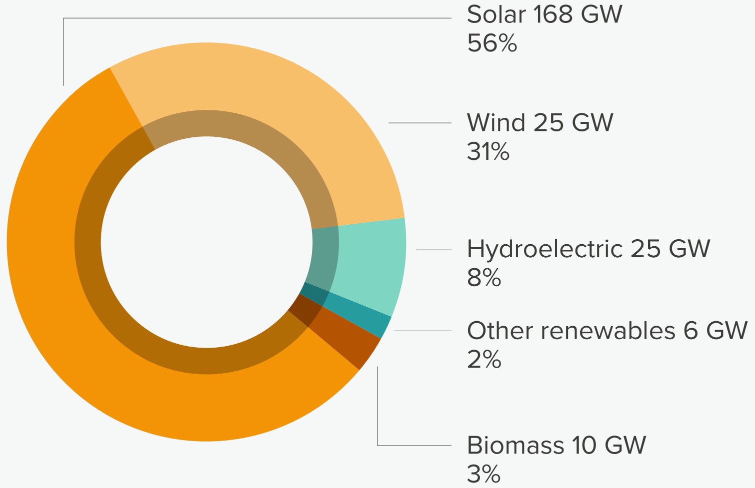
Renewable energies, and in particular photovoltaic energy, are a key component of this path towards decarbonisation. The future looks brighter and brighter for solar energy and presents great potential for growth as a result:

1. Solar, the favourite of renewables
2. The growth of the global solar market is accelerating
3. Strengthening global political support for renewables

1. Solar, the favourite of renewables:

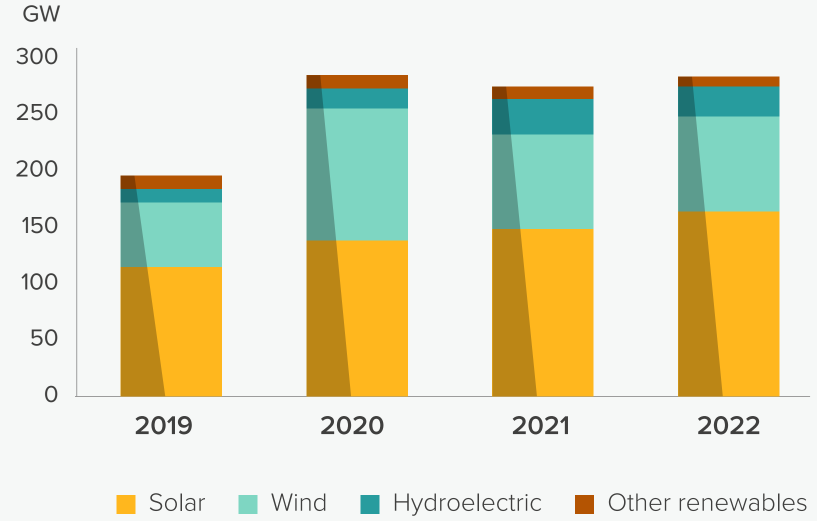
Solar has become the cheapest source of energy generation, compared to all other renewables, as the levelized cost of energy continues to fall (by 85%, equivalent to a decrease of $0.324/kWh) resulting in a lower price for the customer and improved solar energy efficiency. Solar energy became the cheapest renewable energy in the decade after 2010, with solar energy production rising to 821 TWh in 2020. New technologies promise to increase efficiency and further reduce these costs. Solar power has flexible construction and installation times and is faster, with less variability than wind. As a result, solar energy is the renewable energy with the highest net installed power generation capacity in many geographical areas and and with greater potential in the future.

Installed renewable energy capacity in Europe (2021)



Source: Global Market Outlook For Solar Power (Irena 2022)

Evolution of net renewable capacity additions by technology 2019-2022

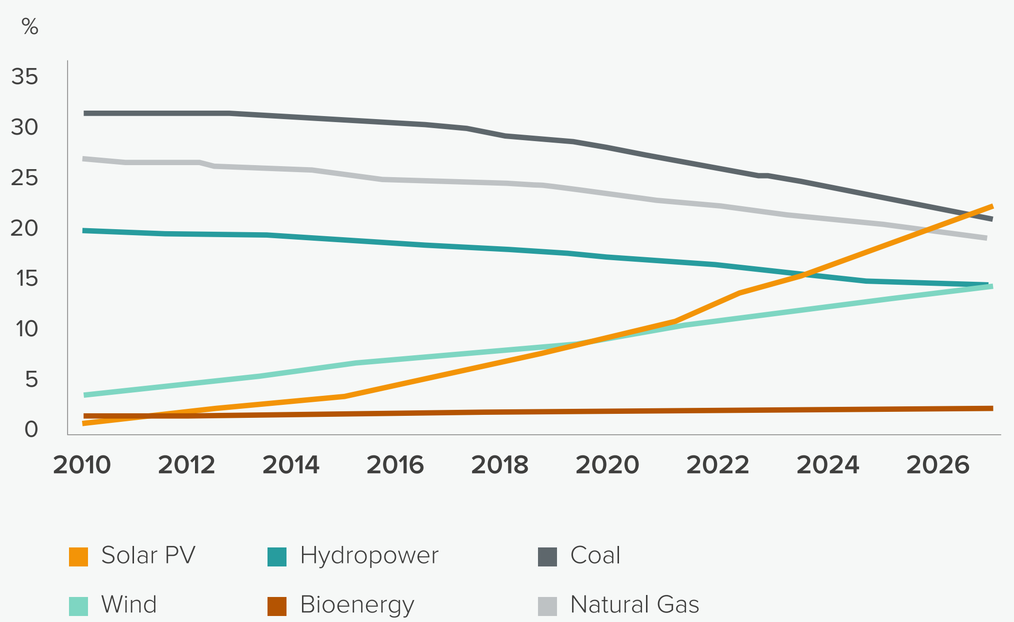


Source: IEA (Net renewable capacity additions by technology, 2020-2022)

2. The growth of the global solar market is accelerating

Net Zero emissions targets and corporate sustainability goals are driving increased demand for solar power. There is a steady decline in coal and the future of gas is in question, as renewables displace conventional energy generation as the only clear long-term growth business.

Evolution of Cumulative Energy Capacity by Technology, 2010-2027



Source: IEA-Share of cumulative power capacity by technology, 2010-2027 (Renewables 2022)

3. Strengthening global political support for renewables:

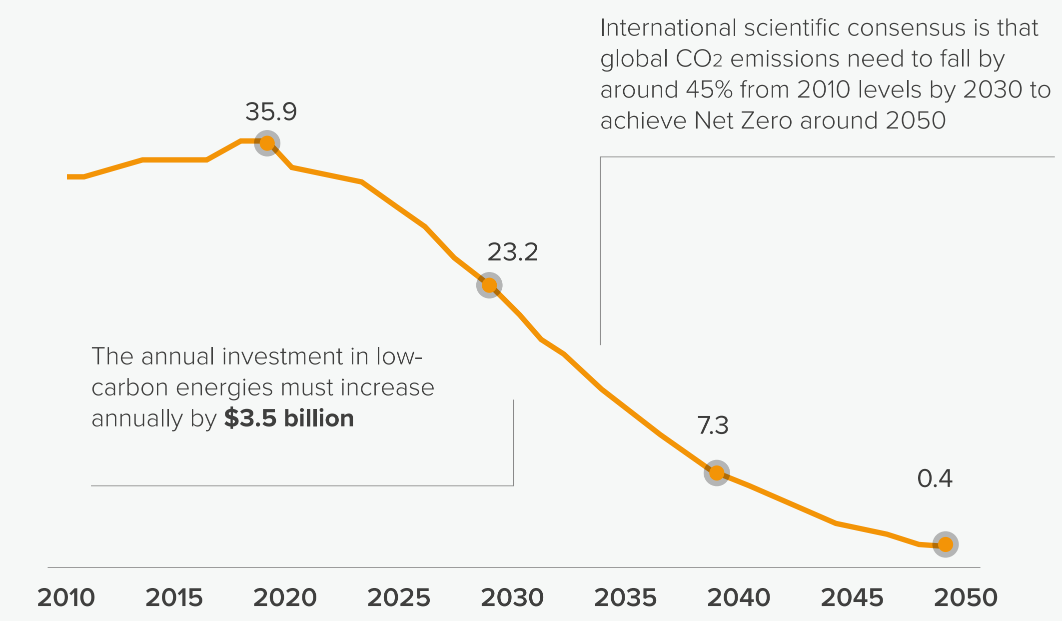
Recent geopolitical tensions demonstrate the need to achieve energy independence with efficient and emission-free renewable energy systems. Governments continue to focus on renewable energy to meet climate targets. There is a general consensus in favour of an energy transition to reduce dependence on fossil fuels and increase energy production.

In view of the 2030 emission reduction targets, the role of renewable energies has become a key element for the different European countries, showing a clear need to increase the pace of renewable energy generation development, especially since the approval of the European Green Deal in 2019.

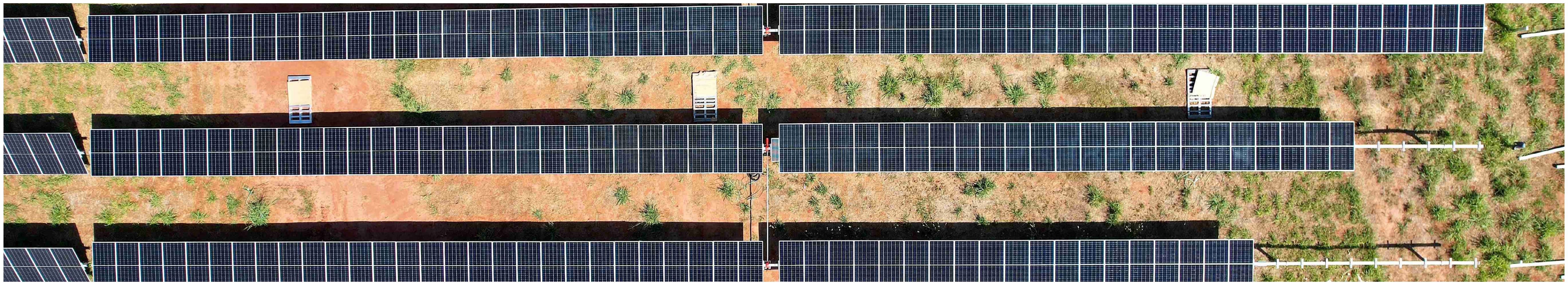
Global trends in the sector are advancing by leaps and bounds, but there is still a long way to go, focusing primarily on:

- Electrification
- Decarbonisation
- Digitalisation
- Energy decentralisation
- Geopolitical tension
- Energy independence

Global CO_2 emissions from energy on the road to climate neutrality



Fuente: (1) IEA "Net Zero by 2050" report



The solar tracker market

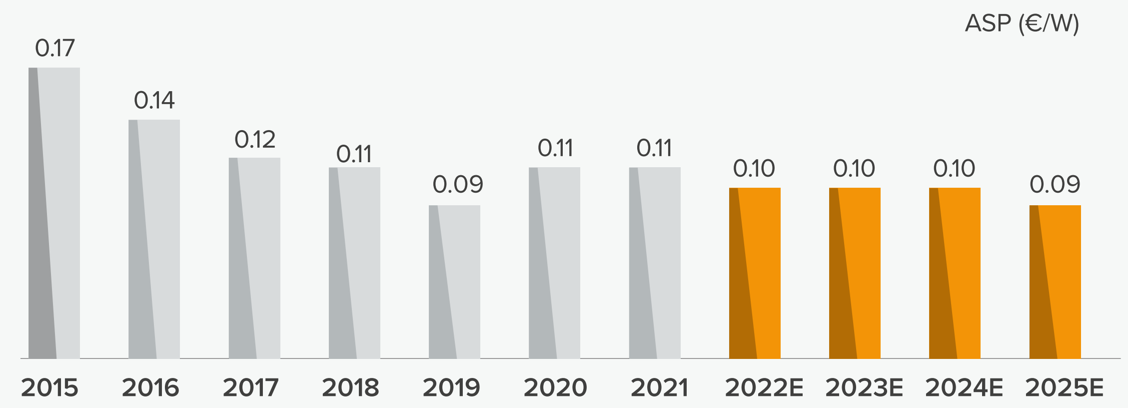
The solar tracker market continues to grow apace with a strengthened value proposal, driven by the pace of growth in solar installations globally.

Between 2022 and 2023 the solar tracker market will increase by 49%, from 45 GW to 65 GW. The increase between 2023 and 2026 will be greater than 90%.

In recent years, there has been a steady increase in the relative volume of solar tracker installations, with the weight of fixed installations gradually decreasing. In this regard, the share of solar trackers in the total number of installations is expected to increase from 20% in 2018 to 38% in 2030.

With regard to the **evolution of solar tracker prices**, an increase in average prices has been observed in the years 2021-2022 as a result of the increase in raw material prices and international logistics. In the year 2023, we can observe a reduction in them due to the stabilisation of raw materials.

Evolution of average solar tracker prices (ASP, Average Selling prices)



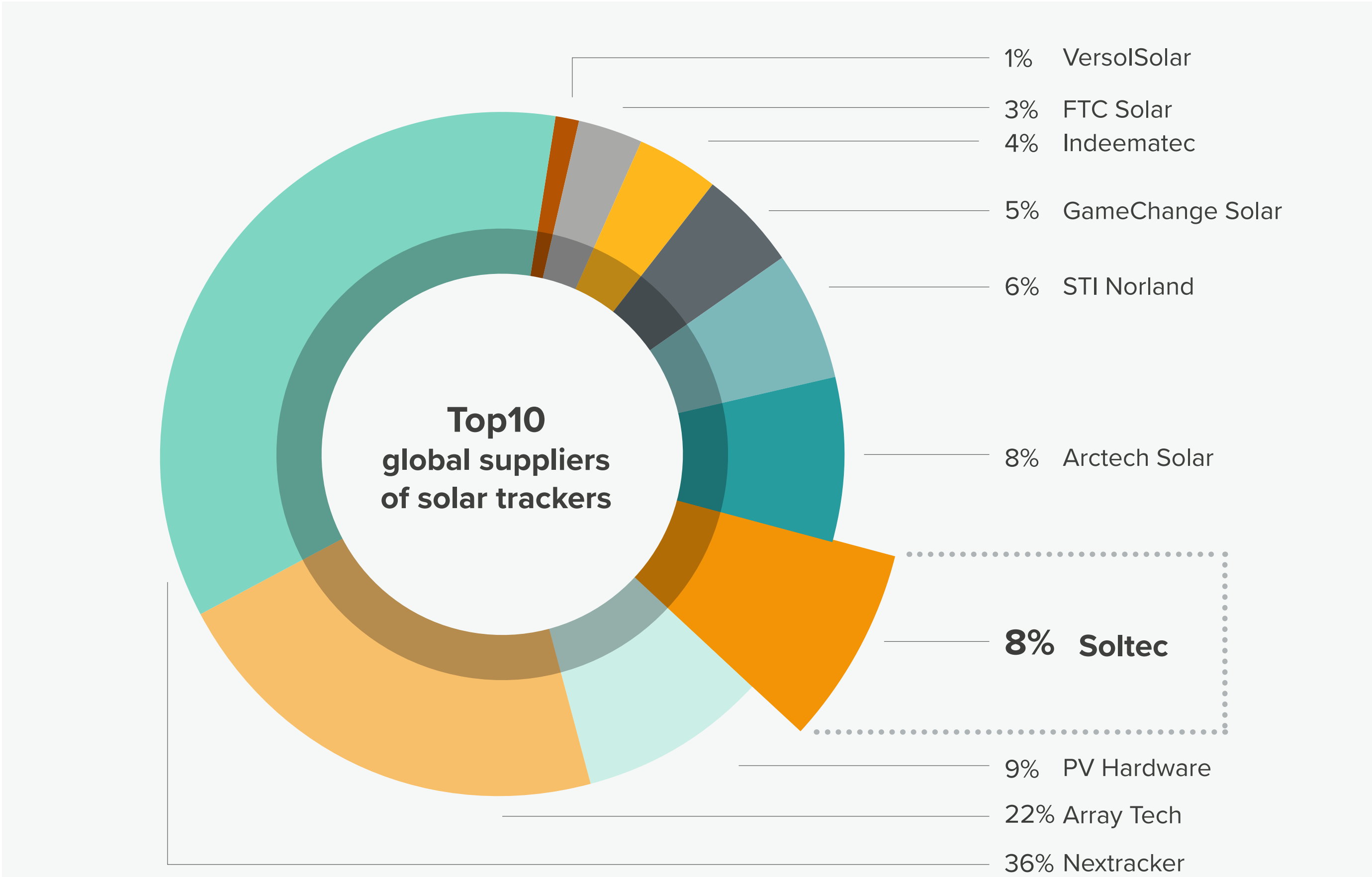
Raw material prices, logistics costs and geopolitical tensions contributed to the increase in the average selling price of solar trackers (ASP) in the main markets in 2020 and 2021.

From 2023, a normalisation of prices is expected with a generalised price decline in all markets. Increasing module profitability and the evolution of tracker technology will continue to drive price reductions in the period.

Source: Company estimates

Soltec's positioning in the solar tracker market

Soltec is currently positioned as the fourth largest global supplier of solar trackers in cumulative terms, with a market share of 8% at the end of 2021. The Company maintains a strong leadership position in both Europe and Latin America, as the third largest supplier of solar trackers in both regions.



Source: Company estimates

2. OUR BUSINESSES

Soltec Industrial	Soltec Development
15.6 GW	**14.4 GW**
Track-record of trackers supplied globally	Projects under development pipeline

Soltec is a vertically integrated company in the photovoltaic sector and operates on three lines of business: the industrial division **(Soltec Industrial)**, responsible for designing and supplying solar trackers, as well as offering additional construction services; the **development division (Soltec Development)**, responsible for developing photovoltaic energy projects from greenfield to Ready to Build (RTB); and finally, the **asset management division (Soltec Assets)**, responsible for the construction, financing, management and maintenance of the photovoltaic assets owned.

2.1 Business areas

In the Strategic Plan for the years 2022-25, Soltec expects to achieve revenues of between 780 and 840 million euros through its three lines of business (industrial, project development and asset management).

The Company aims to achieve an EBITDA in the range of EUR 100 million to EUR 120 million in the period. This is expected to be achieved through synergies between the different divisions and the recurrence and strength provided by vertical integration, and driven by the expected growth in the solar industry in the coming years.

Industrial Division

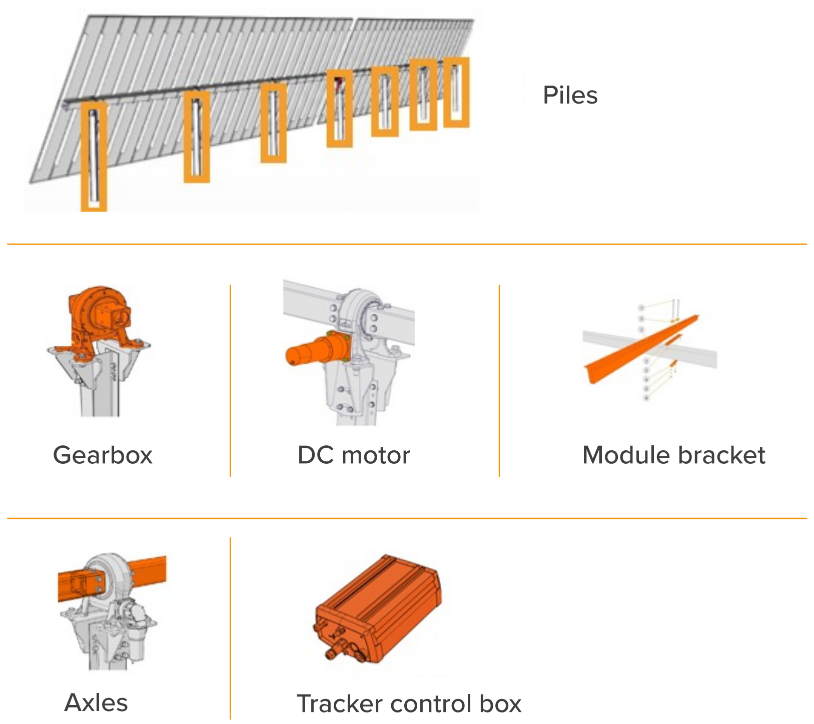
Soltec Industrial, a global leader in the design, manufacture and supply of solar trackers, also provides construction services, including the installation of solar trackers, civil works (BoP and EPC), and operation and maintenance services for solar photovoltaic plants.

The value proposal of the solar tracker:

A solar tracker is a mechanical device designed to direct photovoltaic modules so they are perpendicular to the sun's rays by tracking the sun's position from sunrise to sunset.

In the PV industry, the solar tracker maintains a strong value proposal as it is capable of producing 15-25% additional energy compared to plants with fixed structures and, more importantly, increasing energy production early and late in the day when the cost of energy is higher.

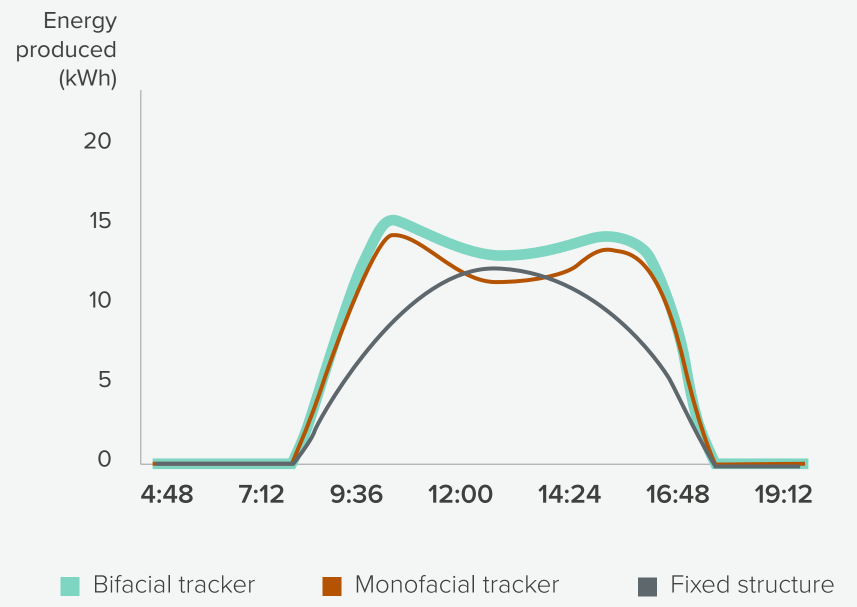
Chart: Main components of a solar tracker



Source: Company

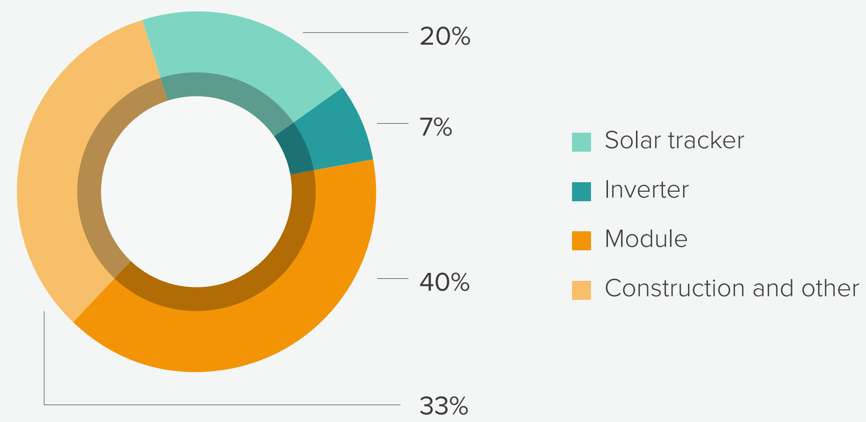
In relation to the total CAPEX of a plant, solar trackers represent 20% of the total, as shown in the following chart.

Increased production of single-axis solar trackers: Bifacial trackers and monofacial trackers (700MW, Murcia, 2 March 2019)



Source: Company

Distribution of the CAPEX of a solar photovoltaic plant:



Source: Company

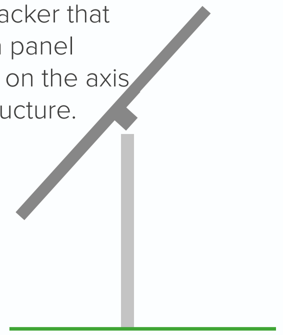
Industrial Division

The solar tracker market

Trackers can be differentiated by their design and configuration, which vary between 1-in-Portrait (1P) and 2-in-Portrait (2P), referring to the positioning of the PV modules in the tracker itself:

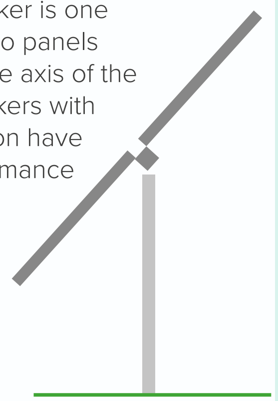
1-in-Portrait (1P) trackers:

a 1P solar tracker is a solar tracker that mounts a panel vertically on the axis of the structure.



2-in-Portrait (2P) trackers

a 2P solar tracker is one that mounts two panels vertically on the axis of the structure. Trackers with 2P configuration have a better performance from bifacial panels.



The choice of solar tracker configuration for a photovoltaic project will depend, among other factors, on the lie of the land, the hardness of the ground and the slopes of the terrain, the wind speed or the regulation of the country.

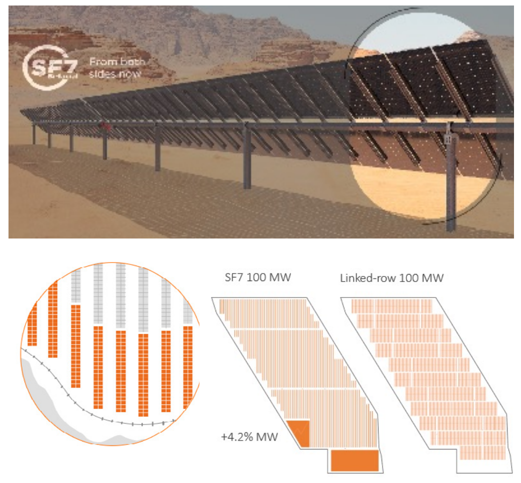
Best-selling trackers in Soltec's Industrial Division

	Seguidor SF-ONE	Seguidor SF7
		
Module configuration	1-in-Portrait (1P)	2-in-Portrait (2P)
Bifacial adaptation	Low	High (specific product)
Complex terrain	✓	✓
Tolerance to steep slopes		✓
Tolerance to strong winds	✓	

Source: Company

Soltec's solar tracker portfolio

SF7 and SF7 bifacial tracker:



the Soltec 2-in-Portrait (2P) tracker. Compared to its main competitors, the SF7 increases energy production by 5% compared to other solar trackers. Thanks to innovation, the SF7 reduces the number of parts by having fewer elements and joints, thereby reducing the labour required, speeding up installation time and reducing cost. Other notable features of the SF7 solar tracker include greater tolerance to steep and uneven slopes, and better use of the terrain thanks to the shorter length of the tracker, which allows up to twice as many modules to be installed per independent row.

In addition, the ability of bifacial modules to capture energy on both the front and rear faces allows for 2.1% more gain than a 1P due to their ability to capture reflected radiation from the ground surface under and around the tracker.

SF-ONE tracker

Launched in 2021, this is Soltec's 1-in-Portrait (1P) configuration tracker. This tracker combines mechanical simplicity with Soltec's experience of more than 18 years. Specially designed for larger modules (72 to 78 cells), like the SF7, this tracker is also self-powered thanks to its dedicated module, which translates into a lower-cost operational power supply. The SF-One has an innovative full-wireless system, in the same way as the SF7, allowing full control of the PV plant's trackers and achieving the lowest latency communication on the market. This tracker requires 5% fewer piles than the competition and entails 75% less working time.

Solarfighter

this is the first all-in-one kit designed for distributed generation photovoltaic projects up to 12MW and consists of the product and the comprehensive service for the start-up of a photovoltaic project. Solarfighter has Soltec's experience in the development, design, construction and commissioning of the world's largest photovoltaic plants, now applied to distributed generation projects. It also offers the opportunity for individual developers to use the same technology as large developers. This combined package is specially designed to maximise compatibility and competitiveness in the market, making it particularly quick and easy to install.

A complete range of products and services for every project and customer with great competitive advantages

SFONE (1P)

- Fewer motors
- Fewer electronic components
- Less steel
- Better performance in windy regions
- Reduced visual impact

SF7 (2P)

- Suitable for steeper gradients and better installation tolerances
- High performance in difficult terrain when drilling is required (fewer piles)
- Higher bifacial gain and better cooling
- Wider aisles for the same GCR

Industrial Division

Services to support photovoltaic plants

Soltec offers all the necessary services to make each project a reality, offering a personalised and complete service, which includes advice on matters such as: orientation, logistics, training, commissioning, installation and operation and maintenance.

What are the services offered by Soltec in your industrial business?

Project engineering

Design optimised by the manufacturer to maximise the peak product performance for each project.

On-site services

These include guidance on plant installation, logistics, training, commissioning, installation, and operation and maintenance.

Solhub

The service includes the Solhub warehousing and logistics system, which delivers the tracker components to the project location in the agreed deadlines without intermediary companies.

Installation

Installation and assembly of the industrial equipment in compliance with the established deadlines.

Commissioning

Soltec offers the plant commissioning service, the proper control of the solar trackers of the project by specialised engineers.

BoP construction (balance of plant) and EPC (engineering, procurement and construction) services

Comprehensive plant construction services with possible procurement management of the main equipment.

Solmate (aftersales service)

Soltec's customer service through a new platform for comprehensive management of warranty, care, operation and maintenance of the plants.

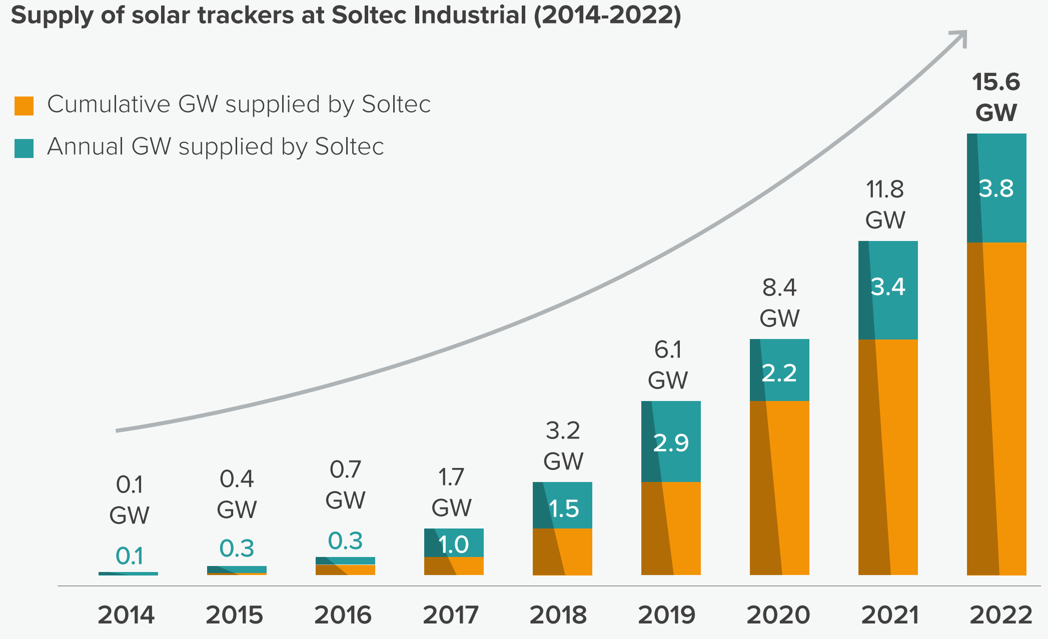
Solteach Pro

This is the complete training programme for the design and installation of photovoltaic plants equipped with Soltec solar trackers. This professional programme is aimed at solar industry companies and workers specialising in designing and installing solar trackers in large-scale photovoltaic projects.

Results of Soltec Industrial

Since 2014 Soltec has supplied more than 15.6 GW worldwide, having supplied 3.8 GW of solar trackers during the 2022 financial year, making it one of the leading solar tracker suppliers globally.

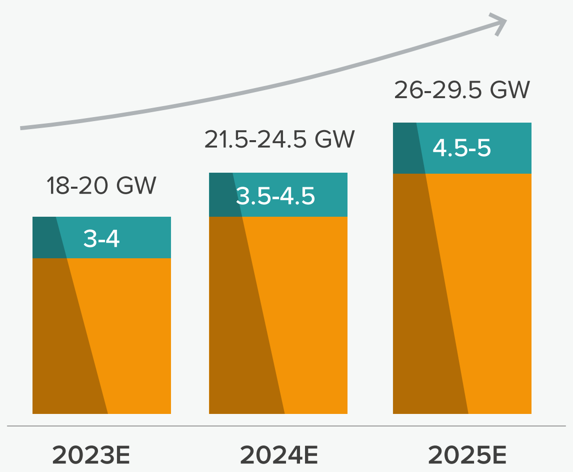
Supply of solar trackers at Soltec Industrial (2014-2022)



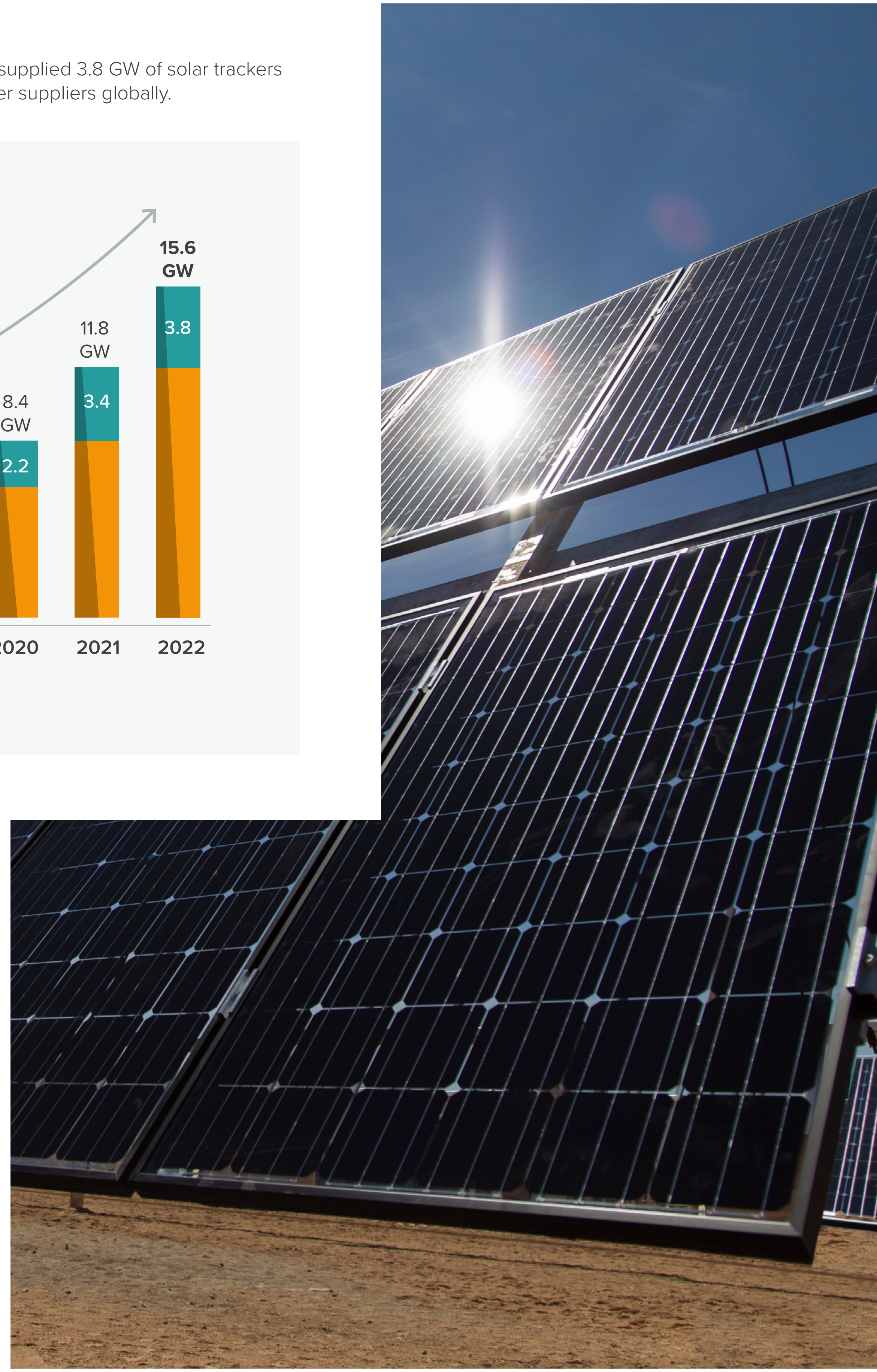
Source: Company

In its strategic plan, Soltec expects to reach 26-30 GW by 2025.

Expected supply 2023-2025



Source: Company CMD 2022



Industrial Division

Industrial division: strong demand and EBITDA margins

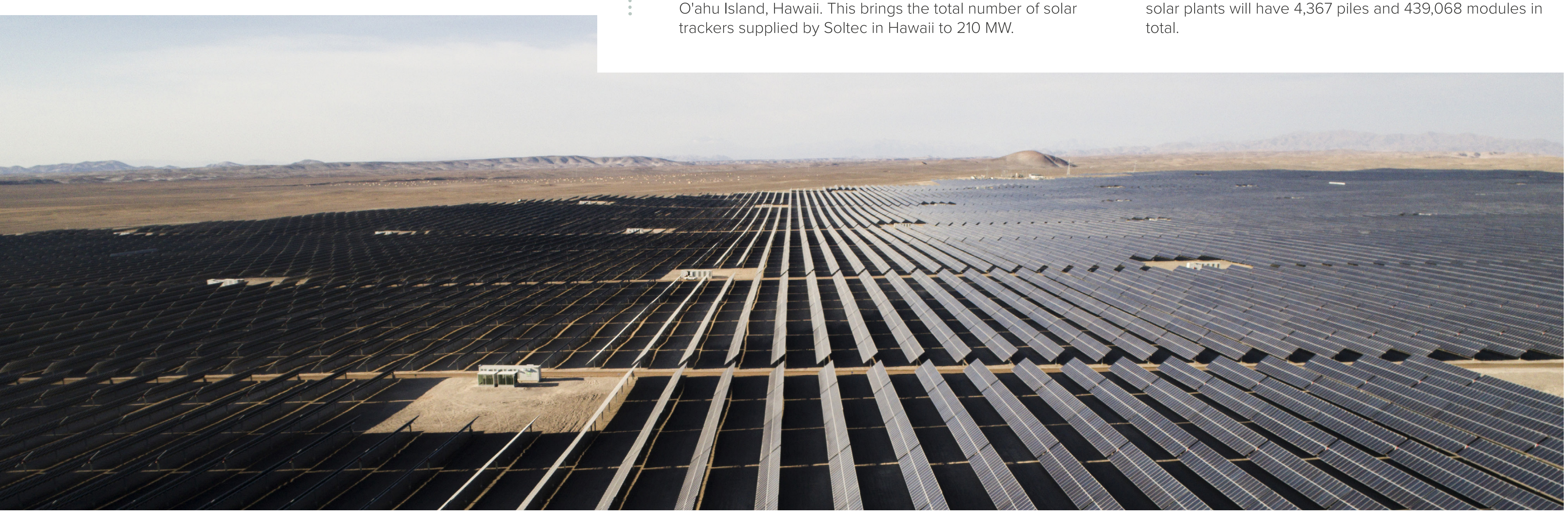
Main indicators in 2022

Operating indicators	2022	2021
→ Backlog of projects (MW)	1,231	1,726
→ Backlog of projects (€Mn)	252	250
→ Pipeline of projects (MW)	24,037	25,260
→ Pipeline of projects (€Mn)	3,637	3,067
→ Pipeline of projects representing the development division (% MW)	23.5	7.4
→ Pipeline of projects representing the development division (% €Mn)	51.9	28.5

Soltec Industrial: strength in demand for solar trackers

Demand for solar trackers is strengthening, with major supply contracts being signed globally:

- On 12 January 2022, Soltec signed an **agreement for the supply and commissioning of its SF7 tracker** with the Greek project development and construction company **Metka EGN** (Mytilineos Group), for 50MW in the province of Jaén, Andalusia. The solar plant will cover an area of approximately 63 hectares. The construction of this photovoltaic plant will prevent the emission of 30,000 tonnes of CO2 into the atmosphere per year. The installed capacity of the plant is also equivalent to the electrification of 28,000 households.
- In the United States, the Company continued to strengthen its position in the country through the services offered to customers, with important market players such as AES and Goldman Sachs Renewable Power. Notably, an agreement was signed for a portfolio of five **28 MW** projects in the state of New York, including the supply of **SF7 trackers and construction services**, and an agreement was signed for a 16 MW photovoltaic plant in Colorado, also including the supply of SF7 trackers and construction services. Furthermore, during the 2022 financial year, the **first project with SFOne trackers in the United States** was closed, specifically, **15 MW** in the state of New York, including construction services. At the end of the year, an **agreement was signed with AES to supply 56 MW of SF7 tracker** on O'ahu Island, Hawaii. This brings the total number of solar trackers supplied by Soltec in Hawaii to 210 MW.
- In **April 2022**, Soltec signed a contract to **supply and install its SFOne single-axis tracker in a 63.5 MW project** in the Setúbal district of Portugal. The solar plant covers an area of approximately 95 hectares. This is the Spanish company's first project in Portugal and the first plant in Europe to be equipped with its SFOne 1-in-Portrait tracker which, by reducing its height, also reduces the visual impact of the plant and blends in better with its surroundings. This project will have 1,083 solar trackers and more than 11,000 photovoltaic modules.
- Additionally, in April 2022, Soltec delivered its **single-axis SF7 tracker to two projects in Chile with a total of 238 MW.** This project, owned by Chile's AES Andes, will have a total of 5,227 solar trackers. With this project, Soltec now has more than 2 GW of projects supplied and installed in the country. During its almost eight years of experience, Soltec has supplied and installed several projects in areas with extreme locations such as the Atacama Desert and has been a pioneer in the installation and adaptation of bifacial technology in solar tracking systems. These projects will prevent the emission of 491,178 tonnes of CO2 into the atmosphere. In addition, the construction of these plants will make it possible to generate electricity to supply 77,290 households. The solar plants will have 4,367 piles and 439,068 modules in total.
- **Soltec and Total Energies signed a collaboration agreement with the Red Cross** in July 2022 for the installation and maintenance **of a 22 KW solar photovoltaic self-consumption plant** at the regional headquarters of the voluntary humanitarian institution in the Region of Murcia. It will contribute to reducing the charity's electricity bill and also its environmental footprint, as it is estimated that it will avoid the emission of 350 tonnes of CO2 over its useful life. The agreement will have a duration of 4 years and is part of the actions for environmental improvement promoted by the solar photovoltaic plant project "Luminora Solar Dos", developed by TotalEnergies and Soltec in Murcia, with an estimated capacity of 200 MW.
- **A strategic agreement on 28 November 2022** with Endesa's renewable subsidiary, Enel Green Power España, for the creation of a solar tracker manufacturing centre in Andorra, Teruel. Thanks to this agreement, Soltec will be able to supply the solar trackers for the more than 1.2 GW of photovoltaic energy to be developed in Teruel, from projects of varying significance that have gained access to the grid in the Nudo Mudéjar and that will be key for the future of Andorra. This is one of the most important renewable projects in Europe and, given the current macroeconomic and geopolitical context, there is an urgent need to locate production centres in the European Union. For Soltec it is very important to strengthen local production and in this sense, the new factory in Teruel promotes production capacity at national level and contributes to enriching the industrial fabric of the region and the country. This centre will create 40 permanent jobs and will use the premises and facilities of the former thermal power plant, which will make it possible for us to contribute to the creation of employment as well as to the economic development of the area.
- In Brazil, Soltec signed an **agreement with Canadian Solar and SPIC in December 2022 to supply 738 MW of its SFOne tracker** in two projects in Brazil. One of the solar plants is located in the state of Piauí and the other in Ceará. Work will begin in mid-2023. With the supply of these two solar power plants, Soltec continues to strengthen its position in the Brazilian solar market and now has a track record of 4.6 GW in the country. The Company is the industry leader in Brazil, with a local manufacturing centre and an office located in the state of Bahia. In this way, Soltec continues to contribute to the local economy and to local procurement as dictated by the ecovoltaic principles promoted by the Company.



The photovoltaic project development division

The division responsible for the development of photovoltaic projects, called Soltec Development, develops its projects in a sustainable manner. The development division has focused on the development of projects from greenfield to ready-to-build. The activities carried out by this division include the processing of the administrative authorisations required for the project.

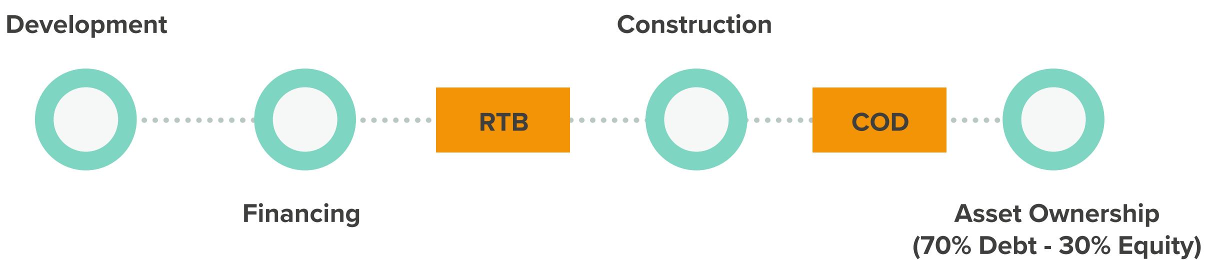
Soltec Development:

- **Development of solar projects** from inception to ready-to-build.
- 14.1 GW pipeline in **Spain, Italy, Brazil, Colombia, Colombia, Denmark, Mexico, USA and Romania.**
- **2 GW of assets rotated** between 2020 and 2022 located in Spain and Italy.

Project development:

1. **Early stage development**
2. **Permits**

The development cycle of a photovoltaic plant is as follows:

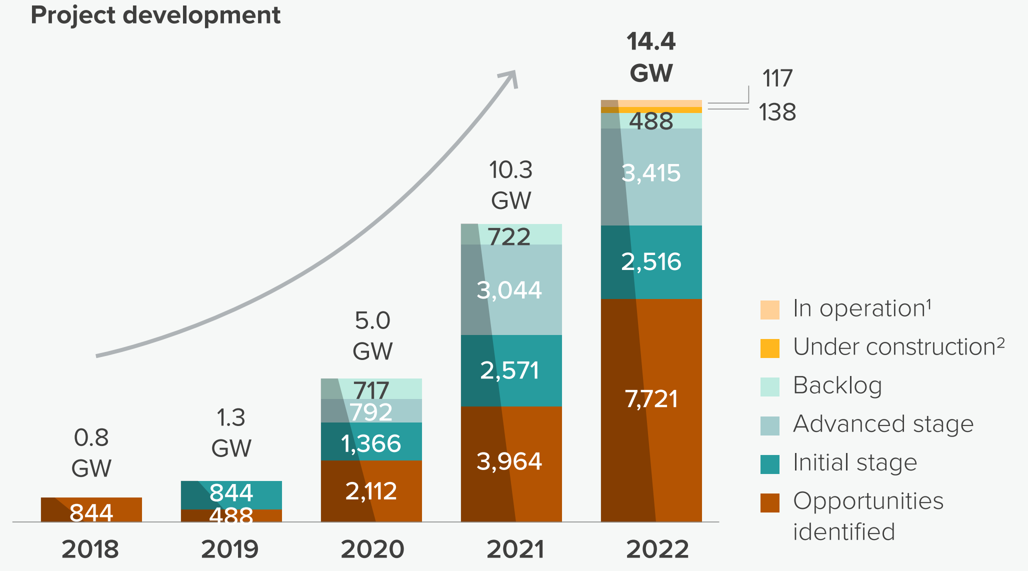


Key operational indicators in 2022

Indicator	2022	2021
→ Pipeline of projects (GW)	14.4	10.3
→ Backlog of projects (MW)	743	722
→ Projects at advanced stage (MW)	3,415	3,044
→ Projects at early stage (MW)	2,516	2,571
→ Opportunities identified (MW)	7,721	3,964

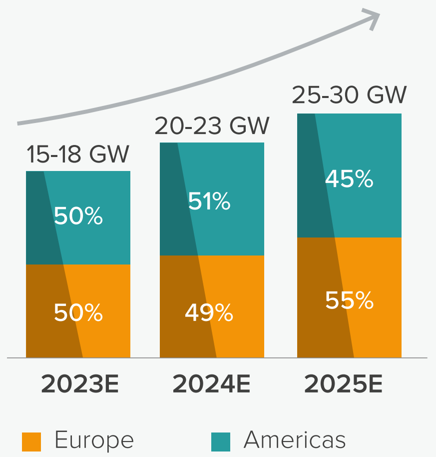
The pipeline of projects under development continued to progress, reaching 14.4 GW at year-end.

Project development



1. 5 MW under operation in Spain with 35% ownership and 113 MW under operation in Brazil.
2. 138 MW under construction in Brazil and in Spain (20 MW with 35% ownership).

The expected evolution of the pipeline with a 2025 horizon is as follows:



Source: Company

During 2022, the project development division has rotated 372 MW of its asset portfolio in Italy and Spain, recording an EBITDA in FY2022 of EUR 6.2 million.

The development carried out by Soltec is highly differential in the market, and has numerous competitive advantages:

- **Full in-house development of projects** with its own capabilities, using the industrial services of the industrial division, as well as construction services.
- **Experienced global team:** Soltec employs more than 85 people who contribute to achieving its development objectives without resorting to M&A.
- **Contained development costs thanks to synergies with other divisions of the Company.**
- **Origination capacity in markets with high solar radiation and expected growth.**
- **Agreements with Tier 1 partners** (Total, Aquila, ACEA).

All this is carried out in accordance with the values of efficiency, excellence, respect for the environment, integration of local communities and job creation. This development strategy has made it possible to create differential value through the implementation of the concept of an Ecovoltaica system.

Development division

Evolution of the project development division by country

	Market	Portfolio	Milestones	Strategy
SPAIN	Spain is an area that stands out for the amount of installed capacity and future potential developments. Public authorities are developing simplified procedures for project development. There is intense competition for grid connections, as well as a lack of land for future development.	Spain's portfolio totals 2.3 GW, including 5 MW in operation, 25 MW under construction and 830 MW at an advanced stage. In addition, it has 708 MW in the initial phase and 782 MW as identified opportunities.	• Operation of La Asomada (4.5 MW), the Company's first project in operation. • Start of construction of La Isla (4.5 MW), Los Valientes (13.9 MW) and Totana IV (5.5 MW), all located in the region of Murcia. • Agreement with Total for the development of 468 MW. • Total rotation of 32 MW in December.	The Company is committed to focusing on medium-sized markets with continuous growth in the short term, as well as to achieving a differentiated positioning with new projects related to green hydrogen.
ITALY	In Italy, the presence of renewable energy is being increased throughout the country to boost the energy transition, where projects have been launched to obtain construction permits on an accelerated basis. There is strong development in the southern regions with significant growth in demand. There are great opportunities for agri-voltaic and photovoltaic projects on industrial land.	In Italy, Soltec has a strong position with a pipeline of 3 GW. It is important to highlight that more than 2,277 MW are at an advanced stage of development. The rest of the portfolio includes 370 MW at an early stage and 325 MW classified as opportunities identified.	• Agreement with Aquila Capital for the development of 1.2GW. • In 2022, an agreement has been signed with ACEA for the development of 340 MW.	The strategy in Italy is based on continued growth in industrial land projects, with a focus on small and medium-sized projects in new regions. It is committed to maintaining the strong competitive position Soltec enjoys in the country, extending the agri-voltaic concept to all projects.
BRAZIL	Brazil is a high-volume market, but with low margins, so increases in investments significantly affect the viability of projects, despite good prospects for solar capacity increases in the coming years. There are a significant number of greenfield developers with low to medium quality development. Competition is limited to the "investment-ready" segment, however, return expectations are high, so demand and willingness to pay a high price depend on external macroeconomic factors.	Brazil is a major market for Soltec in terms of portfolio size (6.8 GW), with 112.5 MW in operation, 112.5 MW under construction and 488 MW in backlog. The rest of the portfolio is distributed as 173 MW in advanced stage, 1,438 MW in early stage and 4,525 MW as identified opportunities.	• Entry into operation of Pedranópolis (São Paulo), with a capacity of 112.5 MW. • Construction of Araxá (Minas Gerais) with a capacity of 112.5 MW, which came into operation in February 2023.	The strategy in the country focuses on a high volume of internal development, with full technical and commercial development of "investment-ready" stocks. The strategy of vertical integration of Soltec's different businesses is key in this region, with co-creation projects. Diversification is being pursued through the search for local partners for asset rotation.
DENMARK	Denmark is a mature wind market, both onshore and offshore, with PV at an early stage. The main development processes are now under the control of the government, which has recently increased the country's renewable energy targets for 2030 to more than 15GW.	Soltec Project Development has a 2022 pipeline of 691 MW of identified opportunities that will help boost the development of agricultural activity by partnering with local companies.	Thanks to its strategy of cohesion, effective costs and co-existence between agricultural production and energy production, Powertis has established itself as one of the developers with the most medium-term socio-economic impact. This enabled it to make positive progress with the municipalities and network operators in developing its project portfolio, achieving the first milestones born out of that development.	Soltec's short-term objectives are to continue to supply and grow the portfolio, to develop all internal capabilities (environmental, interconnection, etc.). All this with a focus on agri-voltaic projects with a strong competitive advantage. The long-term goal is to achieve "ready-to-build" for more than 500 MW by 2025, considering the acquisition of early-stage projects.
COLOMBIA	Colombia is a very early stage market with a heavy reliance on hydropower and coal. The administration has increased renewable energy targets and reformed the interconnection process. Government-organised energy auctions and recent changes in market regulation have made Colombia a strategic country for the Company's growth.	The pipeline in this market includes 135 MW at an advanced stage, corresponding to a project won in a public power auction and a PPA agreement and 625 MW of identified opportunities.	Entry into the market came after winning an energy auction in 2021, with an award of 100 MW, which accounted for 12.5% of the total auction held by the Colombian government. In this regard, the project is expected to be in "ready to build" status by 2023.	The Company's strategy in the country is based on two basic pillars, pure greenfield development and the acquisition of early stage opportunities. The long-term goal is to achieve ready-to-build projects of more than 500 MW.

Development division

NEW MARKETS IN 2022	Market	Strategy
EEUU	As the second-largest solar market in the world, photovoltaics accounted for almost half of all new electricity generation capacity in the USA. There is strong public and corporate interest in energy transition, phasing out fossil fuel installations. The US is boosting robust local solar panel manufacturing and limiting reliance on Chinese-made equipment.	Gradual entry into the country. The Company is currently awaiting final guidance from the IRA to assess the market.
MEXICO	The Mexican market is at a standstill due to domestic opposition to certain renewable projects. Several companies have exited the market, but the market is expected to recover. There are great opportunities for development as a result of energy shortages in general, where certain areas require access to new power plants in order to continue their growth.	Soltec is committed to a strategy based on greenfield development, adjusting to different market growths. Growth in this market depends to a large extent on the regulatory environment.
RUMANIA	Market at a very early stage in PV projects, with significant dependence on coal. It is a market where the energy market is undergoing major reforms to bring it into line with EU regulations.	

Development division

Ecovoltaica as a differential element for the sustainable development of photovoltaic plants

The photovoltaic plants developed under the Ecovoltaica concept are characterised by creating sustainable PV plants with the minimum environmental impact and the greatest social benefit based on four key pillars:

Biodiversity protection

Ecovoltaica promotes respect for the biodiversity of the environment, encouraging solar plants to be located in places with low environmental impact through landscape integration, the incorporation of native vegetation and the recovery of fauna and flora.

Circular economy

Soltec is committed to a circular economy, with intelligent management of the waste produced during the construction and operation of the plant in order to reduce, reuse and recycle it. Also, through the control of soil and water pollution.

Socio-Economic Excellence

Under its Ecovoltaica criteria, Soltec undertakes to boost socio-economic excellence in the areas where the photovoltaic projects are located, promoting the creation of local jobs, prioritising contracts with local and regional suppliers and acting as a driving force for the economy. It also promotes agreements with local farmers and beekeepers to create synergies with rural life.

Carbon footprint offsetting

Through Ecovoltaica, solar plants would be eligible for certification as an emission-neutral project, thanks to initiatives such as planting vegetation on site and through participation in local reforestation projects.

The objective is to contribute to the 17 Sustainable Development Goals (SDGs) adapted by the United Nations, finding in each of these four principles numerous actions with development potential and measurable application and adapted to the characteristics of each project. Annex II contains a list of actions for each of the guiding principles.

Soltec seeks to generate a positive impact of the photovoltaic plants, acquiring the commitment to incorporate Ecovoltaics in all projects under development. In this respect, Soltec tries to implement as many ecovoltaic actions as possible. The application of each of the ecovoltaic measures varies depending on the characteristics and needs of each plant and its setting, as well as the country and the market. For example, there are plants where it is possible to align photovoltaic power generation with good farming practices in what is known as "agri-voltaics", enabling the combined use of the land on which the plants are located for simultaneous power generation and agricultural uses.

In addition, it always seeks to prioritise the integration of the local community (local authorities, inhabitants, associations, etc.), during the entire development process, with the aim of responding to their needs and socio-economic concerns. For this reason, boosting employment and training in neighbouring communities, contracting local suppliers and fostering the circular economy are key elements in organising the plant.

Development division

CASES OF ACTUAL IMPLEMENTATION

Colombia

Throughout the implementation of the project Soltec is developing in the LOMA, the Company has organised various activities, including talks and training on environmental protection, management and care of the local flora and fauna. These activities involved a total of 914 of the Company's employees.

In addition, Soltec, in keeping with its commitment to society and local communities, has conducted training activities in schools for a total of 150 children, who learned first-hand about the importance of photovoltaic projects in the country, as well as the opportunity to enjoy talks on education in the care and protection of the environment.

Meanwhile, a large amount of the waste generated has been revalued, especially wood, where more than 400 kilos were reused as furniture on the construction site or donated for the creation of organic fertiliser. At the same time, environmental talks and campaigns were held for project staff and the local community in general.

Spain

During the construction and development phases at national level, Soltec has maintained its commitment to training not only its workers, but also the local communities where Soltec projects are located. For example, in the projects located in Trujillo and Torrecillas, it has provided training on the assembly of trackers and solar panels to more than 40 people, promoting growth and development in the municipalities in which it operates, finally hiring 27 of the people participating in the training.

The Company also combines its photovoltaic activity with its commitment to the environment, as evidenced by its agreements with local councils to train personnel, emphasising the recycling of materials in photovoltaic plants and minimising the impact on society.

In order to help local communities and promote local employment, Soltec employs a high percentage of local and provincial staff, supporting local talent in the communities in which it operates. In the same way, Soltec focuses its efforts on the search for local and proximity suppliers as one of its priorities, as long as their capacity allows it.

Brazil

In Brazil, with a strong focus on the most vulnerable groups, Soltec has created the Social Communication Programme, with which it seeks to ensure access to relevant information on the SDGs, the environment and the contribution of solar energy, through newsletters, talks and advertising campaigns, thus enabling and encouraging the participation of all local community players involved in the project.

Accordingly, in the case of Araxá, awareness campaigns have been run and visits to local residents made to raise awareness of the sustainable use of natural water resources, as well as developing initiatives related to the conservation of the environment.

In Pedranópolis, in addition to the awareness campaigns on environmental protection, paper and plastic have been donated to the municipality through the Municipal Programme for Participatory Environmental Recycling, which has enabled five families in the area to obtain benefits from the sale of this material. Wood has also been donated for the making of furniture and other constructive elements in the local population.

Asset management division

During the 2022 financial year, Soltec created a new business line dedicated to the investment, management and operation of assets, Soltec Assets.

Through this new division, it is expected to obtain an additional revenue stream from the sale of energy that provides recurrence, strength and stability to the Company, as well as mitigating existing risks in the value chain through geographic and business diversification.

This new area will allow the Company to differentiate itself from its competitors and maximise the value of its projects by becoming a major vertically integrated IPP (Independent Power Producer) in the renewable energy sector.

Through the asset management division, Soltec enhances its value proposal based on five pillars:

Asset sales policy: sales of majority or minority stakes in projects in operation or under development will allow Soltec to accelerate value creation and realise initial profits, while raising capital for reinvestment in growth. Of particular note is the agreement with Total in Spain (468 MW, 65% stake per project sold) and Aquila in Italy (1,338 MW, 51% stake per project sold).

Solvency and financial discipline: strict and recurrent control of the risk-adjusted profitability of each project, focusing on cash flow generation on the basis of a strong balance sheet position. Growth in profitability and capacity will benefit the Company, thanks to the value created by adding new capabilities to the operating portfolio.

Change of business model "establishment as an IPP platform": Soltec has a proven 360° pure developer model and is looking to become an independent power producer (IPP) by capitalising on its development portfolio.

Financial leverage: the transformation to an IPP platform gives importance to financial leverage in terms of asset development, long-term financing and returns on capital.

Economies of scale: Soltec Assets benefits from the industrial division in terms of synergies between the two:

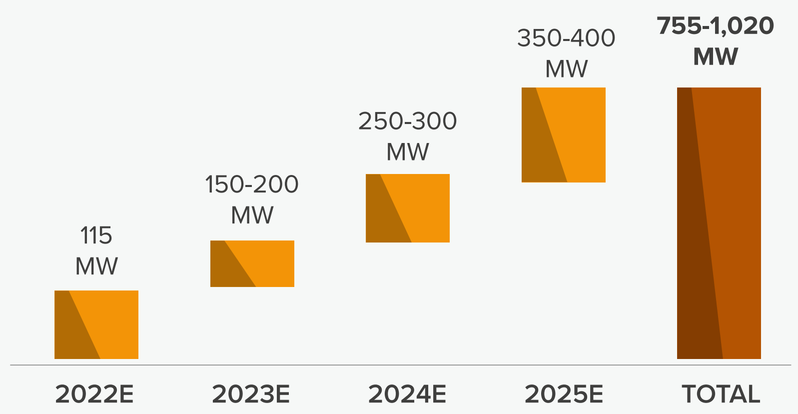
- Operating leverage
- Global Procurement
- Cost rationalisation

Accordingly, Soltec Assets will be nourished by the projects developed by Soltec Development. This division will develop the projects until RTB (Ready-to-build) and then sell them to a third party, or to the asset management and operation division (Soltec Assets), which is expected to have a portfolio of close to 1 GW by 2025. These assets, which will remain owned, will be located mainly in Europe (Spain, Italy) and Brazil. In addition, the new division will use Soltec Industrial's solar trackers and construction services.

According to the Company's Strategic Plan, this division is expected to generate revenues of between 30 and 40 million euros by 2025.

At the beginning of the 2023 financial year, to accelerate the growth of this division, Soltec announced the signing of a EUR 100 million financing agreement with the credit fund advised by Incus Capital to finance Soltec Assets. This ensures the construction and commissioning of part of the projects in the development division's portfolio.

Forecast of evolution of the Soltec Assets portfolio



There are currently 117 MW in operation corresponding to two projects in Spain and Brazil, and the Company has 138 MW under construction in Brazil, corresponding to the Araxá project (Minas Gerais, Brazil), which will be connected to the grid in the first months of 2023, and 5 MW in Spain, which will be completed by the end of 2023.

División de gestión de activos

Soltec Assets main projects

La Asomada (Murcia, Spain)

The photovoltaic solar plant La Asomada, located in Cartagena, Murcia, has a surface area of 8.6 hectares and a capacity of 4.5 MW (of which 35% is owned). The plant came on stream in the second quarter of 2022. The new solar park will supply energy to approximately 2,200 households, avoiding the emission of 70,000 tonnes of CO_2 into the atmosphere during the lifetime of the park. Moreover, it does so with respect for the environment, through the clearing of the plant by a flock of 200 sheep, which benefits both the ecological impact of the facility and the agricultural and livestock environment.

Pedranópolis (São Paulo, Brazil)

In the third quarter of 2022, the first PV plant in Brazil was connected in Pedranópolis (São Paulo) with an output of 112.5 MW. The project will enable the annual electricity supply of around 115,000 households and avoid the emission of approximately 175,000 tonnes of CO_2 into the atmosphere per year. The plant has 210,000 solar panels and 3,750 Soltec SFOne trackers.

(Video of the construction of Pedranópolis)

Araxá (Minas Gerais, Brazil)

The Araxá solar photovoltaic plant in Minas Gerais (Brazil) has a capacity of 112.5 MW and will come into operation in the first months of 2023. The project will enable the annual electricity supply of around 115,000 households and avoid the emission of approximately 175,000 tonnes of CO_2 into the atmosphere per year

(Video of the construction of Araxá)

La Isla (Murcia, Spain)

In 2022, Soltec started construction of the La Isla solar PV plant with a capacity of 4.5 MW (of which it owns 35%), which is expected to be connected by the end of 2023. The plant will cover an area of 160 hectares and will be able to power an average of 330 homes in one hour.

Los Valientes I & II (Murcia, Spain)

In the last quarter of 2022, Soltec started construction of the Los Valientes I and II solar PV plant, located in Molina de Segura (Murcia), which is expected to reach COD in the last quarter of 2023.

Totana IV (Murcia, Spain)

Soltec has started the construction of the Totana IV photovoltaic plant, located in the municipality of Totana in Murcia. It is expected to reach COD in the first quarter of 2024.

In operation | Under construction

2.2 Material aspects

Soltec assesses materiality issues by considering the importance of economic performance, expansion of operations and territorial presence and stakeholder relations, as well as engagement in social and environmental issues.

The analysis was based on the list of sustainability aspects suggested by the GRI. In addition, other relevant aspects for both the Company and its stakeholders were included. These were identified through benchmarking other companies in the sector, internal interviews, press analysis, sustainability index requirements and analysis of other internal Soltec documentation, etc.

Soltec has prepared a materiality analysis in which it identifies its “material” aspects. According to GRI, material aspects are those which may generate (positive and/or negative) impacts of an economic, environmental and social nature for the environment and its stakeholders. The materiality of these aspects will be greater when:

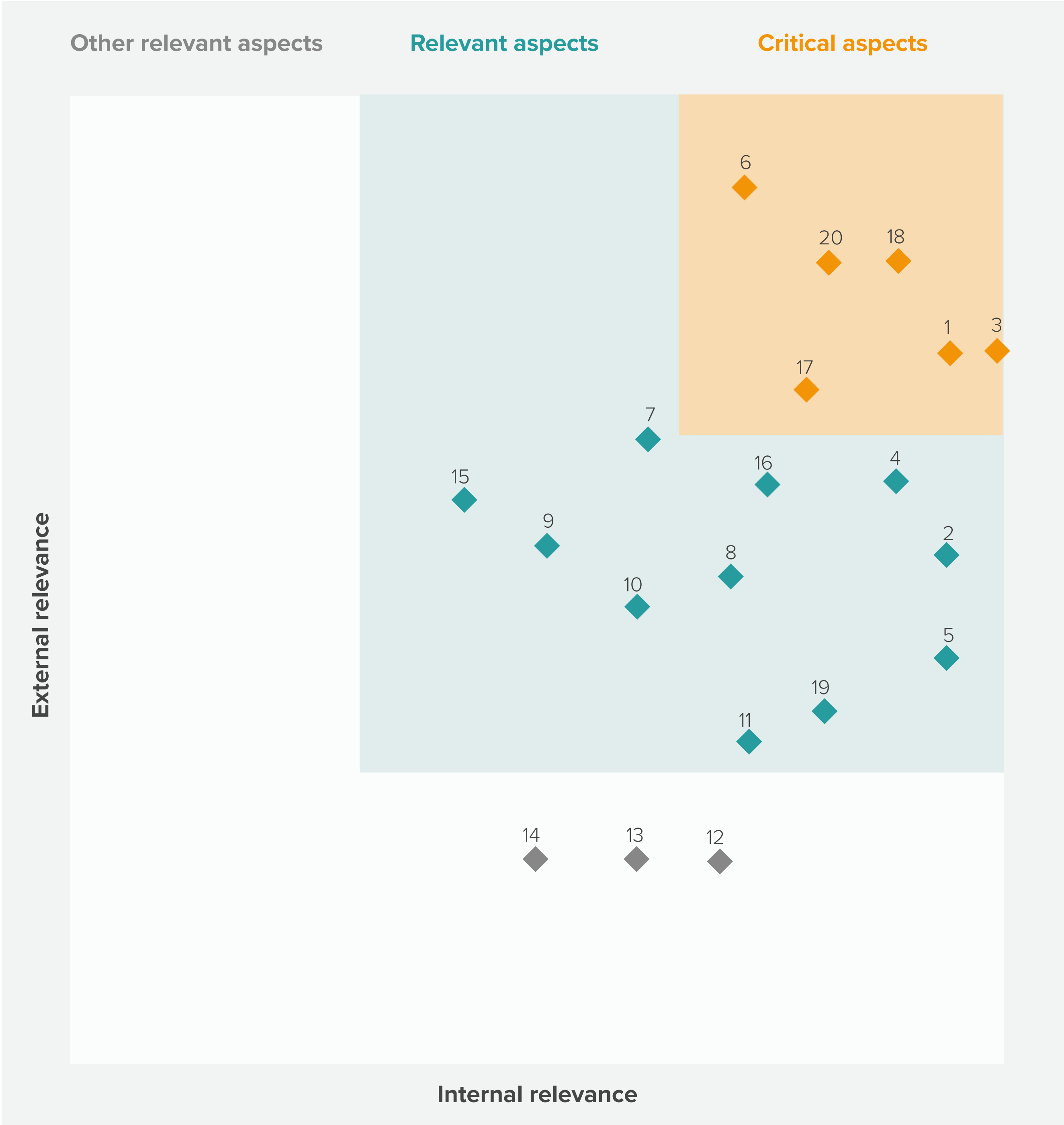
- the impact on the Company's ability to carry out its strategy and operations (the horizontal axis of the matrix) is greater.
- the influence they have on the decisions/assessments that stakeholders make about the Company (vertical axis of the matrix) is greater.

The analysis was based on the list of material aspects included in Law 11/2018 on non-financial information and diversity, complementing it, where appropriate, with the requirements set out by GRI. In addition, other relevant aspects for both the Company and its stakeholders that have been identified in the different sources considered in the analysis have been included.

The materiality of each of the sustainability aspects of interest to Soltec was then assessed, and the results were recorded in a dual-axis materiality matrix:

- **horizontal axis:** this shows the relevance each aspect could have with regard to Soltec's ability to implement its strategy and operations.
- **vertical axis**: this shows the relevance that each aspect could have with regard to stakeholders" decisions/assessments of the Company.

The following figure represents the material aspects for Soltec according to the findings of the analysis:



No.	ASPECT
1	Contribution to energy transition and the deployment of renewable energies
2	Continuous commitment to innovation in the products and solutions provided to our customers
3	Regulatory environment and new regulations
4	Differential business model
5	Attraction, development and retention of human capital
6	Contribution to the development of local communities
7	Ethics and integrity in all our operations
8	Good governance and transparency
9	Health and safety of our employees
10	Increasing market visibility and communicating the business plan to investors
11	Excellence in our products and services
12	Strategic alliances to support business development and company growth
13	Management of cash conversion cycles
14	Collaboration with new customers that add value to the business
15	Diversity and equal opportunities
16	Reduction of the carbon footprint in our operations
17	Promotion of the circular economy and efficient resource management
18	Minimised impact on land and biodiversity
19	Responsible supply chain management
20	Financing

The sub-themes identified by Soltec for each of the material aspects are as follows:

1. **Contribution to the energy transition and the deployment of renewable energies:** approval of policies and agreements at national and international level that promote energy transition, the contribution of companies in the photovoltaic sector to the achievement of the objectives of these policies and the expansion of distributed generation and the importance of having a presence in the reference markets in the solar tracker sector in the coming years (Spain, Australia, Brazil, Mexico and the United Arab Emirates).
2. **Continuous commitment to innovation in products and solutions provided to our customers:** Soltec's differential value, present since the birth of the Company and which has enabled its survival and current success, Soltec Innovations, the Company's investment effort in R&D&I for the development of new solutions and priority in the digital transformation of the Company and its processes.
3. **Regulatory environment and new regulations:** ability to adapt to a changing framework, identification of regulatory risks and new regulations applicable to the construction of photovoltaic farms.
4. **Differential business model:** existence of an integrated and sustainable long-term business model offering services along the entire value chain, presence of local teams in the geographies of operation, development of customised solutions for customers, economies of scale and promotion of vertical integration.
5. **Attraction, development and retention of human capital:** updating the recruitment process to encourage the hiring of new profiles, the existence of internal bodies that supervise the training and participation of employees, the development of own scholarships that encourage the attraction of young talent, the establishment of positive impact programmes designed to increase employee satisfaction (wellbeing programme), the existence of multiple internal communication mechanisms with employees, the promotion of work-life balance and the development of employee performance appraisal programmes.
6. **Contribution to the development of local communities:** contribution to the development of rural areas where projects are rolled out by hiring and training people and raising awareness of local communities regarding the importance of renewable energies, specifically through the concept of ecovoltaics, active listening to the needs of local communities located in Soltec's areas of operation, development of corporate volunteering initiatives to support the local community (improvement of the local environment, attention to needs, etc.), creation of its own Foundation to channel all initiatives in the framework of CSR and commitment to dissemination and education in the field of renewable energies.
7. **Ethics and integrity in our operations:** scrupulous compliance with current legislation, development of a compliance management system in accordance with the most demanding standards in the market, covering criminal and tax matters, the existence of communication mechanisms for reporting incidents and specific risk analysis at country level accompanied by the development of policies to mitigate them.
8. **Good governance and transparency:** development of the governance model to adapt it to the requirements of investors and the market, with reporting on the Company's ESG performance as a key action to reinforce transparency in activities.
9. **Employee health and safety:** promotion of a preventive culture among all employees, technical and practical training for workers and launch of campaigns for prevention and improvement of employee health and health management, development of numerous actions to prevent the impacts of COVID-19 on employees and operations.
10. **Increased market visibility and transmission of the business plan to investors:** communication of the Company's strategic plans, dialogue with different relevant market players to explain and contextualise the Company's situation and the tools available to mitigate potential impacts, holding roadshows for investors, increasing the number of analysts covering the Company and increasing visibility as a key player in the sector.
11. **Excellence in our products and services:** product performance according to customer criteria, existence of quality certifications of the product portfolio, supervision of the development process of products commissioned to third parties to ensure their quality, accessibility and transparency of information, measurement of customer satisfaction through surveys and knowledge of the main demands of customers through various communication channels.
12. **Strategic alliances to support business development and the Company's growth:** presence in national and international forums related to the Company's activity, development of collaborations with partners for product integration, participation in sectoral organisations to actively contribute to defending the interests of the sector and promote the Company's criteria in the development of public policies.
13. **Management of cash conversion cycles:** control of working capital, ability to meet payment commitments and participation in projects with positive cash flows from the outset.
14. **Collaboration with new customers that add value to the business:** creation of solid alliances with key players in the sector, generation of value through large-scale projects and greater presence in other countries.
15. **Diversity and equal opportunities:** development of policies, plans and committees that specifically address this issue, economic valuation of jobs to ensure non-discrimination, existence of a trained equality officer in the workforce and presence of women in committees and bodies of the Company.
16. **Reduction of the carbon footprint in operations**: initiatives for more sustainable management of energy consumption in operations (consumption of renewables and energy efficiency measures) and promotion of electric mobility.
17. **Promotion of the circular economy and efficient management of resources:** use of raw materials with a high percentage of reuse (steel), reuse of surplus building materials (wood or cardboard) in projects and increasing the useful life of assets.
18. **Minimisation of impacts on the land and biodiversity:** compliance with legal requirements necessary for the operation, including environmental impact studies, compliance with environmental clauses required by customers, reduction of the ecological footprint and the impact on project biodiversity.
19. **Responsible supply chain management:** inclusion of environmental and social clauses in supplier contracts, supplier monitoring procedures to ensure alignment with Soltec's strategy and global supply chain disruptions and delays.
20. **Financing:** long-term financing mechanisms, cost of activated and potentially activatable financing mechanisms and alternative financing models and mechanisms.

Soltec is working to integrate dual materiality as part of its strategy, identifying issues that have an impact on the value of the Company, society and the environment.

The European Commission's Corporate Sustainability Reporting Directive (CSRD) requires companies to report on sustainability in a consistent and comparable manner, in line with the EU taxonomy, and to carry out a dual materiality assessment.

Dual materiality is also part of the standards of the Task Force on Climate-Related Financial Disclosures (TCFD); the Sustainability Accounting Standards Board (SASB); the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI), among others.

Soltec has started to work on this approach as a determining element of its strategy and decision-making, based on a two-fold perspective:

- On the one hand, the **impact on the value of the Company** ("financial materiality" or "inward impacts"): a sustainability issue is material if it causes or may cause significant financial effects, i.e. if it generates or may generate significant risks or opportunities that influence or may influence future cash flows—and, therefore, value—in the short, medium or long term.
- On the other hand, **impacts on society and the environment** ("environmental and social materiality" or "outward impacts"): a sustainability issue is material if it relates to actual or potential significant impacts on people or the environment in the short, medium or long term, including impacts directly caused or contributed to by the organisation through its own operations, products or services, as well as impacts that are directly related to the value chain.

The dual materiality analysis is focusing on four steps: identification and updating of key issues; assessment and prioritisation; stakeholder engagement; and monitoring and validation of the process.

Soltec has started from the material aspects indicated above, which are being validated and expanded based on the Company's context, particularly relevant sources such as reporting standards, new regulations and issues raised by our stakeholders, such as investors.

Dual materiality consists of explaining why issues are relevant from a social and environmental and/or financial impact perspective. Accordingly, potentially material issues identified in the first step will be analysed for weighting and prioritisation from both perspectives.

The importance given by stakeholders to each of the issues will then be collected and the results will be presented to the internal bodies responsible for monitoring and operational management.

The material issues and impacts defined through this process will provide crucial information to identify financial risks and opportunities related to impacts on the organisation.

2.3 Sustainability management

Sustainability is a strategic priority for Soltec, being aligned with the definition of the United Nations, understanding sustainable development as meeting the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development has emerged as the guiding principle for long-term global development seeking to achieve a balance between economic development, social development and environmental protection.

In line with this vision, Soltec is committed to sustainability management based on ESG (Environmental, Social and Governance) aspects, favouring the energy transition with sustainable products and through the development of projects under the concept of "Ecovoltaics", which seeks to minimise the environmental impact and maximise the contribution to the development of society through ethical, transparent and responsible management.

Soltec's corporate purpose is to "create a cleaner, more sustainable and fairer world through energy" and, under this premise, the products and services provided 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 2022

- **Reporting:** publication of a sustainability report, unifying it under the GRI and SASB standards.
- **Taxonomy:** measurement of the degree of eligibility and alignment of Soltec's activity according to the EU taxonomy.
- **Sustainability indices:** assessment and monitoring of the main international indices on aspects of environmental responsibility.

Objectives 2023

- **Publication of the first integrated report of the Company**, formulated by the Board of Directors of the Company. With audited financial and verified non-financial information.
- Establishment of a scorecard for the monitoring and follow-up of the most relevant environmental, social and governance indicators, with **specific, measurable and traceable objectives in the short, medium and long term**.
- **Sustainability indices**: to guarantee the positions achieved in relevant indices in which Soltec is present and to analyse the possibility of adding others that may provide value-added to stakeholders.
- **Reinforce the sustainable corporate culture**, through training and internal communication in the Company in this area.

Sustainability management approach

Soltec aspires to be an agent of change in energy transition and to promote the use of renewable energies as a source of clean energy, contributing, thanks to constant innovation, to an emission-neutral economy and guaranteeing the sustainability of the environment and the production model in which it operates, in an ethical and transparent manner, based on the source of solar energy.

The Company is committed to conducting its business in accordance with a set of values, principles, criteria and attitudes aimed at achieving sustained value creation for its various stakeholders.

In this area, Soltec undertakes management as regards sustainability based on the recommendations of the Unified Good Governance Code of Listed Companies approved by the CNMV, such as approval of a sustainability policy, supervision of its compliance and disclosure of the information related to corporate social responsibility to the market.

Sustainability Policy

Soltec has a Sustainability Policy which was approved by the Board of Directors in the 2021 financial year, through which the Company undertakes to promote best practices in this area, integrating sustainability transversally in all its activities and in its business model. Soltec is convinced that efforts in this direction contribute to the generation of value both in the short term and in the long term.

Soltec's sustainability principles are established on the basis of its corporate values: consistency with its mission and vision, solidarity, solvency, transparency, accountability, social justice, customer focus, care for people, and the use of technology as a driver of change. These principles are described below:

SOCIETY

Soltec is committed to the wellbeing of the societies in which it is present, contributing in the geographical regions in which it operates to the improvement of local communities and ensuring the improvement of their quality of life.

INNOVATION

Is the cornerstone of Soltec's activity to achieve an efficient use of technology and to optimise resources, as well as their reuse.

GOOD GOVERNANCE

Ethics and good practice start from the highest governing bodies of the Company in order to transmit this leadership to the whole of Soltec.

ENVIRONMENT AND CLIMATE CHANGE

the environment is a priority for Soltec, as is the fight against climate change, in order to reduce the impact of the Company's operations, maximise the positive impacts of its activity and contribute to the reduction of emissions globally through the use of photovoltaic energy.

PEOPLE

Soltec is unwaveringly committed to the fight against child labour, respect for Human Rights and the protection and care of the people who work at Soltec, guaranteeing equality, diversity and equity in society, so as not to violate the rights of any group and to promote pride in belonging, respect and honesty in the relationships between our workers.

TRANSPARENCY AND DIALOGUE WITH STAKEHOLDERS

The Company assumes the duty to know and analyse the expectations of its different stakeholders, guaranteeing transparent, truthful and rigorous information. The Company has various communication channels available and accessible to inform, involve and maintain a continuous dialogue with its stakeholders.

Sustainability governance

In previous years, Soltec approved a Corporate Sustainability Policy whereby it undertakes to ensure that its activity promotes the sustained creation of value for employees, customers, suppliers and society as a whole. The responsibility for supervising sustainability management, as well as the evolution of the indicators and objectives set, falls to Soltec's Sustainable Development Committee, which was created during the 2020 financial year, and whose function, among others, is to supervise Soltec's strategy in ESG matters, compliance with corporate governance rules and internal codes of conduct, including the Sustainability Policy, as reported in detail in the Regulations of the Board of Directors. The Committee is made up of three members: a chairman and two ordinary members.

With a regular and direct report to this Committee, Soltec has an ESG Committee in charge of the development of the Sustainability Master Plan, as well as the supervision of its evolution and correct integration in all the Company's activities. This Committee is made up of members of the Management Committee, with the heads of the different departments being invited on an ad hoc basis depending on the topics to be discussed at each working session.

Transparency

On a recurring basis, Soltec provides information about its performance as regards sustainability, confirming its commitment to transparency with regard to its stakeholders. Its commitment to disseminating both internally and externally the Company's activities is a hallmark of the Company, in addition to its implementation of existing good practices in this respect.

Soltec therefore responds to Law 11/2018 on non-financial information by publishing the Non-Financial Information Statement (NFS) annually from the financial year 2018 onwards. In addition, during the 2022 financial year, the Company has started to publish an integrated report which unifies the information contained in both the Non-Financial Information Statement and the Sustainability Report that started to be developed in the 2021 financial year.

This new document contains operational and financial information, so that stakeholders can access all relevant financial and non-financial information.

We innovate and drive energy transformation

Soltec is working to strengthen its commitment to its stakeholders, working with specific and measurable objectives in the five impact areas that are the pillars of its Sustainability Master Plan: environment, innovation, talent, society and good governance.

For the Sustainability Policy to have a practical application, a master plan will be approved each year based on strategic lines on which the Company will focus its sustainability efforts, based on the following:

- The master plan is developed through a series of specific actions for each of its strategic lines, which will be supervised and coordinated by the sustainability committee and the ESG committee.
- The ESG committee is responsible for the development of the action plan and reports its progress and results to the sustainability committee at least twice a year.
- The master plan must include objectives on ethical behaviour, customer focus, environmental impact and climate change, sustainable supply chain management, digital trust, diversity and talent management and sustainable innovation, as well as specific actions on transparency and integrity and monitoring of the processes in place to ensure Soltec's ethics and responsible conduct.

The 2023 Sustainability Master Plan describes the main lines of action and measures established to foster a sustainable business model. Its major strategic lines are:

Net Zero:
the search for a positive environment.

Sustainable innovation:
promoting innovative and differentiating projects in energy transformation.

Good governance and transparency:
commitment to the implementation of best practices in this area.

Local economies:
commitment to a positive impact on the environment.

Our Energy, Our people:
people as a key element of the Company.

Commitment to external sustainability initiatives

Joining external initiatives is another of the lines through which Soltec wishes to deepen its commitment to sustainability and the adoption of best practices in ESG matters. In this area, it is worth highlighting its alignment with the United Nations Global Compact, through which the Company is committed to complying with its ten principles.

In addition, in line with another of the leading initiatives in the corporate world, Soltec has reaffirmed its commitment to contributing to achieving the 17 Sustainable Development Goals (SDGs). Accordingly, Soltec rolls out at least one initiative per year linked to each of the SDGs. Soltec, due to its business model and the sector in which it operates (renewable energies), contributes more directly to the SDGs listed below. However, it must be highlighted that the Company seeks to contribute to achieving the other SDGs by undertaking volunteering and social action initiatives (described in section '5.2 Commitment to local communities").

Soltec's outstanding contributions to the Sustainable Development Goals

7 AFFORDABLE AND CLEAN ENERGY

The demand for energy is growing and access to energy requires an energy transition to a clean, secure, affordable and sustainable model that addresses climate challenges and inequalities.

Soltec is convinced that the sustainable development of solar energy worldwide goes beyond producing renewable energy. They develop, innovate, design their products, build their projects and operate their plants with the ultimate goal of decarbonising energy both through their own projects and the solutions they provide to maximise photovoltaic performance.

Main indicators:

→ **Soltec Industrial:** supply of 15.6 GW of solar trackers worldwide since the start of operations.

→ **Soltec Development:** development of solar photovoltaic projects with a cumulative capacity of 14.4 GW.

8 DECENT WORK AND ECONOMIC GROWTH

The projects carried out by Soltec have a direct impact on the communities in which it operates through the hiring and training of local people. The Company also promotes human and labour rights in all its operations and value chain.

Main indicators:

→ Creation of more than 2,600 jobs by the end of 2022.

→ Spending 524.4 million euros on procurement and contracting, stimulating the generation of employment at its suppliers.

→ Contribution to the local economies of the countries where the Company is present through the payment of 68.8 million euros in salaries to its employees.

→ Assessment of the most relevant suppliers (360º, 180º and 90º levels) in terms of Human Rights through the GoSupply tool.

See section "3.4 Promoting responsible supply chain practices".

→ Signing of the "Sustainability Clause" by all suppliers, which requires a commitment to know and implement international human rights standards.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Innovation at Soltec is reflected in the launch of new, more economically and operationally efficient products, thanks to which Soltec is positioned as a pioneering company in the market. Innovation has been an inherent part of Soltec since its beginnings.

See section "2.3 Innovation, a key element of our differentiation".

Main indicators:

→ Creation of the subsidiary Soltec Assets, with the aim of completing its value chain and boosting the Company's vertical integration, in order to centralise all these R&D&I efforts.

→ Launch of new trackers that improve the economic and operational efficiency of existing technologies.

7 AFFORDABLE AND CLEAN ENERGY

Soltec has a sustainability master plan which includes actions such as promoting the use of sustainable transport for employee commuting and guaranteeing the renewable origin of the energy consumed by the Company.

Main indicators:

→ Preventing the emission of 3,030,680 metric tonnes of CO_2 in 2022 through the projects it executed.

→ Use of 100% renewable energy in the Company's facilities.

17 PARTNERSHIPS FOR THE GOALS

Soltec promotes external collaboration as a fundamental tool to multiply the positive impact of its activity.

Main indicators:

→ Integration of the principles of global sustainability initiatives such as the UN Global Compact and the Sustainable Development Goals into internal company standards, action plans and procedures.

→ Creation of the Soltec Foundation, as a channel for Soltec's commitment to society.

→ **Main indicators of Soltec's contribution to this sustainable development goal**

Taxonomy of sustainable finance

In July 2020, Regulation (EU) 2020/852, also known as the Taxonomy Regulation, entered into force. It provides the basis for establishing common and homogeneous criteria for determining whether an activity is considered environmentally sustainable in order to facilitate the redirection of capital flows to investments and activities in order to meet the sustainable development goals and targets set by the European Union (EU).

In this regard, the Taxonomy has defined six environmental objectives associated with climate change mitigation, adaptation to climate change, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and projection and restoration of biodiversity. However, currently only the criteria for assessing the contribution to climate objectives (climate change mitigation and adaptation to climate change) have been developed and are contained in the Delegated Regulation (EU) 2021/2139, hereafter referred to as the Climate Delegated Regulation, published by the European Commission.

By virtue of the Taxonomy Regulation, specifically article 8, all companies obliged to publish non-financial information in accordance with Directive 2014/95/EU (NFRD) and its corresponding transposition regulation to Spanish national legislation Law 11/2018, must include in their Non-Financial Information Statement (NFS) information on the manner and extent to which the Company's activities are associated with economic activities that are considered environmentally sustainable in accordance with the Taxonomy system that it establishes. Accordingly, Delegated Regulation (EU) 2020/852, also referred to as the Reporting Regulation, specifies the content and presentation of the report that companies subject to the Taxonomy must disclose.

In 2021, companies subject to the regulation were obliged to publish their degree of eligibility, i.e. the degree to which the activities carried out by a company have the potential to contribute to the climate objectives, and for 2022 and subsequent years, the information requirements were extended to include information on the degree of alignment, which translates as the degree to which the activity contributes substantially to the achievement of the objectives. To measure their contribution, companies must report on the extent to which the key performance indicators (turnover-INCN, investment in fixed assets-CapEX and operating expenses-OpEX) of their activities are in line with the Taxonomy.

To be considered aligned, an activity must meet the technical selection criteria including the Substantial Contribution Criteria (SCC) and the Do No Significant Harm (DNSH) criteria, and in addition, the Company must have sufficient mechanisms in place to ensure compliance with the Minimum Social Guarantees.

It must be noted that the application of the Taxonomy is complex given the potential interpretations that can be made of both the understanding of the activities themselves and the technical selection criteria. Therefore, throughout 2022 the European Commission and the Sustainable Finance Platform have published a series of documents with the aim of clarifying and assisting in the implementation of this Regulation. However, given the uncertainty still present in many aspects, it is expected that explanatory documents will continue to be published, exposing the Company to possible adjustments in the interpretation Soltec has made in the application of the Taxonomy Regulation.

In this context, during the current financial year, in order to comply with the disclosure obligation in relation to the Taxonomy, various areas of the Company such as the financial area, the Quality EHS and Security area, the legal area, the risk area and the investor relations area have worked together to ensure the accurate analysis of the Taxonomy and the development of a procedure for its reporting in the coming years.

Analysis of eligible activities

Soltec's main activity is the design, manufacture, supply, installation, operation and maintenance of photovoltaic solar trackers, as well as the development of projects for the construction and operation of photovoltaic solar farms.

Solar trackers are a technology made up of a steel structure, electric motors and various electronic components (both hardware and software developed by the Company itself) that are customised to suit the specific characteristics of each installation in order to optimise and maximise the generation of photovoltaic solar energy, being an essential part of the set of technologies present in photovoltaic parks for the generation of electricity.

According to the description of the taxonomic activities contained in Annexes I (mitigation of climate change) and II (adaptation to climate change) of the Delegated Regulation, the design, manufacture and supply of such solar trackers, which is carried out by the "Soltec Industrial" division, would be covered by the activity "3.1. Manufacture of renewable energy technologies" (including solar photovoltaics). It must be noted that, at the date of publication of this report, there is no definition in relation to the concept of "renewable energy technologies". However, Soltec in its analysis considers that a solar tracker would fit correctly into this concept given its constituent characteristics and function.

With regard to the activities related to the installation, maintenance processes and repair of solar trackers, also carried out by the "Soltec Industrial" division, the activity has been associated with the taxonomic activity "7.6 Installation, maintenance and repair of renewable energy technologies".

The last report also included activity "9.1. / 9.2. Research, development and innovations close to the market" (by climate change mitigation objective / by climate change adaptation objective), which for this year has been discarded as investments in research, development and innovation are mainly associated with the manufacture of solar trackers and are therefore included in activity 3.1.

Finally, the activities carried out by the project development division (Soltec Development) and the asset management division (Soltec Assets) responsible for the development of the different phases of the construction of photovoltaic plants, as well as their operation, are also included in the activity "4.1 Generation of electricity by means of photovoltaic solar technology".

Alignment analysis

For the alignment analysis, Soltec has considered the 3 activities eligible under the mitigation objective (Annex I) as they are activities that facilitate the reduction of CO2 emissions and thus contribute to the mitigation of climate change and have therefore been based on the criteria described in Annex I of the Delegated Climate Regulation.

In order to assess whether the activities carried out by the Company meet the criteria of substantial contribution and DNSH, the Company has analysed the requirements described in the Delegated Climate Regulation and has compiled and evaluated the necessary documentation such as policies, processes, procedures and reports to ensure compliance with the criteria established by the Regulation.

Substantial contribution criteria

All three activities meet the substantial contribution criteria by the very nature of the activities. .

Minimum Social Guarantees

In terms of compliance with the Minimum Social Guarantees, Soltec has sufficient mechanisms in place to ensure respect for human rights, prevent corruption, ensure proper fiscal management and respect fair competition. More details on these mechanisms can be found in chapter 3. Governance.

Criteria of Do No Significant Harm to other objectives (DNSH)

Adaptation to climate change (3.1, 4.1, 7.6): the Company has an analysis of physical climate risks, as well as a plan of adaptation solutions to reduce or mitigate the major risks detected, thus complying with the requirements not to cause significant damage (DNSH) to this objective.

Sustainable use and protection of water and marine resources (3.1): Soltec has an environmental management system certified as compliant with the ISO 14001, in which the management of wastewater discharges and consumption savings are considered to be of great importance for the Company. Furthermore, the plants for the manufacture of solar trackers have an environmental impact assessment that ensures the correct identification and management of the risks associated with the preservation of water quality and the prevention of water stress.

Transition to a circular economy (3.1 and 4.1):

- **3.1.** In relation to the manufacture of solar trackers, Soltec has specific targets and indicators to reduce and optimise waste management, and its environmental management plan addresses resource-saving aspects. It must also be noted that solar trackers are designed with adverse climatic factors in mind in order, among other things, to increase their durability.
- **4.1.** In relation to the construction and operation of photovoltaic plants, the company has various initiatives to promote the circular economy through the reuse of materials recycling of waste at the photovoltaic plants in which it carries out its activity, which are included in the environmental programs of construction.

Pollution prevention and control (3.1): the main components of the solar tracker are metals, mainly steel, and electronic components such as sensors, motors and electronic boards, which do not give rise to the manufacture or marketing of toxic substances as defined by the delegated climate regulation, and the plants used to manufacture the solar trackers have the corresponding environmental licences that ensure compliance with the legislative aspects in this area.

Protection and restoration of biodiversity and ecosystems (3.1 and 4.1): both the photovoltaic plants under development and the plants for the production of solar trackers have the respective environmental impact assessments that include aspects related to biodiversity, having implemented the corresponding mitigation and compensation measures necessary to protect the environment.

Calculation methodology

Perimeter for the calculation of key performance indicators

The scope for the calculation of the economic indicators required by the Taxonomy to report the degree of eligibility and alignment of the Company's activities (Turnover (INCN), CapEX and OpEX) is limited to the companies consolidated in Soltec's consolidated annual accounts.

Considerations on the process of consolidating information for the calculation of KPIs

The information on financial indicators has been extracted from financial accounting systems to ensure consistency with the information in Soltec's annual accounts.

To ensure the correct allocation of the values of the financial indicators to the taxonomic activities, Soltec has proceeded to evaluate each contract according to the type of activity carried out, assigning only one activity per contract and has followed the same process to evaluate the CapEX items, thus avoiding any risk of double counting.

Calculation of the percentages of key performance indicators

		DENOMINATOR	NUMERATOR
Eligible and aligned activities (taxonomy-compliant and environmentally sustainable)	**Revenues indicator**	Includes Soltec's consolidated net turnover recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008.	Equals the part of the consolidated net turnover included in the denominator that meets the criteria of substantial contribution, DNSH and Minimum Social Guarantees.
	CapEX indicator	Includes additions to tangible and intangible assets for the year before depreciation, amortisation and any revaluations, including those resulting from revaluations and impairments, for the year, excluding changes in fair value. The denominator also includes, where appropriate, additions to tangible and intangible assets resulting from business combinations. In this respect, the denominator figure includes the following items included in the 2022 consolidated annual accounts: • Nota 6: additions to intangible assets: 14,018 thousand euros • Note 7: additions to property, plant and equipment: 66,439 thousand euros • Note 8: new leases: 538 thousand euros	Equals the part of fixed asset investments included in the denominator that are related to assets or processes associated with eligible and aligned economic activities.
	OpEX indicator	Includes non-capitalised direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the day-to-day maintenance of property, plant and equipment assets of the Company or a third party to whom activities are outsourced and that are necessary to ensure the continued effective operation of such assets. In this respect, the accounts considered were those relating to "621. Leases and royalties", and "622. Repairs and conservation".	The numerator includes the part of the operational expenditure included in the denominator that meets the criteria of substantial contribution, DNSH and Minimum Social Guarantees.
Eligible but non-aligned activities (conforming to the taxonomy, but not contributing substantially)	**Applies to revenues, CapEX and OpEX**	Same as those mentioned in the section "Eligible and aligned activities (conforming to the taxonomy)".	Part of the numerator that is associated with eligible activities but does not meet the substantial contribution and/or DNSH criteria.
Ineligible activities (not associated with activities covered by the Climate Regulation)	**Applies to revenues, CapEX and OpEX**	Same as those mentioned in the section "Eligible and aligned activities (conforming to the taxonomy)".	Part of the numerator that is associated with activities not eligible for taxonomy, mainly associated with activities carried out by holding companies.

Summary of Results	Revenues (€ thousands)	%	CAPEX (€ thousands)	%	OPEX (€ thousands)	%
Eligible and aligned	567,318	99.8%	78,826	97.3%	22,851	84.2%
3.1 Manufacture of renewable energy technologies	407,614	71.7%	878	1.1%	981	3.6%
4.1 Electricity generation using solar photovoltaic technology	11,114	2.0%	75,868	93.7%	217	0.8%
7.6 Installation, maintenance and repair of renewable energy technologies	148,589	26.2%	2,078	2.6%	21,653	79.8%
Eligible and non-aligned	0.00	0.0%	0.00	0.0%	0.00	0.0%
Not eligible	878	0.2%	2,169	2.7%	4,296	16%
TOTAL	568,196	100%	80,996	100%	27,147	100%

Revenues
99.8%
eligible and aligned

CAPEX
97.3%
eligible and aligned

OPEX
84.2%
eligible and aligned

FY21 & FY22 results comparison

% Elegibility	Revenues %	% CAPEX	% OPEX
FY 22	99.8%	97.3%	84.2%
FY 21	100%	100%	55%

In accordance with the progressive process of the implementation of the European Taxonomy, in the past financial year (FY 21) the total results were disclosed in relation to the eligibility of the company. This year, the % of eligibility for the revenues and CAPEX indicators remained at similar levels, although the indicator for the eligibility of OPEX could not be comparable, after deepening the analysis of cost items this year, with a better understanding of the Taxonomy as a result of the learning period in its application and implementation. OPEX associated with leases, including, among others, costs associated with rental of machinery, land and warehouses, which are part of the necessary costs to carry out Soltec's activities.

Soltec's position in the main sustainability ratings

The economic, environmental and social performance of companies is scrutinised by a large number of specialised agencies. As part of Soltec's efforts to improve its transparency in the area of sustainability, Soltec participates in and is assessed annually by leading sustainability reviews conducted by independent entities that rate companies on their environmental, social and governance performance. Based on the results obtained, Soltec integrates best practices to further improve its ESG performance.

Rating	What it consists of	Evaluation	Date
MSCI ESG Rating	It measures a company's resilience to environmental, social and governance risks	Soltec has received the second highest rating (AA)	**3 February 2023** (Evaluation of information for the financial year 2021)
Sustainalytics	Measures companies" environmental, social and corporate governance performance, and rates sustainability risks	Soltec has been assessed as "low" risk	**21 September 2021** (Assessment on information for the financial year 2020)
S&P Global CSA (Corporate Sustainability Assessment)	Corporate Sustainability Assessment (CSA) questionnaire that analyses the economic, environmental and social performance of companies	Soltec ranked in the 93rd percentile	**17 March 2023** (Evaluation of information from the financial year 2021)
Ethifinance	Rating agency that assesses the contribution of companies to sustainable economic, financial and social development.	Soltec achieved a score of 67 out of 100, above the industry average in all categories	**16 January 2023** (Evaluation of information for the financial year 2021)
Singularity score	Innovation indicator that quantifies a company's exposure to innovation		

2.4 Innovation, a key element in making our company stand out

Innovation has been an inherent element of Soltec since its inception and has contributed greatly to the Company's success and differentiation.

This commitment to innovation has made Soltec's value proposal one of the most complete and differentiated in the market.

Milestones 2022

- Launch of **Enviroscale**, the first spin-off to emerge from the IDEA programme, which promotes intra-entrepreneurship projects in the Company.
- Construction of an **in-house hydrogen laboratory** to deepen the understanding of commercial electrolysers and validate Soltec Innovations" developments in this new line of action over the coming years.
- Creation of the Soltec Tracker Benchmarking (STB) as an experimental facility for testing new photovoltaic technologies.
- First pilot projects with startups in the field of Aurora and Soltec Innovations
- Coordination of Soltec's participation in the **ANCES 2022** challenge, to co-design with entrepreneurs and innovative companies new solutions applicable to trackers.
- Consolidate Soltec's participation as a founding member of the regional association of **Green Hydrogen** in the region of Murcia AHMUR.
- **Membership of Innoenergy**, linked to the European Institute of Innovation and Technology (EIT) whose mission is to promote collaboration between startups, universities and large companies.
- Support to the Soltec Foundation in the design and development of the **Helios program**, for the pre-incubation of business ideas in terms of sustainability.

Objectives 2023

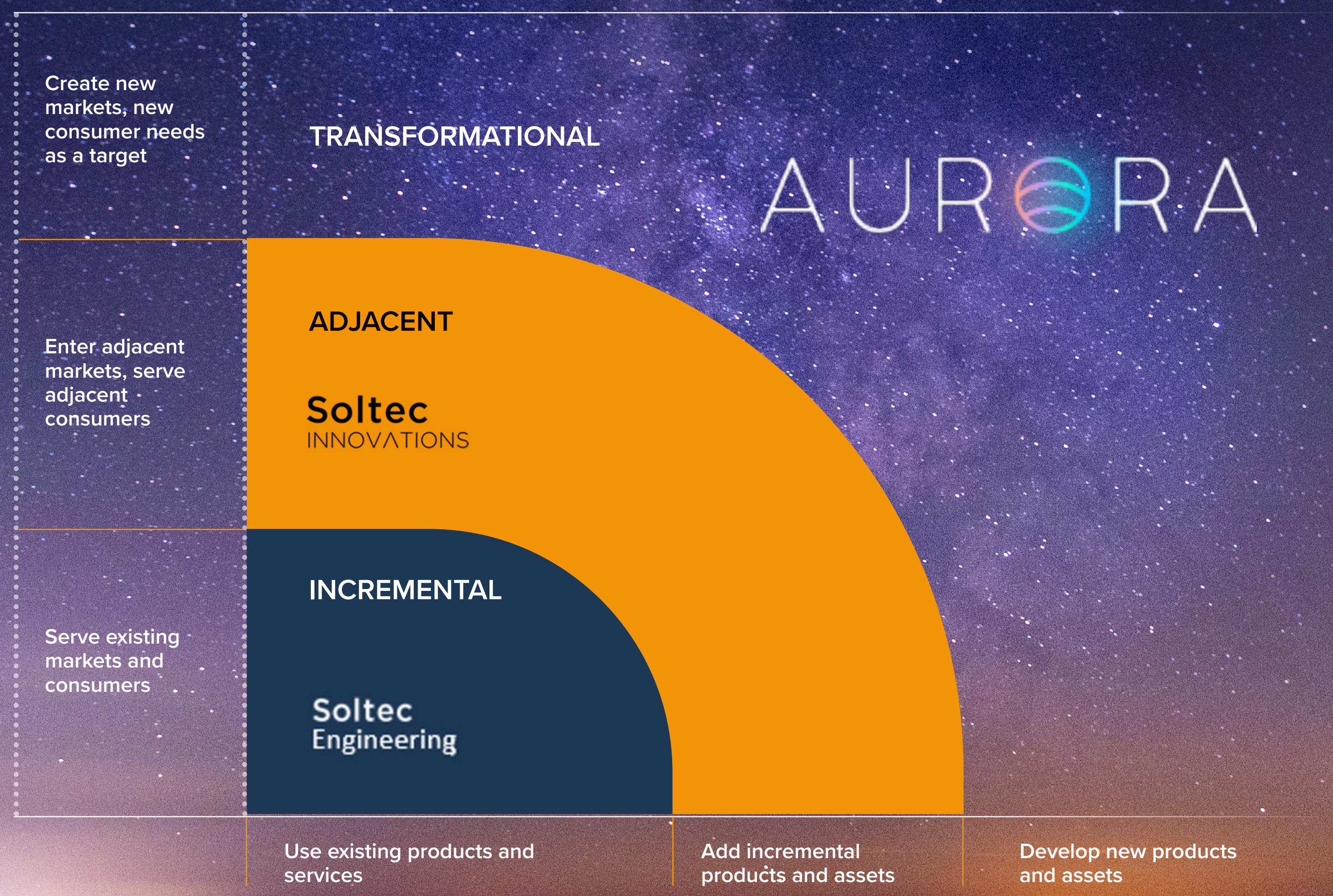
- Start-up of the green hydrogen laboratory and commencement of activities for the certification of the Green Hydrogen laboratory's commercial equipment (ISO, UNE, UL, etc.).
- Advances in energy storage, through the development of solutions to improve the autonomy and durability of the solar tracker through alternative technologies to conventional ones.
- Development of floating solutions with patented technology, higher energy output and reasonably lower cost than market comparables.
- Completion of the development of an innovative component of solar trackers that will improve the Company's competitiveness.
- New research actions and innovations linked to the Company's products.
- Launch of the first intra-entrepreneurship projects in 2022.
- Re-launch of the IDEA intra-entrepreneurship programme, with changes that improve the competitiveness of teams of intra-entrepreneurs, and allow them to launch ideas with a better chance of success.
- First investment in an external startup synergistic with Soltec's activity, strengthening its competitiveness and diversification while accelerating the commercial and technological activity of the startup itself.
- Extension of the programme to facilitate the implementation of pilot projects with start-ups by the different areas of the Company.
- Launch of the PPoC program, an initiative available to all Soltec business units aimed at financing proof of concept and pilot projects with startups.

A new approach to innovation

Under the new scheme developed by the Company, innovation at Soltec is structured in three horizons:

- **Innovation and improvement of** existing products **and assets** through the Engineering and Product department.
- **Adjacent or corporate innovation** to add incremental products and assets through Soltec Innovations
- Transformational or open **innovation** aimed at developing new products and assets, which includes Aurora, as a Soltec corporate venturing.

Soltec's horizons for innovation



Spruce: Nagji y Tuff (2012) and company.

Innovation of existing products and assets: Soltec Engineering

Soltec pioneered the introduction, development and commercialisation of various solar tracking technologies, such as single-axis independent trackers, self-powered trackers and bifacial trackers. The Company has also developed innovations in solar plant optimisation through advanced algorithms and wireless communications systems. This desire to develop more efficient products has given the Company a highly competitive position in the market, making it a technological benchmark in the sector.

Soltec Innovations promotes multiple projects that are evaluated by the Innovation Committee in order for Soltec Industrial to offer the market innovative products and services that contain major competitive advantages over other market alternatives. It also develops tests and builds prototypes at its facilities in Molina de Segura, Murcia.

The Soltec product engineering team also works on the continuous improvement of its existing products and on industrialising the innovations originated at Soltec Innovations, such as the new solar tracker models and the complementary products for the solar trackers designed to streamline and increase the competitiveness of the assembly of other elements (DC-Harness direct current integrated cabling and different rapid commissioning tools).

Developed in conjunction with the engineering consultancy RWDI, Soltec applies the Dy-WIND analysis to the design of solar trackers, an innovative methodology that accurately estimates the behaviour of the tracker under the action of the wind and the structural loads that are exerted in each case. This unprecedented methodology enables the design of structures resistant to dynamic and aeroelastic effects and was achieved through the development of multiple wind tunnel tests using stereolithography technology.

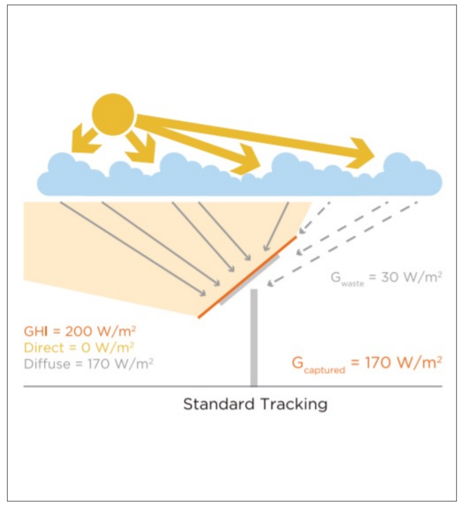
Another of the innovative activities of Soltec consists of the integration of other technologies in the tracker, such as, for example, battery-based storage systems. In addition to innovation and continuous improvement of the product, it has incorporated software and algorithms that make it possible to improve performance such as, for example, Team Track and Diffuse Booster.

TeamTrack

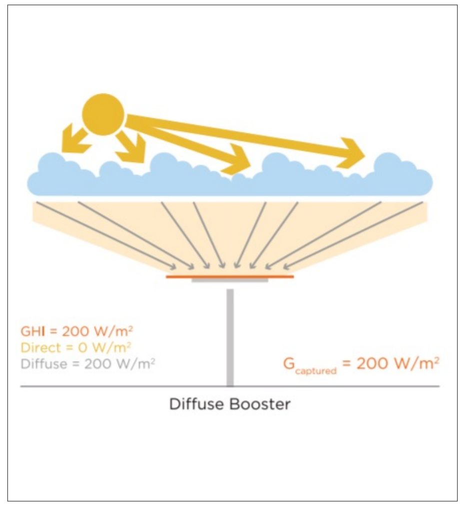
TeamTrack is a tracking algorithm that looks for the closest angle to the perpendicular position of the sun, to then adapt the position of the panels and minimise the negative effect of the shadows on the photovoltaic generation. This reduces the shadows cast by solar panels on other solar panels. This process is undertaken by taking into account the orographic situation of the terrain and the amount of shadow affecting all the rows of the solar panels at the same time, thus maximising power production for the entire plant. An independent study has demonstrated that performance can be increased by ranges of between 3.6% and 7.5% in comparison with a standard tracker.

Diffusse Booster

Soltec's Diffuse Booster aims to increase production at the photovoltaic plant even on cloudy days (that is, when there is more diffuse than direct irradiance). The algorithm, which uses both sensors and weather forecasts, moves the trackers to the optimum position to capture maximum irradiance. In this way, the algorithm increases production during cloudy periods by between 5.34% and 6.85%, depending on latitude. Diffuse Booster is one of the algorithms that make up Soltec's extended TeamTrack package, the goal of which is to improve the intelligence of the solar plant vis-à-vis meteorological phenomena. The Diffuse Booster has been certified by TÜV Rheinland.



Standard Tracking



Diffuse Booster

SUCCESS STORY:
"SOLTEC ELECTRONICS TESTING LAB (SETL)" Project

In 2022, the "Soltec Electronics Testing Labs (SETL)" project was launched, consisting of the creation of an indoor test field located in a dedicated Soltec Innovations facility, with approximately 400 pilot trackers. These trackers have real controllers and communications located in an elevated structure to make operation more flexible and comfortable.

The main objectives of this project are:

- Complete development of wireless systems (Tracker Controller, SPS, Scada...) with more than 400 real solar tracking controllers and their respective communications cabinets, and data centralisations.
- Anticipation and resolution of possible problems related to the commissioning and O&M of solar plants, being able to replicate real conditions in specific projects.
- Debugging of control and communications software/firmware to improve reliability in real plants
- Training of technical operators in the installation, commissioning, operation and maintenance as well as troubleshooting of communication systems and tracking controllers for solar power plants.

Through this laboratory, the "Full Wireless" system is tested prior to its implementation to minimise risks, and thus ensure its correct operation for greater customer satisfaction. Soltec is the only company in the sector to have such a laboratory, which makes its products more reliable compared to its competitors.

Adjacent innovation: Soltec Innovations

Soltec concentrates all its innovation and development efforts in the subsidiary Soltec Innovations, which was created in the 2019 financial year. The subsidiary has facilities adapted to its specific activity and is staffed by a team of engineers and scientists. Soltec Innovations also has specific procedures to ensure internal management is as efficient as possible and that the work focuses on research and technical validation activities. The facilities include a mechanical testing laboratory, an electronics laboratory and, during the 2022 financial year, a laboratory for electrochemical testing of green hydrogen has been built.

Main indicators n 2022

Indicator	2022	2021
→ Budget of Soltec Innovations (€ Mn)	2.4	2.9
→ Sales of Soltec Innovations (€ Mn)	6.6	7.0
→ Number of employees	19	25
→ Number of innovation projects carried out and completed	11	16
→ Number of collaborations with external innovation partners	10	20

Throughout the 2022 financial year, flexible methodologies have been implemented, the aim of which is to work through short iterations to better shape the product being generated. In addition to shortening development times, this allows for greater value to be added to the product due to the constant feedback received by the team. This helps the technical team develop new projects from the idea to technological maturity levels of prototyping and validation in controlled environments.

Soltec Innovations monitors the patents obtained in order to protect the ideas generated by Soltec. Thus, the Company currently has 48 patents or developments with industrial property protection, and these developments are present in 290 territories with intellectual property registrations. In order to expand its research and development efforts, Soltec Innovations is actively working to identify opportunities to undertake individual or consortium projects with European and national government funds, and during the current financial year a public-private partnership has been secured for one of the Company's projects.

The number of employees at Soltec Innovations has decreased from 25 people in 2021 to 19 in 2022, due to the new focus of the Company's innovation area, transferring part of the Soltec Innovations employees to the Soltec Industrial Engineering department, mainly to the Product Development area. This has allowed Soltec Innovations to focus its efforts on Research and Innovation, while Soltec Industrial focuses on industrialisation and continuous product improvement.

Soltec Innovations" line of action - RESEARCH AND INNOVATION

Continuous study of state-of-the-art of technology and identification of opportunities.

Proposal, analysis and evaluation of possible research and innovation actions through the implementation of idea generation programmes, brainstorming workshops and design thinking.

Formulation, study and implementation of strategy, innovation and sustainability proposals, in relation to products that may be launched in the medium or long term to ensure that they are aligned with the Company's general strategy.

Development of feasibility studies, and progress in the preparation of proposals for consultation with the Innovation Committee, which will determine which projects must be invested in and carry out regular monitoring of them.

Energy storage

One of the key technologies for reaching the NetZero decarbonisation milestone in 2050 is battery energy storage systems (BESS). This is because their systems for integration into the existing energy system contributes to the flexibility and adaptability of consumption.

According to the Net Zero emissions by 2050 scenario of the International Energy Agency, the overall storage capacity of utility-scale batteries must grow from the 20 GW of 2020 to more than 3000 GW by 2050, which means an increase of almost 100 GW a year.

In this context, one of the main levers of growth for the sector and for Soltec is batteries for photovoltaic plants. As a leading company in innovation, Soltec aims to adapt to these new needs, responding to market trends, and is therefore working on the development and deployment of this type of project.

At the present time, for photovoltaic plants, the main parameters of the BESS it is seeking to improve are their intrinsic safety, discharge depth, useful life, charging/discharging speed and operation time.

For the technology to be successful, the energy storage system needs to provide different services to the network such as price arbitrage, frequency control, secondary and tertiary regulation and reserve capacity.

Alliances with agents from the innovation ecosystem

Soltec understands outsourcing as a basic tool to increase its development capacity. The Company therefore currently has various collaboration agreements for innovation at a national and international level.

The main partners with which collaboration agreements are maintained are the German Fraunhofer Institute, Inalia, CENIM (National Centre for Metallurgical Research), Tekniker, the UPCT (Polytechnic University of Cartagena), the University of Ottawa, and the University of Oklahoma, among others.

Similarly, and in line with the objective of creating synergies that generate value with start-ups in the sector, the Company collaborates closely with ANCES (National Association of European Centres for Innovative Companies), participates in Innoenergy (platform linked to the European Institute of Technology) and in 1070 KM HUB, which seeks to help start-ups in Mediterranean cities (Ceuta, Alicante, Malaga, etc.) to compete in attracting talent and capital with cities that are more developed in this field, such as Barcelona and Madrid. Soltec participates in this initiative by acting as the coordinator of the hub's energy vertical, which seeks out businesses involved in the renewables energy sector.

Soltec Tracker Benchmarking (STB)

The STB (Soltec Tracker Benchmarking) project seeks to measure and acquire data from prototypes, pilot tests, or power plants. In most cases the data is related to solar production, such as irradiance, current, power, dirt and albedo. Once the data is in the cloud, Soltec can process it to study trends and promote possible improvements using, if necessary, artificial intelligence algorithms. In the future, the plan is to use this system also to monitor hydrogen production plants designed by Soltec.

Green hydrogen

Soltec is constantly working to identify new opportunities that make it possible to support the growth of the Company and reinforce what makes it stand out from competitors. In this context, the Company has begun to work on developing projects in the area of green hydrogen.

What is green hydrogen?

Hydrogen is the simplest and most abundant element in the universe and is an energy carrier that is set to be a key player in the fight to achieve the European goal of climate neutrality by 2050, as it does not emit CO_2 and does not pollute the air when used.

Hydrogen can be produced from a wide range of energy sources, including both traditional and renewable sources. So far, 99% of it has been obtained from fossil fuels globally. These are called grey hydrogen (produced from steam reforming of natural gas), blue hydrogen (the same as grey hydrogen, but capturing part of the carbon dioxide emitted in the process), or brown hydrogen (produced from coal or charcoal).

The main characteristic of green hydrogen is that, once generated from the electrolysis of the water molecule using electrical energy from renewable sources, it becomes an energy carrier, as it can be re-combined with oxygen to produce electrical energy in so-called hydrogen fuel cells. Hydrogen is thus an energy carrier that perfectly complements electricity for storing and transporting energy. It is also flammable and its combustion produces large amounts of heat, so it has the potential to displace natural gas and coal, and thus decarbonise certain industrial and residential sectors that cannot be electrified.

The European Hydrogen Strategy points to decarbonisation of hydrogen production as an essential element to back up the EU's commitment to achieving carbon neutrality by 2050. The hydrogen produced from renewable sources is neutral as regards greenhouse gas emissions in its production and consumption and, like other renewable energy vectors such as batteries, supercondensers and flywheels, has the ability to be stored in chemical molecule form, which does not have self-discharge and establishes high interest in this energy sector with regard to long-term renewable energy storage.

In addition, hydrogen applications are not limited only to purely energy-based applications, in the form or re-electrification or heat, as this molecule is used as a raw material in many industrial processes, offering a broad range of future business models for decarbonisation to a wide variety of sectors.

Advantages of Green Hydrogen

Decarbonisation of the Economy: contributes to the decarbonisation of industrial processes and economic sectors where it is difficult to reduce CO_2 emissions, given that it is used as a raw material or transformed into different forms of energy.

Reduces energy dependence: hydrogen can be stored, allowing it to be used as an energy source in times of energy unavailability. It can be stored relatively easily as a pressurised gas, as a liquid, or in the form of other gases and carrier liquids such as ammonia or synthetic fuels.

High energy efficiency: the chemical energy of hydrogen can be converted directly into electricity in fuel cells without the need for a thermodynamic cycle.

It is no more dangerous than other fuels: it is non-toxic, has a low volume density and has difficulty reacting in low concentrations.

Creation of skilled jobs: Investments in green hydrogen can help foster new technological and industrial development in economies around the world. Up to 400,000 jobs are estimated to be created in the green hydrogen sector in the EU.

Anticipated applications of green hydrogen:

Fuel for:

- Transport: vehicles and lorries with fuel cells. Other applications are synthetic fuel for aviation and maritime transport.
- Energy: power generation with fuel cells, joint combustion of gas turbines, combined production of heat and power, and peak power plants.

Heat for:

- Industry: high-grade heat for metal refining, and the production of cement and paper.
- Residential and commercial buildings: decarbonisation of gas networks by direct hydrogen injection, combined heat and power fuel cells.

Raw material for:

- Chemical production: production of methanol, ammonia, fertilisers, hydrocracking and desulphurisation of crude oil and plastic production.
- Industrial products: replacement of grey use with low-carbon hydrogen. Direct reduction of iron.

The development of renewable energies will shape the future. In this transition, green hydrogen will play a key role in achieving a sustainable development model. Soltec has launched several activities in order to take advantage of this opportunity and develop its own green hydrogen technology, including for example the development of electrolysers for the production of hydrogen from Soltec's solar plants, more energy efficient hydrogen storage systems using Organic Liquid Carriers (LOHC) or Regenerative Fuel Cells (URFC); which allow both the re-electrification of hydrogen and the reversible operation of the device for the production of hydrogen from renewable sources. These projects are being carried out in collaboration with universities, the CSIC (Consejo Superior de Investigación Científica) and technological centres.

In addition, Soltec seeks to promote photovoltaic plants that can supply energy in hydrogen production and the application of this to different sectors such as heavy freight and the energy sector. These projects are being promoted through the Green Hydrogen Sector Association of the Region of Murcia (AHMUR) and are part of the Green Hydrogen Valley Project of the Region of Murcia, also called the Shyrius Project..

ANCES 2022 Challenge

The ANCES open innovation programme promotes innovation at national level. It consists of a series of challenges posed by companies in the sector aimed at both entrepreneurial individuals or talented startups and established companies that want to enhance their products or services by responding to challenges of backing companies.

Soltec, as the senior company of this event, aims to meet challenges to which, due to its idiosyncrasy as a large company, it allocates fewer temporary resources. In the 2022 edition, a challenge for the ANCES programme was to develop an irradiance sensor with a very low manufacturing cost that could be integrated into a meshed grid system and could obtain irradiance by indirect measurement, ensuring a certain accuracy in the challenge.

In this 2023 edition, Soltec has explained that the integration of solar generation and agricultural production is presented as a fundamental point for sustainability in different regions worldwide, and requires finding solutions that are complementary between the two sectors. The need is identified for the use of solar infrastructure to support a plant irrigation system and to incorporate it with a cleaning system for the panels that allows optimum solar radiation to be obtained, seeking good use of water resources and the disposal of elements. Plants could be located either at the bottom of the panel or in the middle between two lines of trackers.

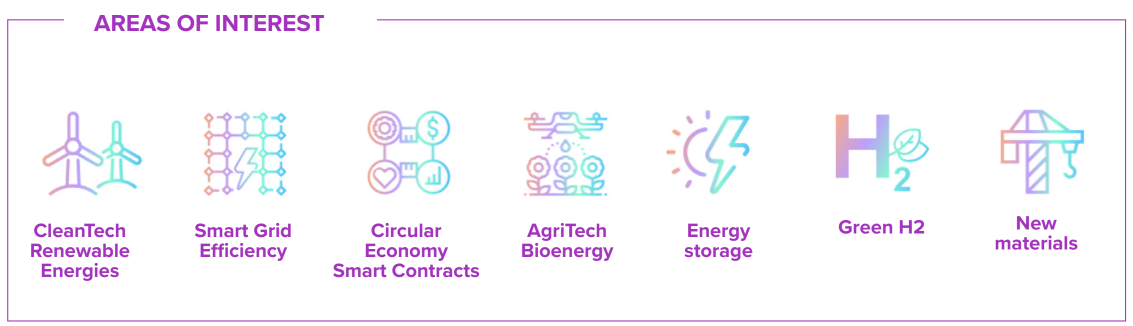
The Soltec SF7 tracker has been selected for this integration. Launched in 2017, it is the most advanced 2-in-Portrait configuration solar tracker on the market, with higher performance, better ground adaptation and, as it is self-powered, it does not require any additional photovoltaic model from the grid. This tracker has 46% fewer drives per MW and 15% fewer parts than the leading competitor, as well as fewer bolts per drive.

Transformational innovation: Development of new products and assets

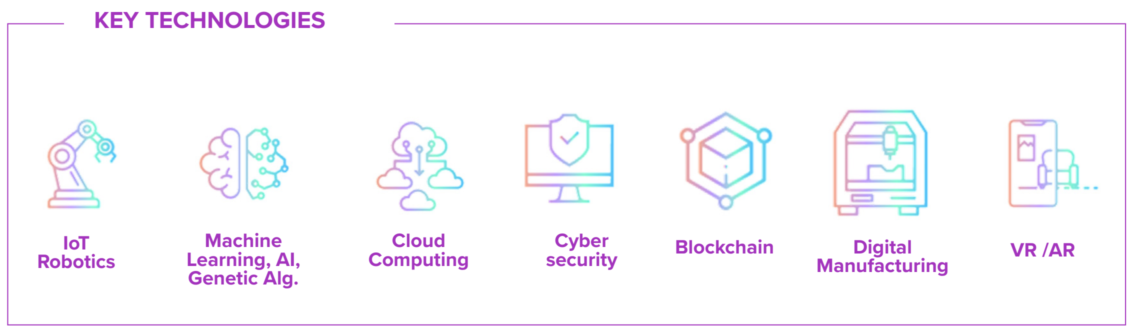
In 2022 Aurora gradually began to roll out its activity as a corporate venturing company of Soltec. Its aim is to promote innovative projects that combat climate change and at the same time ensure the long-term competitiveness of the Company through renewable energies. It is configured as a tool to promote innovation through collaboration and investment agreements with emerging companies.

Aurora seeks to create a global ecosystem of companies with disruptive technologies focused on driving the renewable energy plants of the future in fields such as green hydrogen, energy storage, smart grids or new structural materials for power plants and their recycling, among other projects.

Aurora's priority areas of interest are:



Key technologies that are integrated into Aurora projects include:



Aurora seeks to integrate into the Company the so-called enabling technologies, from IoT (Internet of things, networks of physical objects such as vehicles, buildings, household appliances, clothing, implants, which have network connectivity) to blockchain (structure for storing data in a way that is almost impossible to falsify), digital manufacturing, cloud computing (technology that allows remote access to computing resources through Internet services on demand), artificial intelligence, among others.

Aurora is structured as follows:

Open innovation: investment in external start-ups and scale-ups with innovative technological solutions that are synergistic with Soltec's activity.

Intra-entrepreneurship: through the IDEA programme, the intra-entrepreneurial and innovation activity of employees is promoted, facilitating the transformation of their business ideas into viable, sustainable and scalable companies, in synergy with Soltec's activity.

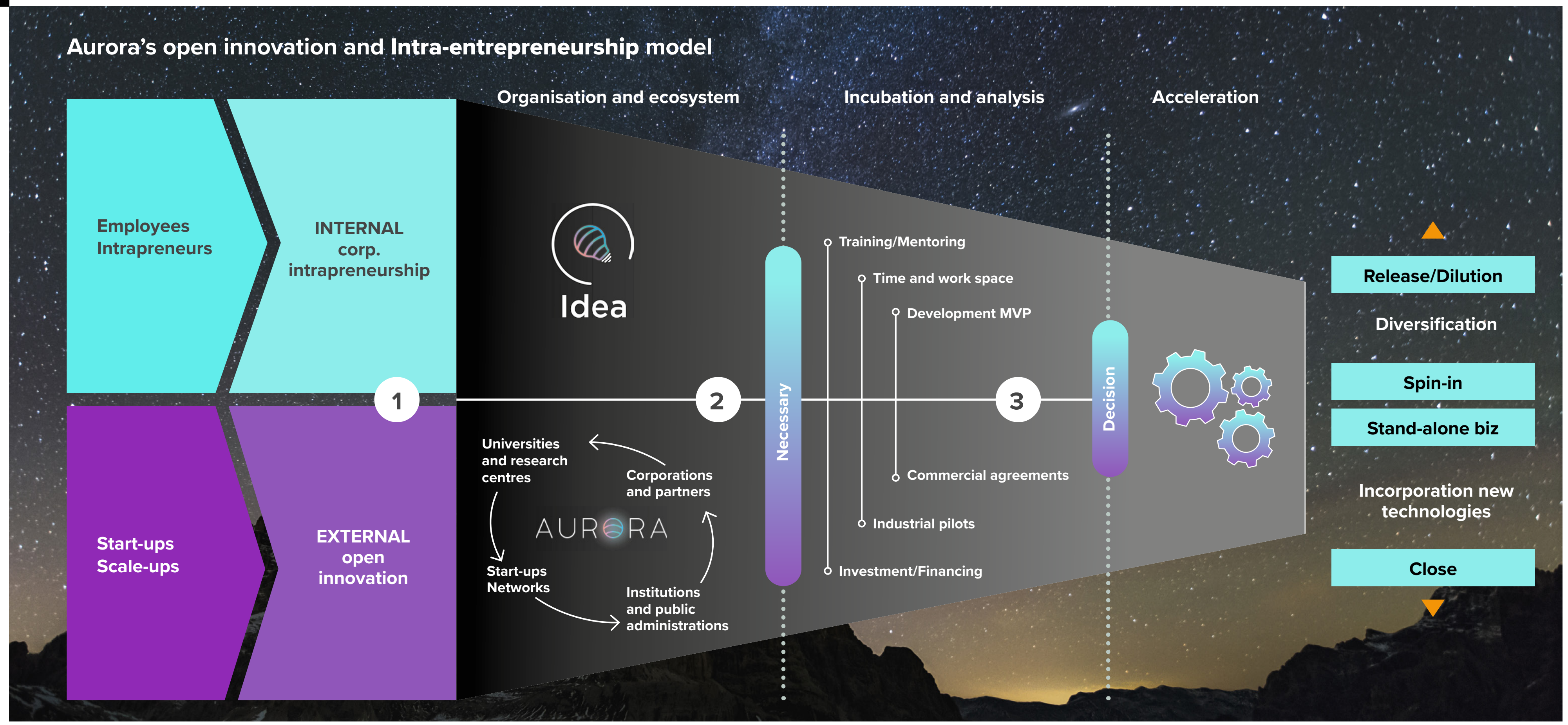
Aurora as a tool for open innovation

Aurora seeks to create the technological-entrepreneurial ecosystem of the solar energy of the future through collaboration with emerging companies, such as start-ups with validated technological solutions or in pre-commercial phase; university spin-offs or technology centres looking for an industrial partner; and scale-ups with new solutions or innovative business models that wish to validate them in a real environment and grow at international level.

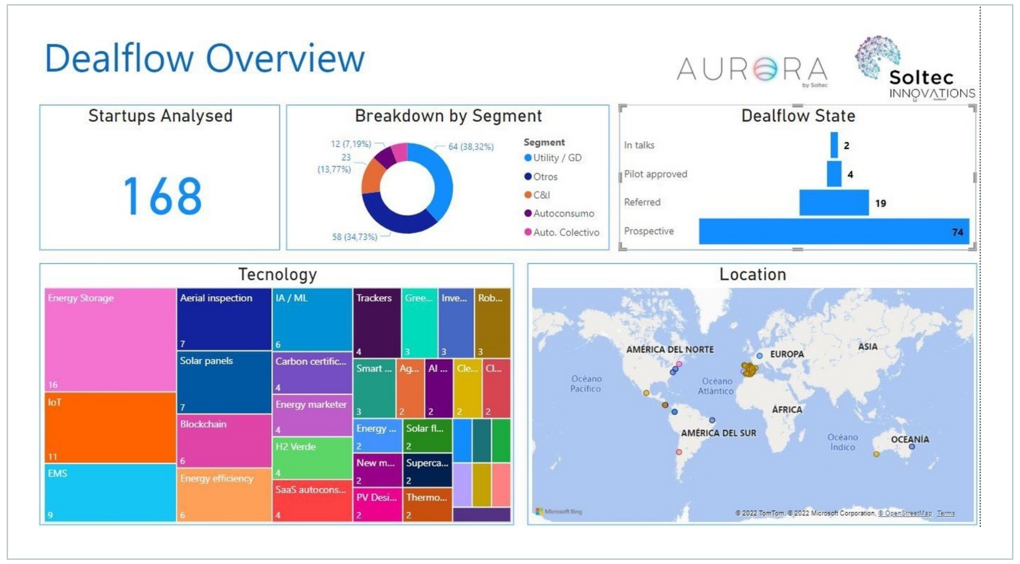
Soltec offers the start-ups which participate in Aurora a series of resources and facilities, seeking both the acceleration of the new business and for it to fit in the Group. This support for new enterprises includes the following:

- **Commercial facilitation:** with pilot projects, techno-commercial validation, marketing services, distribution and/or cross-selling agreements.
- **Technical facilitation:** use of laboratories and experimental facilities, real test environments, technical advice.
- **Smart financing:** capital raising, convertible loans, access to public support.

Throughout 2022, Aurora has identified and contacted 168 startups linked to the energy sector, of which 19 have been referred to different business units in Soltec as suppliers, and four have been piloted.



Aurora 2022 startups' scouting activity summary



Aurora as a tool for intra-entrepreneurship

Aurora is the unit responsible for promoting the intra-entrepreneurship programme IDEA, whose objective is to stimulate, accompany and strengthen the intra-entrepreneurial activity of its employees, helping their proposals or business ideas to become viable, sustainable and scalable companies.

Soltec aims to promote the development of new products, services or innovative business models that are synergistic with the Company's activity and are aligned with its strategic interests.

This initiative is open to all Soltec's workers, who, to participate, just have to submit a business idea that is in alignment with Aurora's goals. The employees themselves submitting their proposal will have the responsibility to bring it to fruition. Accordingly, they will have a series of resources and incentives, such as specialised training, mentoring, work spaces and the freeing-up of part of their working day so they can devote it to the project.

In later phases, an assessment will be made of the technical and business viability of the idea, which have to be reflected, successively, in a proof-of-concept study, a minimum viable product and a business plan. In the last stage, the IDEA intrapreneurship programme converges with the acceleration of Aurora's external start-ups. This is the point when the intra-entrepreneurial projects can be transformed into spin-offs with co-investment from Soltec or be integrated as new business lines within the Company.

In 2022, 14 projects were submitted, with a total of 22 participants, of which 3 projects, with 5 participants, were finalists. As a result of this programme, the Enviroscale project was launched in September 2022.

ENVIROSCALE
SUSTAINABLE ENERGY STANDARD

WHAT IS NOT MEASURED, DOES NOT IMPROVE

Award for the best digital and disruptive startup of 2022. Award granted by Enertic.

Ver video | www.enviroscale.com/ | **Press clippings:** El referente | 20 Minutos | ABC | Cinco dias

Enviroscale is a revolutionary project that makes it possible to measure for the first time, thanks to Blockchain technology, the sustainability of the energy produced on the basis of environmental, social and good governance criteria.


CERTIFICADO DE ENERGÍA SOSTENIBLE

La planta solar fotovoltaica Kinanos, localizada en la Región de Murcia, ha obtenido una certificación Enviroscale de 77,9/100, garantizando el origen sostenible de la energía, cumpliendo con criterios de compromiso medioambiental, social y de buen gobierno.

La energía generada en la planta, ha obtenido una puntuación de 77,9/100 en la escala Enviroscale, midiendo la sostenibilidad de la energía generada.

- **Denominación de la instalación:** Kinanos Solar, S.L. (I y II)
- **Emplazamiento de la instalación:** Polígono 57, Parcelas 34,35, 247 y 251, Ctra. Del Jimenado, Los Martínez del Puerto
- **Términos municipales afectados por la instalación:** Murcia
- **Finalidad de la instalación:** Producción, transformación y evacuación de energía eléctrica a las redes de transporte o distribución.
- **Tecnología de producción:** Fotovoltaica
- **Nº RIEAT:** AT- 00077-PR; AT-11.368-LE; AT- 14.083; AT-14.084-CS

Características de la instalación de producción:

Kinanos Solar I	Kinanos Solar II
Potencia nominal total: 3.988 kW	Potencia nominal total: 1.192 kW
Potencia pico total: 3.288,75 kW	Potencia pico total: 2.187,45 kW
Capacidad máxima de acceso y conexión: 2.988 kWp	Capacidad máxima de acceso y conexión: 1.992 kWp
Tensión de conexión a red de distribución: 20,000kV	Tensión de conexión a red de distribución: 20,000kV

Puntuación:

77,9 / 100

ENVIROSCALE
SUSTAINABLE ENERGY STANDARD

Launched in September 2022, Enviroscale is the first start-up to be born as a result of Soltec's intra-entrepreneurship programme, and will be incubated by Aurora, the Company's accelerator, which is part of EnerTIC. Enviroscale is the first energy sustainability scorecard capable of identifying in a simple, objective and reliable way the origin and degree of sustainability of the energy we consume. It is different from other platforms in the market because it allows accurate measurement of whether good social, environmental and governance practices have been respected in energy production.

In this way, companies will be able to demonstrate the clean and responsible origin of the energy they produce and the consumer will be able to observe the traceability and origin of the energy they are buying, being able to check the level of pollution it generates. This information will reach the customer in the bill, from which the consumer will be able to view all the ESG indicators of each of the environmental, social and good governance generating plants, evaluated on a scale of 0 to 100 that classifies the sustainability of the plant.

Enviroscale certified energy provides visibility in:

- Decarbonisation targets
- Environmental and social commitment to the environment and people
- Transparency and good governance

Main beneficiaries of the platform:

- **Energy-consuming companies**, which will be able to demonstrate their clean and responsible sourcing. In addition, they will be able to run simulations prior to the construction of the plant, enabling them to raise finance for their project and improve their profitability.
- **Energy retailers**, being able to demonstrate the degree of sustainability of the energy they sell, improving the attraction and loyalty of customers who are aware of this aspect.
- **End consumers and companies**, being able to check the traceability of the energy they buy from the retailer, improving their corporate reputation and market value through compliance with decarbonisation targets and ESG criteria.

3. GOVERNANCE

43%
Independent directors

43%
Women on the Board of Directors

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

In line with best practices and recommendations in the area of good governance, Soltec has implemented robust corporate governance models as well as mechanisms for ethical compliance, risk management and sustainability.

In the last year, Soltec launched a number of initiatives with the goal of improving the Company's governance, such as approving a Corporate Governance Plan for the entire company, extending and updating the criminal and risk management system and reviewing certain corporate policies.

3.1 Corporate governance

Soltec's corporate governance system has been designed from the outset on the basis of existing best practices and the recommendations of the CNMV.

At present, Soltec's governance system is consolidated and has as its core value and main axis the commitment to ethical principles, transparency and leadership in the application of the most avant-garde and updated practices and recommendations in corporate governance. It is an organisational instrument for the pursuit of its purpose and values, of the social interest, and as a guarantee of its project, identity and independence.

In a constant process of review and improvement, it incorporates the main recommendations of its regulators and supervisors, also adapting its governance system to the international scope of its business, complying with the standards required in each country.

Its objective is to transmit confidence to the Company's investors and other stakeholders, making Soltec a benchmark of trust and stability for the market.

Key indicators in 2022

Indicator	2022	2021
→ Presence of independent directors on the Board of Directors	43%	43%
→ Presence of women on the Board of Directors	43%	43%
→ Number of meetings held by the Board	11	12
→ Number of meetings held by the Appointments and Remunerations Committee	6	5
→ Number of meetings held by the Audit Committee	12	10
→ Number of meetings held by the Sustainability Committee	4	4
→ Attendance at the Board of Directors meetings convened during the year	100%	100%

Objectives 2023

- **Functions of the governing body:** to ensure that the structures and processes necessary for effective governance are in place.
- **Review of the comprehensive risk control system:** ensure that the Company's management team and professionals are aligned on risk management.
- **Update of the Corporate Governance Plan:** approval of policies to improve the supervision of internal management control.
- **Annual evaluation of the Board of Directors:** Continuous evaluation of the activity of the Board and its committees.
- **Training plan** in terms of corporate governance dedicated to the Board of Directors.

Milestones 2022

- **Structured governance system based on ESG criteria** to highlight environmental performance, social commitment and best practices in corporate governance.
- Continuous improvement of corporate governance rules and practices, with particular attention to the modification of the **Remuneration Policy for members of the Board of Directors.**
- **Annual evaluation of the Board**. Compliance with the Board of Directors' action plan established following the evaluation of the Board of Directors in 2021.
- **Training plan** in terms of compliance dedicated to the Board of Directors.

Soltec's governance model

The main axis of the governance model is the Board of Directors, which continuously reviews and updates its governance system based on the Corporate Governance Plan. The Governance Plan is approved each year at the first Board meeting and is continuously monitored to improve its corporate policies. The Board also conducts an annual evaluation, which establishes an action plan for the continuous improvement of the Board's meetings, its dynamics and its activities.

The **Board of Directors** is composed of seven members, three of whom are women and four men (same composition in 2021), 43% being independent directors.

The Board of Directors is made up of the Chairman and CEO of the Company (Mr Raúl Morales Torres), a lead director (Mr Fernando Caballero de la Sen) as well as three proprietary directors (Mr José Francisco Morales Torres, Ms Marina Moreno Dólera and Mr Marcos Saez Nicolás) and two independent directors (Ms María Sicilia Salvadores and Ms Nuria Aliño Pérez).

Soltec has Regulations of the Board of Directors in order to determine the principles of action of the Soltec Board of Directors, the basic rules of its organisation and operation, and the rules of conduct of its members.

In order to support the role of the Lead Independent Director, the Board of Directors has approved a "Regulation on the Functioning of the Lead Independent Director" Regulations for the Development of the Functions of the Lead Director", which describes his/her powers and functions .

Board of Directors structure and its dependent committees

Raúl Morales
Chairman of the Board of Directors

Fernando Caballero de Sen
Lead Director of the Board of Directors / Chair of the Audit Committee
★ ●

María Sicilia
Member of the Board of Directors / Chair of the Appointments and Remuneration Committee
★ ●

Nuria Aliño
Member of the Board of Directors / Chair of the Sustainability Committee
★ ● ●

Marina Moreno
Member of the Board of Directors
●

Marcos Saez
Member of the Board of Directors
●

José Francisco Morales
Member of the Board of Directors
●

★ Chair of the Audit Committee
★ Chair of the Appointments and Remuneration Committee
★ Chair of the Sustainability Committee
● Audit Committee
● Appointments and Remunerations Committee
● Sustainable Development Committee

The Company has three committees reporting to this Board: the Audit Committee, the Appointments and Remunerations Committee and the Sustainability Committee, each of which is chaired by an independent director, with different functions, as detailed below:

Board committees and main functions

Committee	Main functions
Audit Committee **Chair:** Fernando Caballero de Sen	In accordance with the Regulations of the Board of Directors, its main purpose is to supervise the financial reporting process, the internal audit process and the risk management systems, to propose auditors, to supervise the information and internal control systems, to ensure that the annual accounts are drawn up correctly and to perform the other functions described in the Regulations.
Appointments and Remunerations Committee **Chair:** María Sicilia	In accordance with the Board of Directors" Regulations, it focuses its activity on assisting the Board of Directors in developing and managing a fair and transparent procedure for establishing policies on director appointments and remuneration, assessing the skills, knowledge and experience required on the Board, analysing the other occupations of directors, managing the succession of the Chairman of the Board of Directors, and setting representation targets, among other functions.
Sustainability Committee **Chair:** Nuria Aliño	In accordance with the provisions of the Board of Directors" Regulations, its responsibilities include supervising compliance with the rules of corporate governance and internal codes of conduct, evaluating and reviewing the corporate governance system and the environmental policy, supervising the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders, and supervising that the Company's practices in environmental and social matters are in line with the strategy and policy set.

Each of the Committees produces an activity report, which is published on the Company's website, detailing the activity of each financial year. Soltec started trading on the Stock Exchange in 2020 and, therefore, the functioning of the governing bodies is carried out in accordance with the recommendations indicated in the Unified Code of Good Governance of Listed Companies approved by the CNMV.

Corporate governance policy and adoption of best practices

During the year, the Board of Directors has approved the Company-wide **Corporate Governance Plan** and its gradual implementation through the approval of its policies and practices since then.

As a consequence of the approval of the Corporate Governance Plan, the Company developed a Corporate Governance Policy with the aim of establishing the strategy and general commitments in this area, based on the application of the highest ethical standards and compliance with good governance recommendations generally recognised in international markets, adapted to the Company's needs and business reality.

In order to achieve the objectives related to the corporate governance strategy, the Company assumes and promotes the following general principles of action in each of the areas indicated below:

In relation to the **governing bodies**: Soltec is firmly committed to good corporate governance and transparency, which guides the actions of the Board of Directors, its committees and other bodies of the Company in its relations with shareholders, investors and other stakeholders, as well as in the development of its corporate governance strategy, leading it to maintain the due separation between management and supervisory functions in the Company in the rules of corporate governance.

In relation to **shareholders**: the effective and sustainable involvement of shareholders in the life of the Company and the promotion of their informed participation in the General Meeting and the adoption of the appropriate measures to facilitate the effective exercise by the latter of its functions and powers in accordance with the law and the rules of corporate governance, at all times taking into account measures to safeguard the interests of minority shareholders. The Company's policy in this area is aimed at getting to know their opinions and concerns and fostering their sense of belonging to Soltec. The Company has a Policy for Communication and Contact with Shareholders, Institutional Investors and Proxy Advisors in accordance with the provisions of recommendation 4 of the Good Governance Code for Listed Companies, approved by the National Securities Market Commission in June 2020, and the Board Regulations.

In relation to the **corporate interest**: the common interest of all shareholders, aimed at the sustainable development of Soltec's corporate purpose and the creation of long-term value for the benefit of shareholders, taking into consideration the other stakeholders related to its business activity. In the framework of the corporate interest, the Company takes into account in its strategic planning specific and measurable financial and non-financial objectives, which always aim at improving profitability and creating sustainable value for shareholders.

In relation to **ethical compliance**: the Company ensures compliance with the law and with the ethical commitments made under the provisions of its Code of Conduct, promoting a culture of compliance and prevention of illegal acts and the application of the principles of ethics and responsible behaviour of all Soltec professionals.

In relation to **taxation**: to ensure compliance with applicable tax regulations and good coordination of the tax practices followed by the Company, all in the framework of achieving the corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the execution of business decisions. Accordingly, the Company has a Corporate Tax Policy and Tax Compliance Policy.

In relation to the **drive for diversity**: Soltec pursues an appropriate balance in the composition of its management bodies, as well as their regular and staggered renewal, and seeks a diversity of skills, knowledge, experience, origins, nationalities, age and gender in its members as a reflection of the social and cultural reality of the Company. Soltec has a Diversity Policy for the members of the Board of Directors which ensures that there is a diversity of skills, knowledge, experience, backgrounds, nationalities, age and gender on the Board of Directors.

In the area of **remuneration**: Soltec structures its Remuneration Policy for Directors under principles that combine motivation, loyalty and objective assessment of management and performance, with dedication and compliance with the objectives and results of the Company, in the context of its international activity.

In relation to **transparency**: the Governance and Sustainability System attributes to the Board of Directors the power to supervise, at the highest level, the information provided to shareholders, institutional investors and the markets in general, safeguarding, protecting and facilitating the exercise of their rights and interests in the framework of the defence of the corporate interest, ensuring truthfulness, immediacy, clarity, symmetry and respect for the principle of equal treatment in the dissemination of information. Furnishing the corporate governance rules with the mechanisms and procedures necessary to prevent, identify and resolve situations of conflict of competence and interest, whether specific or structural and permanent. The Company maintains a corporate website, conceived as an instrument for channelling its relations with shareholders and investors.

Regarding **financial information**: The Company takes care of its financial information, making it public periodically, ensuring that it gives, in all material respects, a true and fair view of its net assets, financial position and results as required by law and in accordance with its Financial Reporting Policy.

During 2022, Soltec put in place different measures with the goal of continuing to improve its governance model:

- Modification of the Directors Remuneration Policy to adapt it to the modifications introduced by Law 5/2021 and to achieve a greater degree of compliance with the recommendations of the Code of Good Corporate Governance.
- Increase in the number of working sessions prior to Board and Committee meetings.
- Maximum transparency in the information presented to the members of the Board of Directors
- Permeabilization of the Board's committees with the participation of directors in the sessions.

Remuneration policy for the governing bodies

The remuneration policy aims to define and control remuneration practices with regard to the directors, contributing to sustainable value creation for its shareholders in the long term.

This policy establishes a remuneration scheme appropriate to the dedication and responsibilities assumed by the members of the Board of Directors, which is applied in order to attract, retain and motivate them.

Directors' remuneration consists of two components, one fixed and one variable. Fixed remuneration is determined according to the responsibility, functions and experience of each director. The variable remuneration, only received by the Executive Director, may be paid in cash or by delivery of shares if duly approved by the General Meeting of Shareholders.

In order to have a solid structure of good corporate governance, Soltec has established clear principles in the area of Remuneration Policy to ensure that the remuneration strategy approved by the Board of Directors is implemented in accordance with the Company's own strategy. Accordingly, the Remuneration Policy must be governed by the following principles:

- **Ensuring independence of judgement**: Remuneration must be structured in such a way that the independence of judgement of external directors is not compromised.
- **Attracting and retaining the best professionals:** remuneration will 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 objectives.
- **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 objectives.
- **Transparency**: the Remuneration Policy and the specific rules for determining remuneration must be clear and known.
- **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 tasks performed by each director.

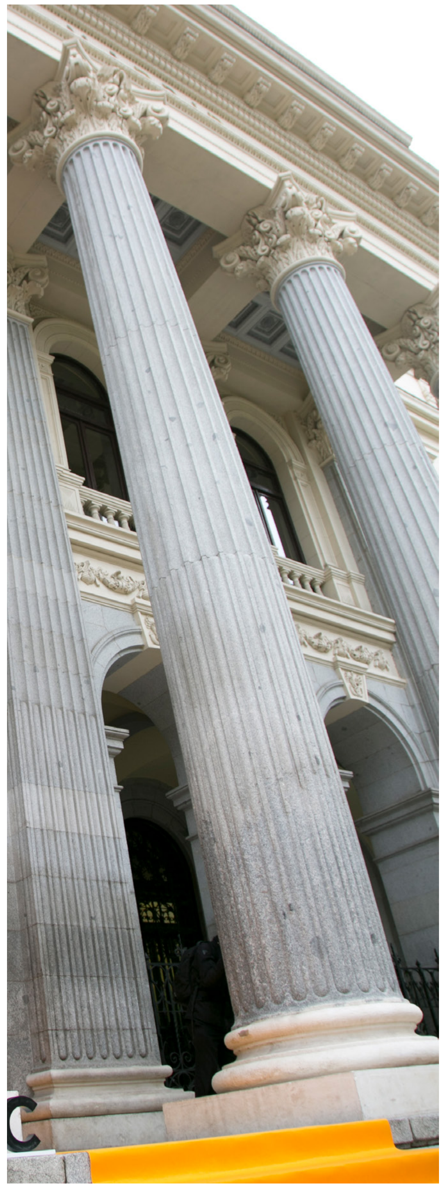
In 2022, in accordance with the provisions of the First Transitory Provision of Law 5/2021, of 12 April, which amends the revised text of the Corporations Act, approved by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies, the Remuneration Policy of the members of the Board of Directors was amended in order to adapt it to the amendments introduced by said Law in article 529 novodecies of the Consolidated Text of the Consolidated Text of the Corporations Act, approved by Royal Legislative Decree 1/2010, of 2 July.

In addition, the following changes were made to variable remuneration:

- Modification of the **period of accrual of the variable remuneration for the Executive Director**, establishing that 30% of it will be received in the short term (annually) and in cash.

Thus, the variable remuneration of the Executive Director will depend on the achievement of a minimum score of 3.5 on the Executive Director Performance Appraisal, the achievement of the participant's individual and area targets, and the following three performance criteria: "Total Shareholder Return", "Adjusted EBITDA" and "ESG Indicator" (calculated over each year included in each Vesting Period).

The Board may also **approve the total or partial cancellation (malus) and/or recovery (clawback) of the Incentive** in the event that (i) the Company's financial statements are restated; (ii) the final Incentive was calculated on the basis of data that subsequently proves to be inaccurate and results in a lower variable remuneration to be paid; (iii) in the event of a serious breach by the Executive Director of internal regulations and policies; and (iv) if the Company suffers significant losses due to significant risk management failures contributed to by wilful misconduct or gross misconduct by the Executive Director.



Remuneration of the Board of Directors	2022	2021
Remuneration for membership of the Board and/or Board Committees	309	309
Fixed remuneration and salaries	191	190
Other items (long-term saving systems)	31	31

Breaking down the remuneration of the Board by gender, the average remuneration would be 55 and 48 thousand euros for women and men, respectively.

Senior Management

The following table summarises the remuneration of the members of Senior Management (three women and nine men in 2022, and three women and five men in 2021), excluding those who are members of the Board of Directors (whose remuneration has been detailed above) during the financial years 2022 and 2021, and which has been paid both by the Parent Company and by any other subsidiary company:

Remuneration of senior management	2022	2021
Salaries	1,303	939

If we break down the remuneration by gender, the average remuneration in salaries would be 103 and 110 thousand euros for women and men respectively (106 and 112 thousand euros in 2021)

Long-Term Management Incentive Scheme

On 1 January 2021, the new Management Long-Term Incentive Plan came into effect. The Plan aims to compensate and motivate participants, enabling them to be part of the Company's value creation by establishing a link between their remuneration and the performance of the Plan's actions over the long term. Participants will be assigned by the Board of Directors. The plan covers two periods, one between 2021 and 2023, and the second between 2023 and 2025.

The vesting of the long-term incentive plan will be determined by the Board of Directors, based on established vesting criteria, which are based on length of service and a number of performance conditions:

- Participant Performance Appraisal
- The achievement of individual and area objectives
- Annual compliance with three performance criteria: "Total Shareholder Return", "Adjusted EBITDA" and "ESG Indicator".

During the 2022 financial year, the Long-Term Incentive Plan replaced the "Free Cash Flow" target with the "ESG Indicator" target, representing the achievement of a level set in certain ESG indices, set as a target by the Board of Directors for each calculation period, linked to environmental, social and governance (ESG) commitment criteria issued by internationally renowned sustainability rating agencies. During the year ending 2022, 20 persons have benefited from this system.

3.2 Ethics and integrity

At every step of the business, from corporate governance to operations and the supply chain, the Company pursues integrity, respecting fundamental responsibilities in the areas of human rights, labour, the environment and anti-corruption. Soltec is committed to zero tolerance of fraud, bribery or corruption in its operational environment.

For this purpose, Soltec has a rigorous Compliance Programme which ensures that the Company's business is conducted with the highest standards of integrity and ethics, respecting Human Rights at all times while combating corruption and fraud.

Key indicators in 2022

Indicator	2022	2021
→ Number of complaints received through the established channel	10	3
→ Cases of corruption identified	0	0
→ Operations assessed for corruption-related risks	0	0
→ Employees trained in anti-corruption policies and procedures	310	247
→ Relevant identified risks of a possible breach of human rights	0	0
→ Complaints of Human Rights Violations	0	0

Objectives 2023

The main objectives set by the Company to be achieved by 2023 are identified below

- **Training:** Promote compliance training for all permanent employees of the Company.
- **Communication:** Increase the sending of targeted communications to the different teams that make up the Company.
- **Maintenance of the validity of the certifications in the Standards** UNE 15896:2015 (Value-added procurement management), 19601:2017 (Management of criminal compliance), 19602 (Tax compliance management), as well as in the ISO Standards 9001:2015 (Quality management) and 20400 (Sustainable Procurement).

Milestones 2022

The most significant milestones achieved by the Company during the 2022 financial year are as follows:

- **Training:** Implementation in the management team of the measures defined in the Corporate Governance Plan through training and internal communication.
- **Communication:** Sending general and segmented communications to the different teams that make up the Company on the areas that directly affect them.

Regulatory Compliance Programme

The Company has developed a regulatory compliance programme consisting of management tools to ensure compliance with legal requirements and business ethics.

The main objectives of the Regulatory Compliance programme are:

- Establish a model capable of identifying the most important criminal risks for Soltec and establish measures for their prevention, detection and management, as well as associated controls.
- Zero tolerance policy regarding the commission of criminal offences.
- Involve all Company personnel in the risk prevention system in force, involving them in compliance with both the Regulatory Compliance programme as a whole and with criminal legislation in the exercise of the functions assigned to each team in the Company.
- To assure members of the Company, customers, suppliers, judicial bodies and society in general that Soltec complies with the duties of supervision and control in the exercise of its activity, and that it establishes the appropriate measures to prevent and reduce (if applicable) the risk of the commission of crimes, exercising due control over directors, managers, employees and all persons associated with the Company.

The Company's regulatory compliance programme has been drawn up on the basis of an analysis of the criminal risks that could affect the Company in the course of its business, and consists of a series of procedures, protocols and policies aimed at preventing, detecting, managing and sanctioning the materialisation of such criminal risks.

The Regulatory Compliance programme is structured as follows:

- **Code of Conduct**
- **Criminal and fiscal compliance policies**
- **Anti-corruption protocol**
- **Criminal and tax compliance management system**
- **Whistleblowing Channel**
- **Compliance body**

Code of Conduct

In the financial year 2020, Soltec developed and approved a Code of Conduct which establishes the guidelines and action guidelines for all its employees, regardless of their job or position, in their daily performance, with regard to the relations it maintains with all its stakeholders, with a transparent, effective and efficient management of resources, being honest with customers, suppliers, institutions, and being socially and environmentally responsible.

The Code of Conduct is accessible to all employees of the Company, and is provided through the Company induction process, as well as through the periodic annual trainings on Regulatory Compliance that are delivered by Soltec.

The Code is based on the definition of the Company's mission, vision and values and is incorporated in the employment contracts, so it must be signed by all persons who sign a professional contract with Soltec and are part of the Company's workforce. The Company promotes and encourages the adoption of the guidelines on conduct developed in the Code of Conduct by its suppliers and other collaborating companies.

The Code of Conduct contains a series of values, principles, ethical rules and behavioural guidelines that must be complied with and is addressed to its directors, executives and, in general, to all Company personnel in the exercise of their activity, regardless of the type of contract that determines their employment relationship and the position they occupy, or the place where they perform their work.

The Code incorporates principles such as transparent, effective and efficient management of resources and strict respect for human rights and civil liberties, which are included in the Declaration.

Human Rights

Soltec considers Human Rights to be at the core of its sustainability and governance strategy. In this respect, Soltec and its employees are committed to the promotion and achievement of Human Rights and fully support the United Nations Universal Declaration of Human Rights.

Suppliers are also required to support and respect the **protection of Human Rights**, as defined in the above-mentioned UN declaration, and are not authorised to take any action that violates these principles, either directly or indirectly. Accordingly, in its work with suppliers, Soltec complies with the highest legal and ethical standards set out in its Procurement Policy.

As proof of this commitment, Soltec carries out a survey of its suppliers on Compliance, where they confirm that the Company has informed them of the existence of its Regulatory Compliance programme, Code of Conduct, Whistleblowing Channel, as well as the need to have or start to develop an ESG risk assurance plan for its supply chain in order to be approved as a supplier of the Company,. Soltec is **certified** according to ISO 20400 for procurement management, which reinforces its commitment to the defence of Human Rights throughout its value chain.

Soltec suppliers therefore undertake to be familiar with and implement international human rights standards, including the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR). The supplier must support and respect the protection of Human Rights, as defined in the UN UDHR. In this respect, the supplier may not take any action that violates these principles, either directly or indirectly.

The Company conducts ongoing **due diligence** to identify aspects of its operations that may have human rights implications. Soltec promotes respect for Human Rights among all its employees through courses on anti-corruption, code of conduct and prohibited practices, which include topics related to the defence of Human Rights.

To this end, **Soltec is fully committed to and adheres to the following principles of the Global Compact**, which are derived from United Nations declarations on human rights, labour, environment and anti-corruption, and which enjoy universal consensus:

- Soltec does not use or support the use of child labour.
- Soltec does not use or support the use of forced labour by employees.
- Soltec establishes a safe and healthy working environment, takes appropriate measures to prevent accidents and injuries. Any risks that could not be avoided are assessed. Actions are planned to eliminate or reduce the identified risks. The facilities are correct with regard to the prevention of occupational hazards.
- Soltec respects the right of its employees to form trade unions, and for them to be able to choose a trade union of their choice. Soltec ensures that staff representatives are not discriminated against and have access to other employees in the workplace.
- Soltec does not practise or support any type of discrimination on the basis of race, origin, nationality, religion, disability, gender, sexual orientation, trade union membership, political orientation, ideology, employment category or age. Soltec does not allow behaviour, gestures and language that violate the dignity or integrity of persons.
- Soltec does not use or support corporal punishment, mental or physical coercion, or verbal abuse.
- Soltec workers have at least one free day during each seven-day period of work. Overtime is paid according to the collective agreement and is always voluntary for employees.
- The salary paid meets the legal minimum-wage requirements for jobs. Soltec meets all labour obligations and social security obligations set out in existing legislation.
- Soltec monitors compliance with social-employment regulations and occupational risk prevention regulations by significant suppliers and subcontractors.

Criminal compliance management system

Soltec has a criminal compliance management system which aims to prevent, avoid and identify the perpetration of criminal offences in the business sphere in compliance with the Spanish Criminal Code. Accordingly, it has set up a compliance body responsible for appropriate operative supervision of the functioning of the programme.

The main functions of this compliance body must be:

- Resolving any doubts that may arise regarding the application of the code of conduct and the rest of the protocols or procedures that make up the Regulatory Compliance Programme.
- The implementation of controls to ensure compliance with the programme.
- Receipt and management of complaints or communications of alleged non-compliance.

The compliance body reports directly to the board of directors and senior management on a regular basis, in relation to the assessment of the degree of compliance and effectiveness of the Regulatory Compliance Programme.

Soltec's crime prevention function has the follow general strategic objectives:

- To promote a culture of compliance at the Company, as well as awareness by those at the Company of the rules and regulations applicable to the aforementioned matters, through advisory, dissemination, training and awareness-raising activities.
- To define and foster the implementation and total affiliation by the organisation with regard to the risk management measures and frameworks related to compliance matters

The management system is permanently being reviewed and in 2023 the AENOR certification for standard UNE 19601 was renewed.

Soltec also has a specific Criminal Compliance Policy which sets out the main objectives to be achieved by the organisation, including ensuring compliance with its legal obligations, demonstrating zero tolerance of any criminal offences, identifying the most important risks and establishing measures to prevent them, extending this philosophy among all the members of the organisation and ensuring satisfactory performance with regard to these aspects by the Company for all stakeholders.

Tax compliance management system

In the 2020 financial year, Soltec implemented the tax compliance management system regulated by the UNE 19602 which has since been certified by AENOR on an annual basis. The implementation helped to reinforce the corporate Tax Policy and the basis for compliance with the organisation's tax functions in accordance with applicable regulations and best tax practices.

In this regard, Soltec's tax strategy aims to ensure compliance with tax regulations and all tax obligations of the Company's companies in the framework of respect for the corporate principles of integrity, transparency and the pursuit of social interest.

In the same way, Soltec undertakes to maintain a cooperative relationship with the different public administrations and carry out responsible payment of the taxes required by the local tax regulations in each of the countries where it operates.

The principles governing the Company's tax strategy and the good practices derived therefrom are as follows, with a commitment to the responsible payment of taxes and in all cases respecting tax regulations:

- Adoption of the necessary measures to ensure the reduction of significant tax risks and the prevention of conduct likely to generate them, through the establishment of a policy of supervision, monitoring and control of the activity (Tax compliance policy).
- Implementation of effective systems of information and internal control of fiscal risks, including measures to mitigate them and the establishment of internal rules of corporate governance in this area, compliance with which can be subject to verification.
- Rejection of the use of opaque structures for tax purposes.
- Relationship with the tax administrations based on the principles of good faith, collaboration and transparency.
- Collaboration with public administrations in the detection and search for solutions with respect to fraudulent tax practices that may develop in markets in which it is present.
- Use of all the possibilities offered by the adversarial nature of the inspection procedure and encouragement, as far as possible, of voluntary regularisation of any contingency.
- Information to the Company's Governing Body on the tax policies applied, global tax situation and operations of special relevance carried out.
- Taking decisions on tax matters on the basis of a reasonable interpretation of the Rules, under the principles of prudence and responsibility and, where appropriate, avoiding possible conflicts of interpretation by using instruments established for this purpose by the tax authorities.
- Promote a tax culture of compliance and responsibility through the effective communication of the tax compliance programme and the obligations derived from it with the aim of reinforcing the business culture based on ethics.

As a guarantee of compliance with the tax management system, the Company has a collegiate body, the **Tax Compliance Officer,** responsible for adopting decisions, implementing potential modifications to action protocols and maintaining compliance with tax and tax compliance policies.

Anti-corruption protocol

Soltec has designed an Anti-corruption Protocol whereby it seeks to ensure that all its employees comply with all applicable anti-corruption regulations.

The protocol specifies that employees may not carry out or offer, directly or indirectly, any payments in cash or in kind, or any other benefit, to any public official, with the intention of illicitly obtaining or retaining business or other advantages. In addition, they may not, under any circumstances, accept gifts, handouts, hospitality or any other type of favour from any person or private entity in the performance of their activities, unless these are symbolic and insignificant or done as a courtesy.

In order to exert greater control in this respect, the Company continuously assesses its risks in this area to prevent them and use the conclusions reached to improve the foundations of the Corporate Compliance Programme and the controls applied by the compliance body.

Soltec also supports this commitment with an awareness-raising and training effort for its employees, through which it stresses the importance of combating corruption and duly informs them of any reforms.

Whistleblowing Channel

In order to report possible breaches, Soltec has made available, both for its employees and for any business partner who considers it necessary to make use of this channel, a whistleblowing channel (canaldenuncia@soltec.com) through which they can report any type of well-founded suspicion or knowledge of possible breaches of the code of conduct, as well as any general or specific protocol that the Company has adopted as part of the implementation of the Regulatory Compliance Programme.

In addition, Soltec has a channel for members of the Company to make any enquiries related to the Regulatory Compliance programme (consultascompliance@soltec.com).

In addition, the Company has a protocol on its policy and procedures for internal complaints, as well as a procedure for investigating, managing and responding that ensures the proper handling of any reports received.

One of the fundamental principles established in the protocol is the guarantee of confidentiality of the whistle-blower. In this way Soltec is committed to protecting the rights of people who report any non-compliance, guaranteeing the principle of non-retaliation. Indeed, retaliation against a person who has reported in good faith is a violation of the Code of Conduct, which could be subject to a report.

Money laundering

The potential money laundering offence has been specifically assessed in the context of Soltec's business and no relevant aspects have been identified.

Soltec is committed to resolutely combating money laundering, in order to prevent terrorist financing and other illicit activities, faithfully following the recommendations of the Financial Action Task Force.

For that purpose, Soltec does not establish business relationships with people or entities who do not comply with the money laundering and terrorism financing obligations of each country, and which do not provide adequate information with regard to its compliance.

During 2022 the company has adopted the money laundering system in the Foundation, appointing a representative in the SEPBLAC, as the foundations are considered to be regulated entities. Having started its activity during 2022, the Foundation is working on an applicable and specific Money Laundering Plan.

Protection of Competition

Soltec has procedures, a global framework for action and a specialized team dedicated exclusively to ensuring the adequacy and observance of its obligations, both internal and external. The compliance function has contributed to reinforcing the global compliance culture and improving the identification and monitoring of ethics and compliance risks, particularly in terms of preventing the commission of crimes within the company.

In 2020, Soltec has implemented and subsequently developed a Corporate Compliance Program. Likewise, Soltec annually carries out different evaluation exercises (or, where appropriate, re-evaluation) of criminal risks, both at the corporate level and at the individual level with respect to each of the foreign companies adhering to the aforementioned Corporate Compliance Program.

Among the criminal offenses evaluated by Soltec, are included (i) crimes related to the market and consumers, and (ii) the crime of corruption in business, which have been qualified following the methodology established by Soltec through the probability and impact scales (at gross and net levels).

Likewise, and with the aim of reducing the level of exposure to the risks of committing the aforementioned crimes, **Soltec applies, among others, the following controls**:

- delivery of specific training sessions aimed at the different teams in Soltec
- establishment of a joint power of attorney structure
- review, by Soltec's legal and risk departments, of the contracts to be signed;
- dissemination of the complaints channel implemented by Soltec.

As established in its Code of Conduct, Soltec undertakes to compete fairly in the markets in which it works, and not to mislead its competitors or third-party companies. Likewise, it undertakes to obtain information from third parties in accordance with the regulations, to promote free competition for the benefit of consumers and users, and to promote transparency in its operations.

Each company in the Soltec group ensures compliance with current regulations related to its activity. Soltec believes in fair and effective competition in the market and does not participate in inappropriate practices that may limit free competition. Nor is it intended to gain competitive advantage through unethical or illegal business practices.

Internally, it is promoted through, among others, the aforementioned controls. On the other hand, it has the Complaint Channel (canaldenuncia@soltec.com), among other resources, through which any employee or third party can address any query regarding compliance with competition law.

Data Protection

Both the personal data and the information available to the data controller are processed in compliance with the obligations established in Organic Law 3/2018, of 5 December, on the Protection of Personal Data and Guarantee of Digital Rights, and in Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data, and the implementing provisions, the GDPR.

In accordance with the provisions of the applicable regulations, Soltec has been proactive in the processing of the personal data of the different stakeholders who interact with the Company. In addition, Soltec has a data protection officer (DPO) registered with the Spanish Data Protection Agency who is responsible for supervising, controlling and coordinating data protection compliance.

Soltec is concerned about the security and protection of the personal data of its users, and tries to prevent failures in this regard. Accordingly, the necessary technical and organisational security measures have been adopted to prevent the alteration, loss, misuse, processing and unauthorised access or theft of users' personal data. Among them, Soltec has implemented an Information Security Management System, which effectively complies with international standards, such as ISO 27001:2013.

During this time, the entity's DPO has managed to update the internal procedures and policies regarding the processing of personal data of customers, suppliers and employees, with the support of an expert consultancy firm. In this way, both Soltec and its DPO have been able to cover all privacy obligations and requirements more efficiently. In addition, it has been supervised that Soltec has data processors that comply with current legislation, signing the corresponding data processor contract with each one. Employees have even received specific on-the-job training in cybersecurity so that they are able to identify fraudulent emails, malicious files or phishing attempts via telematic means.

The responsible work of the Company has not only been confined to the Spanish headquarters, but other offices opened in different countries are undergoing a renewal of their procedures and policies in the processing of personal data in order to maintain a high level of information security.

In the course of its work, the DPO has established control measures to verify correct compliance with all the guidelines that have been indicated throughout the year. These are reviewed periodically and serve as a basis for improvement in the event of any incidents detected.

With the goal of responsible use of personal data, all the data that Soltec collects, stores and uses is recorded and processed in compliance with the obligations set out in the Spanish Data Protection Act (the regulations in force at any given time), ensuring the recognition of the rights (of information, access, rectification, etc.) established in that law.

The processing of personal data carried out by the Company and users' rights must comply with current data protection regulations-Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data, and the corresponding implementing regulations, "data protection regulations" or "GDPR".

In accordance with the provisions of the data protection regulations, Soltec users have the right to exercise, if they so wish, the rights of access, rectification and deletion of data, as well as to request the restriction of the processing of personal data, to object to the processing, to request data portability, as well as not to be subject to automated individual decisions.

In addition, if the processing of personal data described above is based on the consent of users, e.g. employees, they may revoke this consent at any time. In this regard, it must be noted that the revocation of the consent given will not affect the lawfulness of the processing carried out prior to the withdrawal of such consent.

In accordance with the provisions of the data protection regulations, Soltec users have the right to exercise, if they so wish, the rights of access, rectification and deletion of data, as well as to request the restriction of the processing of personal data

Training on ethics, compliance and corruption

Soltec employees must be aware of and comply with the principles of the Tax and Regulatory Compliance programme. The Company has therefore designed and implemented a training and communication plan in this area. As part of the training plan for the 2022 financial year, the training hours received in this respect amounted to 7 hours.

The objective of the training plan on Regulatory and Tax Compliance is to train, raise awareness and update all Company employees on the implementation and operation of the different protocols and tools available, and the Company is committed to ongoing training, especially in the event of legislative reforms that may affect the operation of any of the protocols in place.

In addition, it has been made available to all employees via the corporate intranet.
In addition, in the departments where it is considered there is greater risk (procurement and sales), specific, compulsory training on this issue has been given. It must be noted that new employees joining the Company also receive training in the Tax and Regulatory Compliance programme during their induction process.

Information security management system

In the new technological environment, with the convergence of information and communications technologies, the development of good practices in Information Security is essential to achieve the objectives of confidentiality, integrity, availability and legality of all the information managed. Soltec has a Security Policy in place which is structured around a set of principles and objectives that support Soltec's business strategy:

- **Confidentiality**:
  The information processed by Soltec will be known only to authorised persons, after identification, at the time and by the means provided.
- **Integration:**
  The information processed by Soltec will be complete, accurate and valid, and its content will be provided by the affected parties without any kind of manipulation.
- **Availability**:
  The information processed by Soltec will be accessible and usable by authorised and identified users at all times, and its own persistence is guaranteed in the event of any foreseen eventuality.
- **Legality**:
  Soltec must ensure compliance with any applicable legislation or contractual requirements. In particular, the regulations in force relating to the processing of personal data.

Soltec takes as a benchmark the best practices of the market, highlighting the ISO 27001 information security standard, for which it has been certified since 2020. In addition, Soltec has a business continuity plan for the Company, which establishes the criteria for correct operation in adverse situations and a disaster recovery plan. It analyses the main business continuity risks that Soltec could face (total failure of the head office, server failure, Internet connection failure-VPN, unavailability of internal staff, etc.). Accordingly, a series of recovery strategies are established that consist of backing up the equipment and devices used in the processes defined as critical for business continuity and having service agreements with third parties that can provide the rest of the equipment used in non-critical processes.

- **Servers:**
  Thanks to the backups and the nature of the servers, they can survive any incident without significant loss of information.
- **Software:**
  For the continuity of critical applications, it makes use of backups or external personnel where appropriate.
- **People:**
  People, through operational procedures, support each other.
- **Information:**
  Information is backed up and stored daily off-site at the main premises.
- **Communications:**
  As a means of communications backup, an alternative fibre line is in place to prevent disruption to the organisation's daily operations as far as possible.

Cybersecurity

At Soltec, cybersecurity is integrated as part of the culture and has become a strategic component of the Company's management. Soltec has appointed a **Chief Information Officer (CIO)**, providing him with the necessary resources to manage the Company's global technology and cybersecurity.

On a timely basis, the CIO reports to the Audit Committee providing information on the security strategy and programme, the main security risks and threats facing the Company and how they are being managed. The Audit Committee acts as a co-ordinating body, with the director responsible for co-ordinating and managing the matter.

Soltec is committed to raising awareness among its employees and collaborators so that they can act as the first line of defence against the main cyber-attacks, through training sessions and internal communication.

3.3 Risk management

Soltec's Board of Directors and management have a strong commitment to risk management. Accordingly, Soltec carries out comprehensive risk management closely linked to the responsible development and growth of the entity, with the aim of maintaining its significant position and leadership in the global photovoltaic energy market.

Risk management at Soltec allows us to make processes more efficient by maintaining a risk profile aligned with the global and integrated business model, reporting in a transparent manner the main risks faced by the Company or which may affect the achievement of the Company's objectives.

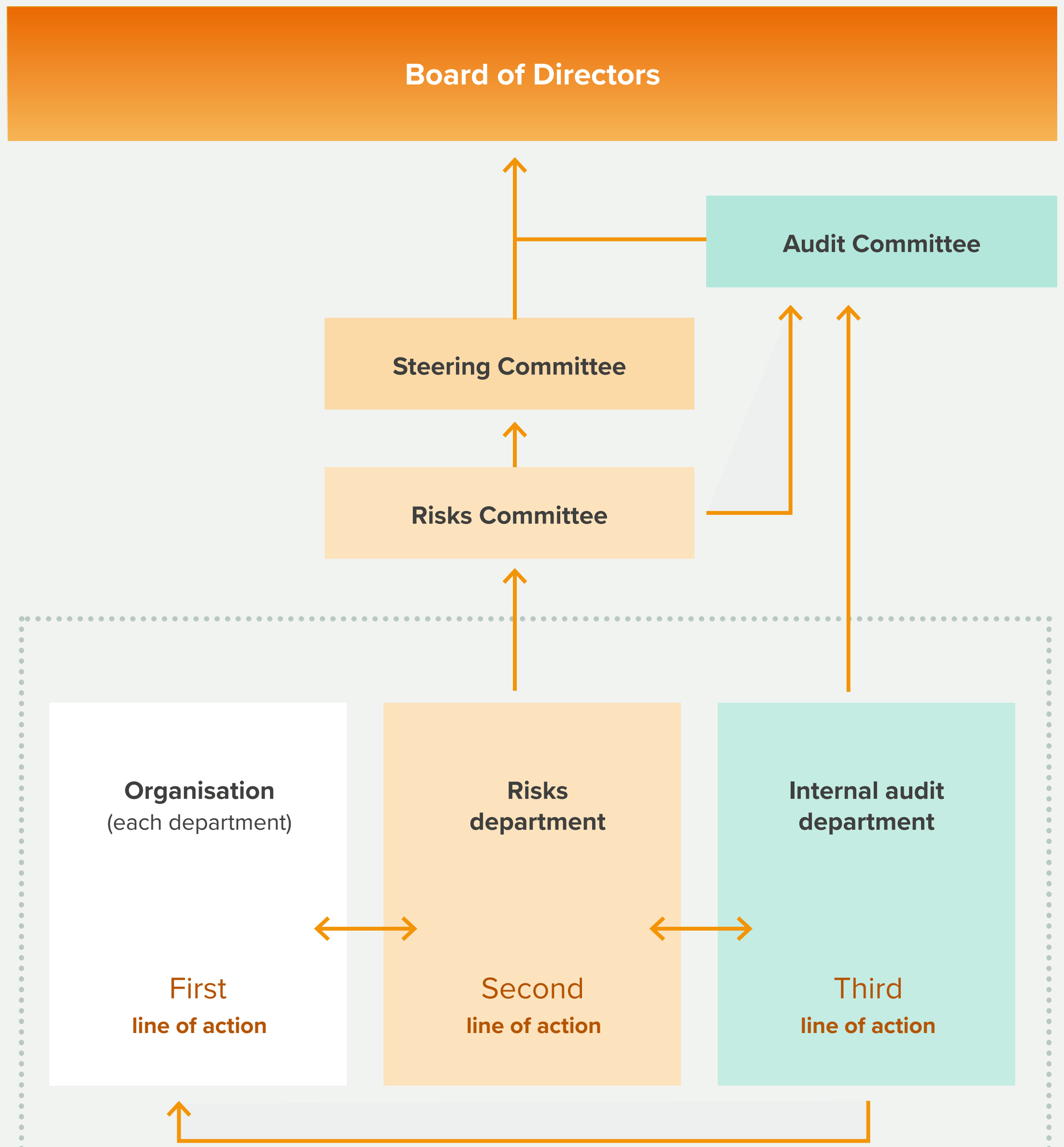
Risk management at Soltec is aligned with the requirements established in ISO 31000, which can be summarised as follows: diagnose, analyse and treat risks arising from both internal and internal changes in a framework of continuous improvement and with the full involvement of Soltec's top management, thus linking with Soltec's structure and culture.

Key indicators in 2022

Indicator	2022	2021
→ Number of incidents handled*	26	22
→ Risk analysis carried out at the offer stage	66	58
→ Risk audits carried out in subsidiaries	8	7

*The number of claims has increased due to the increase in projects awarded during 2022.

The **Company's risk management principles** are organised as follows:



Las 3 lineas de actuación tienen como misión gestionar los siguientes riesgos:

- Management of risks relating to business prospects, bids and developments
- Project risk management
- Business risk management
- Risk management of the system for Internal Control over Financial Reporting (ICFR)
- Climate change risk management

Objectives 2023

- Evaluation of the **risk monitoring** system **in the project implementation phase** and establishment of corrective measures.
- Review of implemented controls and monitoring of treatment plans.
- Inclusion of the newly created **asset management division** in Soltec's 360º risk map
- **Creation of a specific risk area in relation to the innovation area** in the 360º assessment of the risk map
- Direct supervision and identification of the risks of the Group's various international companies by means of visits to update the risk map in these companies
- Implementing a **climate change risk** management system
- Conducting **climate change awareness-raising programmes**
- Holding of **specific training sessions** for the different areas of the group on risks and insurance

Milestones 2022

- Biannual update of the **risk map** for all Soltec companies
- Identification of the **main emerging risks** and **implementation of mitigation measures** (controls, treatment plans and solutions for transfer to the insurance market)
- Definition of a format for **Project Risk Management** both in the bidding phase and in the execution phase of the project
- **Follow-up and validation of action** and remediation plans agreed upon as a result of previous audits
- **Direct supervision and identification of the risks** of the different international Soltec companies, including visits to update the risk map in these companies
- Holding of specific **training** sessions for the different areas of the group on risks and insurance

Risk management approach and principles at Soltec

The main objective of risk management at Soltec is to identify, define, quantify and monitor all business risks, applying an overall view of the different companies in the Company, with the aim of applying the optimal mitigating measures to eliminate or reduce the probability and/or severity of the threats identified, as well as taking advantage of the opportunities, allowing the entity to:

- Develop its activity.
- Grow sustainably.
- Make informed and coherent decisions.
- Achieve the quality standards demanded by customers, minimising emerging risks and contributing to the creation of value for stakeholders.
- Provide greater certainty and security in the achievement of the Soltec Group's objectives to shareholders, customers, employees and other stakeholders.
- Make a clean, sustainable and just world based on the efficient production of photovoltaic energy through transparent leadership and social balance.

The risk management defined and implemented by Soltec is fully aligned with international reference standards, taking as **fundamental principles**:

- **Management leadership**, which provides the necessary resources and ensures that the Company operates in accordance with these principles.
- **Teamwork**: integrating all the Group's companies and their processes and focusing on systematisation to enable the entire organisation to carry out appropriate and effective risk management.
- **Continuous focus** on our **stakeholders** (customers, shareholders, etc.).
- **Effectively inform management** of the main risks faced by the Group or which may affect the achievement of business objectives and the level of tolerance.
- Innovation and the **search for mitigating measures** that provide certainty in the achievement of objectives.
- **Adaptation to the needs of the organisation**: seeking alternatives that meet customer requirements while maintaining a contained and responsible exposure to risk and enabling continuous improvement.
- **Flexibility**, risk management in the Soltec Group is iterative and responsive to change, taking into account human and cultural factors, but always without losing the systematic and structured approach.
- **Transparency, efficiency, inclusiveness, effectiveness and inclusiveness** in a way that encourages proactive participation of all employees.
- **Continuous improvement** based on seven key phases: identification, assessment, response, monitoring, reporting, definition and follow-up of controls and treatment plans and periodic review of the Soltec Group's risk management framework.
- **Differentiated responsibility of the units and bodies involved**, based on the three lines of action model (see next point).

In short, Soltec has developed a **Global Risk Management Policy**, approved by the Board of Directors, in which:

- The general principles of risk management are determined
- A three-pronged risk control model is established
- The five pillars that guide the Company's risk management system are defined.

Risk management model: three lines of action

The activities related to risk management are inherent in each and every one of the Group companies processes, and for this purpose, Soltec has set up a model with three lines of control:

1st LINE OF ACTION	Daily monitoring and control of risks carried out by all departments with the support of policies and procedures specific to their activity.
2nd LINE OF ACTION	The risk management department is responsible for leading the implementation of mitigation and control mechanisms, supporting all front-line departments and monitoring the risk management system.
3st LINE OF ACTION	The internal audit department established in May 2020 ensures the proper functioning of the Soltec Group's management and provides independent and objective advice.

Internal Audit Department

The internal audit department plays a key role in the day-to-day management and control of the Group's activities. The department defines the scope of the different audits by means of risk-based planning that considers all aspects that may have an impact on Soltec, both financial and non-financial (finance, logistics, environmental, procurement, human resources, project execution, etc.)

During the 2022 financial year, the new internal audit plan has been implemented, focused on the review of the Company's internal control, both in relation to financial and non-financial aspects, thus responding to the mitigation of the main risks identified.

Risk management system

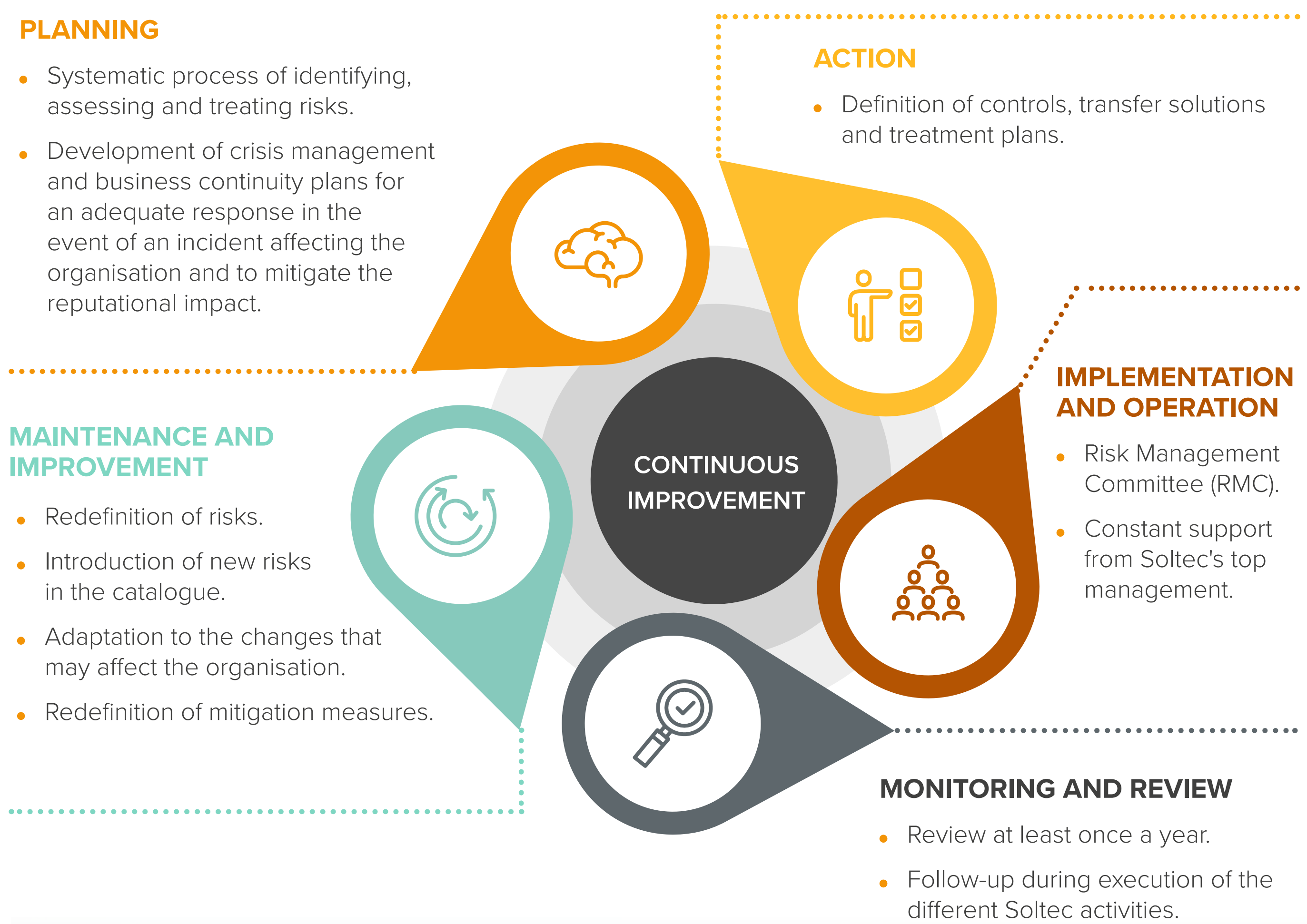
During the financial year 2022, as a result of the implementation of the management system in the previous year, a comprehensive risk management is being conducted. This allows for an appropriate and effective process of identification and periodic monitoring of risks, based on a system of continuous improvement with the aim of leveraging the opportunities identified.

Accordingly, the global risk management policy defines **five key pillars** that are characterised by a comprehensive and dynamic approach to control and identify risks, create a common culture that facilitates compliance with risk management objectives and have the capacity to act and adapt.

PILAR	Mission
Management of Risks relating to Business Prospects, Bids and Developments	Identification and analysis of the risks affecting any business opportunity prior to its initiation, as well as definition of the mitigation measures to be implemented on the risks detected
Project Risk Management	Monitoring the defined mitigation measures and identified risks affecting any business opportunity prior to its initiation, and analysing emerging risks during the implementation of projects
Business Risk Management	Define a risk matrix with different indicators for the different areas to understand, assess and mitigate risks; including, among others, (i) a regulatory compliance programme with its own criminal risk management policy (i) a tax compliance programme with its own tax risk management policy
Risk Management of the Internal Control over Financial Reporting System (ICFR)	Ensure internal control over the reliability of the financial information generated, identifying and controlling the critical risks associated with the authorisation, restriction, completeness and accuracy of financial information, including those of fraud, and implement the necessary corrective measures, acting at all times in accordance with the law and the values and standards of conduct reflected in the Code of Conduct.
Climate Change Risk Management	Define a common system for analysing the risks of climate change (following the environmental taxonomy set out in the Delegated Regulation (EU), so that we can anticipate the effects of climate change in the development of the Group's activity)

Commitment to continuous improvement

Soltec has a continuous improvement system in place that allows it to manage risks while conducting its business:



Risk Management Committee

As indicated in this report, there is a constant involvement of senior management in risk management. This support is reflected in the constitution of the risk management committee, joined by the management of each of the companies in the group as well as the Soltec Management Committee members that catty out risk management from the point of view of operational, financial, strategic and legal view.

Soltec has a permanent Risk Management Committee, which has an informative and executive character. Its objective is to reach agreements in relation to risk management and insurance at corporate, offer and project level, as well as to ensure the creation of mechanisms that promote risk management in all the processes of the Soltec companies

Actions performed related to risk management

- **Consolidation of the maintenance of the insurance programme** transferring residual risks to the insurance market, thus mitigating their potential impact. To this end, an in-depth analysis of Soltec's insurance coverage has been carried out, implementing a series of improvements in the conditions, including the effective management of renewals and new emissions required at corporate level, as well as in specific projects.
- **Updating of the risk map**, including all subsidiaries, and analysing both financial and non-financial risks (the main risks identified and management mechanisms can be found in the section "Main risks identified and management mechanisms").
- **Implementation of the risk management system**, holding meetings with the Risk Management Committee, creating risk appetite matrices for the Soltec Group, as well as implementing a system of bid analysis and monitoring during project execution.
- **Formalising the internal audit process**, establishing a structured and formalised process, based on an initial risk analysis, audit testing during the field work and a final process for closing the audit and reporting the findings. The action and remediation plans agreed as a result of the audits are also followed up and validated.
- **Definition of a format for Risk Management in Projects** both in the bidding phase and in the execution phase.
- **Implementation of a climate change risk management system**, aligned with the Appendix of Annex I of the Delegated Regulation on Environmental Taxonomy contained in the European Commission's Delegated Regulation (EU) 2021/2139. Through this climate change risk management system, the risks associated with climate change that may affect Soltec's activity are identified and their possible impact is analysed, as well as the mitigating measures for the appearance of these risks.
- Specific training sessions **for the different areas of the group** on **risks and insurance**.

Updating the risk map

As stated above, the periodic review of risks is a clear constant that Soltec maintains as a fundamental element for the management of its risks. In this regard, the following activities have been performed in 2022:

Monitoring of those **risks detected** as the main risks for the development of Soltec's activity.

Implementation of **22 treatment plans** to mitigate the risks detected as the main risks for the development of Soltec's activity.

Biannual update of the risk map.

The monitoring of the main risks detected during 2021 was carried out by means of analyses with the different risk "owner" departments and the definition and implementation of treatment plans to mitigate the main risks detected in the previous year. Among the treatment plans, it must be noted that during the year 2022 Soltec has been updating both the Business Continuity Plan and the Crisis Management Plan in order to proceed with their implementation during the year 2023.

The updates of the risk map have been carried out according to the following guidelines:

- Systematic process of identifying, assessing and treating risks.
- Redefinition of risks;
- Adaptation to the changes that may affect the organisation;
- Reallocation of risks;
- Review on a six-monthly basis;
- Support from the Board of Directors, the Management Committee and the Risk Management Committee;
- Review of contracts before signature;
- Regular meetings during the implementation phase of the projects together with Soltec's operations department.

Following the aforementioned guidelines, Soltec has proceeded to extend the 360° risk map with the following most significant magnitudes:

Identification of a catalogue of 179 risks (reformulating and grouping those risks that could be understood as duplicated and identifying additional risks)

Analysis and assessment of 476 risks, including Soltec subsidiaries in the risk catalogue, resulting in the following categories:

- Number of risks identified and analysed for Soltec Power Holdings: 81
- Number of risks identified and analysed for Soltec Industrial: 352 (including Soltec subsidiaries);
- Number of risks identified and analysed for Soltec Development: 43;
- Categorised by type of risk, the following classification can be found:
  - Number of operational risks identified and analysed: 303;
  - Number of strategic risks identified and analysed: 90;
  - Number of financial risks identified and analysed: 44;
  - Number of regulatory risks identified and analysed: 39.

Climate change risk analysis

The Intergovernmental Panel on Climate Change is a body established by the World Meteorological Organisation and the United Nations Environment Programme to analyse scientific, technical and socio-economic information relevant to understanding the scientific, technical and socio-economic information to understand the risk elements of climate change, its impacts and mitigation options. This analysis is reflected in the situation reports that are periodically produced by the aforementioned panel.

In this regard, during the 2022 financial year, a Climate Change Risk analysis has been carried out, focusing on the risks derived from climate change, contemplating scenarios of increased rainfall and/or temperature variations (heat/cold waves) and how they could affect the development of its activity. In addition, Soltec is currently developing actions to mitigate the risks identified.

Soltec is a pioneer in its activity, taking into account from the beginning of its activity the risks of climate change and especially those related to wind, taking into account in its designs the most unfavourable wind conditions and having its solar trackers certified in wind tunnels in the most unfavourable conditions by RWDI.

Main risks identified and management mechanisms during the year 2022

The main operational, strategic and regulatory risks affecting the Soltec Group are linked to the existing uncertainty in the demand for products and services in a changing environment, affected by the post-Covid-19 global disruptions as well as the current geopolitical situation, the difficulties in adapting to the different regulatory environments together with political and social instabilities, as well as potential regulatory changes, increasing competitiveness in the photovoltaic industry and specifically in the solar tracker industry with impacts on the reduction of solar tracker prices, potential regulatory breaches at operational level, information security linked to product R&D, as well as potential problems arising from natural disasters, cyber risk, system failures and/or supply interruptions.

The risks arising from corruption are adequately controlled through a legal and tax compliance risks management system.

During the 2022 financial year and in view of the uncertainty arising from the geopolitical context in Europe, the Soltec Group has established the following policy to mitigate the possible risks arising from it:

search for alternative suppliers,

Analysis of the situation in each geography where projects are implemented,

Contractual transfer of the possible adverse effects that may arise from this situation.

In relation to financial risks, the main risks are linked to market risks (exchange rate and interest rate), liquidity and customer credit.

The main risks identified, as well as the mechanisms implemented by Soltec during the 2022 financial year to mitigate them, are set out below:

Risk identified	Management mechanisms to mitigate it
Operational risks	
Uncertainty associated with the demand for products and services in a changing environment.	• Sizing of resources. • Sales follow-up for main customers. • Prospecting for new customers. • Follow-up on opportunities due to regulatory changes and budget allocation. • Local presence in key countries. • Investment in R&D&I. • Study of synergies and new lines of business. • Continuous improvement systems. • Agreements with key players in the industry. • Establishment of treatment plans focused on analysis of estimates and analysis of project costs and project execution deadlines. • Customer diversification.
Potential problems arising out of natural disasters.	• Transfer to the insurance market. • Transfer of ownership and risk to the customer. • Local presence in key countries. • Country risk analysis.
Potential problems arising out of system failures and/or supply disruptions	• Supplier diversification. • Local presence in key countries. • Transfer to the insurance market. • Establishment of contractual mechanisms to be able to review prices. • Treatment plans for market price volatility analysis. • Processing plan for logistical analysis. • Optimisation of supplier prices. • Design optimisation through investment in R&D&I. • Establishment of framework agreements with suppliers. • Monitoring of commodity price fluctuations: market trend analysis.
Cyber-risks	• Development in the organisation of best practices for information leakage management. • Establishment of a business continuity plan in the event of a cyber-attack. • Defined security policy and procedures for data lifecycles. • An information classification system has been set up. • Taking out cyber insurance. • ISO 27001 certification. • Conducting IT security and systems audits.

Risk identified	Management mechanisms to mitigate it
Strategic risks	
Difficulties in adapting to different regulatory environments	• Local presence in key countries. • Local legal and tax advice. • Transfer to the customer with regulation of law change clauses and variations. • Regulatory country risk analysis.
Political and social instability	• 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. • Country risk analysis.
Growing competitiveness in 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 focusing on analysis of estimates and analysis of project costs and project execution deadlines.
Reduction of solar tracker prices	• Local presence in key countries. • Optimisation of supplier prices. • Design optimisation through investment in R&D&I. • Establishment of framework agreements with suppliers. • Monitoring of commodity price fluctuations: market trend analysis. • Establishment of treatment plans focusing on analysis of estimates and analysis of project costs and project execution deadlines.

Risk identified	Management mechanisms to mitigate it
Regulatory risks	
Adaptation to potential regulatory changes	• Local presence in key countries. • Local legal and tax advice. • Monitoring of local design regulation updates. • Country risk analysis.
Potential regulatory non-compliance at operational level	• Local presence in key countries. • Local legal and tax advice. • Monitoring of local design regulation updates. • Establishment of controls to analyse proper definition of the specifications by the customer. • Requirement of precise project specifications from customers, transfer to customers of the risk of mistakes or lack of information in the specifications.
Financial risks	
Liquidity	• Framework agreements with financing entities. • Review of new funding formulas. • Framework agreements with suppliers/customers. • Analysis of the maximum risk of non-payment. • Cash flow monitoring of projects under implementation. • Review of customer collection and supplier payment conditions.
Market (exchange rate/ interest rate)	• Taking out cover. • Monitoring of rate fluctuations. • Agreements with suppliers in the same currency as the main contract. • Framework agreements with financing entities.

Emerging risks

At Soltec we understand that in a continuous improvement system we not only have to face the main risks detected, which in most cases are due to external agents or to the inherent activity itself, but it is also necessary to identify and monitor those potential emerging risks with a potentially relevant long-term impact on the business.

Among others, the following risks stand out:

Risk Event	Description	Mitigating measures
Possible increase in competition	Increase in the number of competitors in the industrial business segment	• Investment in R&D&I. • New products and services. • Synergies between divisions and vertical integration. • Continuous improvement systems for current products. • Local presence in key countries for the photovoltaic market. • Agreements with key stakeholders. • Customer diversification
Potential volatility of the solar photovoltaic market	Uncertainty associated with the demand for products and services in a changing environment.	• Sales follow-up for main customers. • Prospecting for new customers. • Follow-up on opportunities for regulatory changes and budget allocation. • Local presence in key countries.

The volatility of the solar photovoltaic market, although considered a potential risk, can also be seen as a business opportunity for the Company.

3.4 Promoting responsible supply chain practices

Soltec has a diversified supply chain, which makes it ready to face the disruptions of the global logistics market, mitigating the risks derived from it and guaranteeing at all times the supply and the best service to its customers. Thanks to this diversification, Soltec is in a solid position for future growth.

Key indicators in 2022

Indicator	2022	2021
→ Number of suppliers	2,450	1,828
→ % of approved suppliers out of total number of suppliers*	9%	17%
→ Volume of purchase orders (€Mn)	495.90	564.23
→ Volume of local purchase orders ** (€Mn)	49.96	43.70
→ % local***/national suppliers	10.1%	7.7%

* Suppliers that are subject to approval are those that either supply solar tracker components, raw materials or provide solar tracker installation services.

** The volume of local purchases is limited to purchase orders for installation projects in each country.

*** Referred to suppliers located in the countries where we are active

Objectives 2023

- Consolidation of the supply network, focusing on diversification in geography and number, geographically consolidated in the supply network in the USA and Turkey.
- Opening of new supply chains in India and Southeast Asia.
- Continuation of the process of identifying strategic suppliers and negotiating framework agreements/partnerships with them.
- ISO20400 sustainable Procurement Certification.
- Certification audit of the UNE15896Standard.
- Outsourcing of indirect purchases

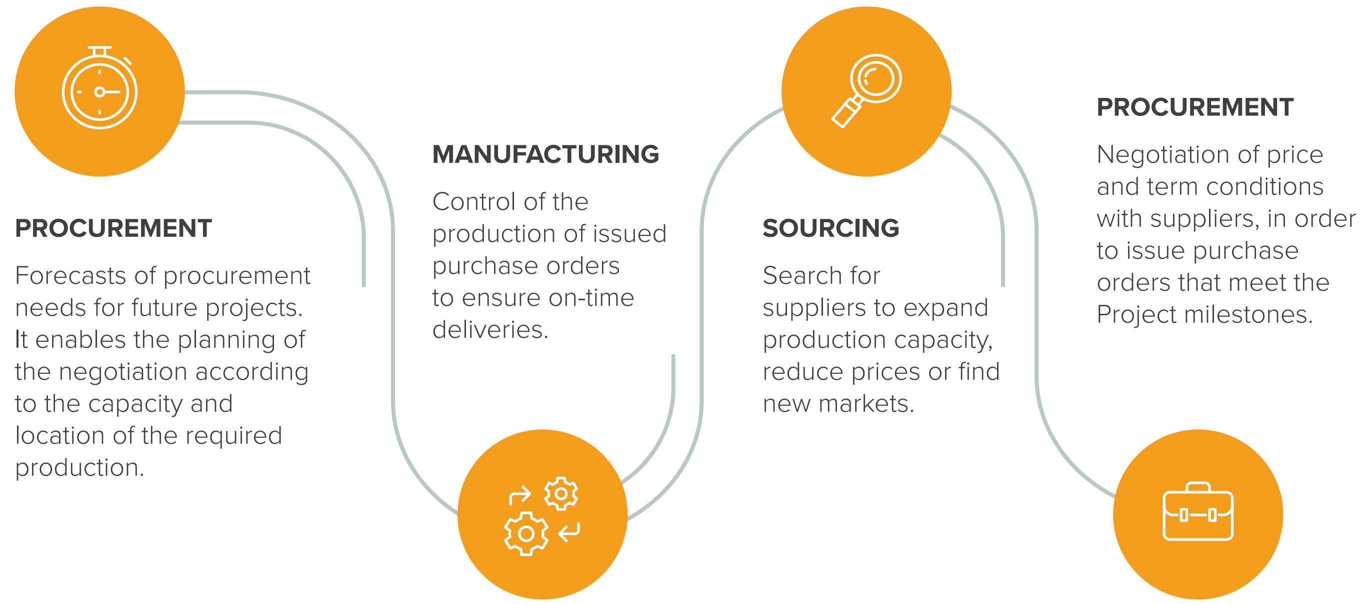
Milestones 2022

- First **procurement master plan**.
- Incorporation of **sustainability criteria** in the procurement plan and in the procurement policy.
- Obtaining **UNE15986** certification in Value-Added Procurement Management
- **ISO20400** Sustainable Procurement Certification.
- Update of the supplier approval **platform (GoSupply)**, to adapt it to the US market.
- First supplier satisfaction survey
- **Geographical diversification** with new suppliers in Asia and America.
- Consolidation of the **electronic invoicing management platform ("SERES")** for the optimisation of registration and payment processes.
- **Training** for procurement teams, based on negotiation techniques.

Description of the supply chain

Soltec's supply chain management model has evolved over the last few years, adapting to the growth of the Company's new business areas (support services for photovoltaic plants), currently covering the Company's three business lines, with the aim of mitigating the impact on the supply of materials and products derived from the different global disruptions.

The management of the supply chain is coordinated by the Procurement Department, considered a transversal and strategic department in the management of Soltec's projects. This department has four highly differentiated functional areas aligned with the Company's strategy:



The functions performed by the Procurement Department from the procurement phase, the approval and selection of suppliers for a purchase, are carried out following fundamental principles and sustainability criteria that have been defined in the Procurement Policy, approved in 2020. These principles are based on the quality certifications held by the Company and the principles of the United Nations Global Compact and by developing appropriate actions to increase the level of procurement contribution to the Company's strategic SDGs each year:

Access to affordable, secure and sustainable energy | Promoting sustained economic growth and decent work for all | Building resilient infrastructure and fostering innovation | Take urgent action to combat climate change and its impacts | Strengthening the Global Partnership for Sustainable Development

Sustainability criteria incorporated in supplier selections

As a leading company in the photovoltaic market, Soltec has a **procurement policy** in place that applies to global procurement at all locations. The procurement policy aims to build a solid base of approved suppliers to meet customer demands and expectations. Through efficient and transparent procurement management, the Company continually seeks to identify and mitigate the social and environmental risks inherent throughout the supply chain.

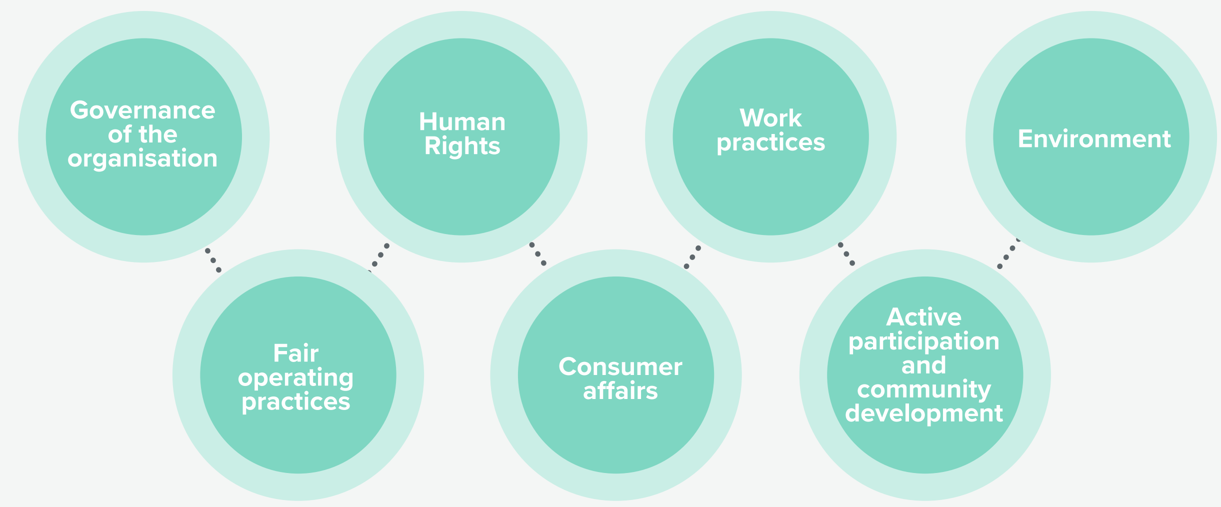
The Company takes the approach of continuous improvement of its processes as part of its commitment to the search for value-added in its supply chain. As such, its operational processes are reviewed and adapted to include an assessment of suppliers to ensure the quality, safety, ethical compliance and sustainability of their integrated value chain practices, responding to growing stakeholder interest in the origin of raw materials. The Company works to make logistics providers efficient and reduce their environmental impact.

Certification in the UNE15896 helps the department to identify and develop best practices. The Company is committed to sustainable procurement processes, integrating sustainability criteria in all procurement decisions, in supplier approval and selection processes, as well as in the supply and service contracts awarded. Soltec will ensure that its suppliers reinforce the implicit values of sustainability in their supply and/or service, and this premise will be subject to continuous verification. Certification in the ISO20400 marks the roadmap with annual milestones for the sustainable development of the supply chain with the aim of reaching the maximum percentage of compliance with the standard by 2030. Contribute to the organisation's strategic SDGs, applying appropriate levers to increase that level of contribution each year:

- Soltec has established the protection of the fundamental human rights involved in its sphere of influence as a requirement for the conclusion of a framework supply contract with its suppliers. Suppliers must expressly commit to comply with the provisions of the charter of the United Nations Universal Declaration of Human Rights.
- Soltec maintains a firm commitment to compliance with international labour standards both in relation to its workers and those of its suppliers, in compliance with the ILO Declaration on Fundamental Principles and Rights at Work. Soltec promotes equal opportunity and non-discrimination in the management of the human team in all its actions.
- Soltec, through global actions, promotes greater environmental responsibility both in its internal processes and those of its suppliers, through innovation and development in favour of the environment.
- Through its Corporate Compliance programme, it fosters an optimal working culture that values the integrity and ethics of all its employees with regard to suppliers, putting anti-bribery measures and potential conflicts of interest at the forefront.

That is why Soltec asks all its suppliers to commit to the same principles in the conduct of their activities and in the management of their relations with third parties, as well as to show additional commitments such as those listed below:

- The United Nations Universal Declaration of Human Rights,
- The seven core subjects of ISO 26000:



- The 17 Sustainable Development Goals.

- The guiding principles of the Company and Human Rights.

The Company asks them to show their public commitment to adhere to these precepts, and has also included in the contracting and procurement clauses special features related to sustainability criteria.

In addition, Soltec is fully aligned with the guidelines of the European sustainability directive. On 23 February 2022 the European Commission presented the Proposal for a Directive on corporate sustainability due diligence. The Directive requires certain European and third-country companies to establish processes to identify, prevent and design remedies for adverse human rights and environmental impacts that may be caused by the Company itself, its subsidiaries and entities in its supply chain.

Soltec's procurement area, in its eagerness to remain at the forefront of sustainability, is developing the tasks of the ISO20400 roadmap for regulatory compliance when it is transposed into Spanish legislation.

A flexible and local supply chain

Over the last few years, Soltec has built up a supply chain management model that has enabled it, on the one hand, to guarantee the supply of solar trackers, mitigating the effects of market disruptions (changes in international logistics conditions, shortages of materials, etc.) and, on the other hand, to offer new support services to photovoltaic plants by achieving an extensive network of local subcontractors with a better capacity to adapt and respond to the mobility restrictions caused by COVID-19.

The Procurement Master Plan, drawn up in 2021, establishes objectives for the Company in terms of improving the Company's competitiveness, establishing optimal relationships with strategic suppliers and internal customers and improving cost savings in projects, in a timeline up to 2025. In this Master Plan, the main lines of action are defined as those activities focused on the continuous improvement of the procurement function:

Procurement Organisation: one of the main initiatives is the development of a specific training plan for the procurement department, as a result of the improvement opportunities identified in the performance appraisal. In addition, an annual satisfaction survey of the procurement team has been implemented, through which an action plan for the future is established.

Positioning vis-à-vis internal customers: development of specific sustainability criteria to be incorporated into contracts, facilitating commitment to compliance with customers, legal or regulatory requirements applicable to the product/service.

Process improvement: increased transparency in contracts as well as the development of the current negotiation model, which ensures visibility and control of all information in the process.

Improvement of tools (systems): implement digital coverage systems for managing requests for tenders, comparisons and weightings. Advance in the implementation of dashboards using Power BI and SAP, in order to obtain operational, volume and strategic indicators.

As a consequence of Soltec's business model, which is increasingly vertically integrated, a flexible and highly efficient supply chain is required, with suppliers in all geographies and conditions adapted to the new market standards, with the aim of offering its customers different fast supply alternatives, regardless of their geographical location. Accordingly, Soltec has made the supplier approval process more flexible and streamlined, building a large global supplier network with which it can place orders quickly and efficiently.

1. Manufacture and supply of solar trackers

Soltec works with a large number of product manufacturers and steel mills worldwide with the aim of being able to supply any customer regardless of the market situation, location (avoiding costs and intermediate logistics times), as well as reinforcing the commitment to sustainable and local development. The Company's goal is to have at least several viable alternatives that can deliver the final product or material quickly.

The following map shows the diversification in terms of the location of Soltec's suppliers (approved, in the process of being approved or under negotiation).

2. Services provided for the support of photovoltaic plants

In 2022, Soltec strengthened its presence in the market by offering a variety of services that take the scope of its projects beyond the mere supply of the tracker. Construction services accounted for 26% of the industrial division's total revenues. Owing to the characteristics of this type of project, procurement management is often carried out with small subcontractors offering services at national level.

In this regard, Soltec is working on increasing its market share and improving its positioning, with the aim of reaching framework agreements with certain suppliers that can be recurrent in its projects. Accordingly, Soltec provides its various subsidiaries with sufficient resources to develop an extensive network of local subcontractors.

This diversification as regards local suppliers seeks not only to guarantee project support services, but also to meet the needs of countries that are increasing project requirements regarding the percentage of locally sourced products.

Approval of suppliers

Soltec continues with the evolution of the supplier approval process in order to guarantee quality, as well as to align the supply chain with the objectives set at global level.

In order to mitigate the impacts of global logistics and supply chain disruptions caused by electronic component shortages and/or the invasion of Ukraine, as well as to create a more streamlined process for BOP and EPC service contractors, Soltec has defined a more flexible approval procedure to meet the current strategy of expanding and diversifying the supplier network.

The Soltec Power Holdings procurement team has classified its suppliers into three categories, based on the criticality of the goods or services they provide to Soltec:

- **360º Suppliers:** those directly related to the Company's core business, i.e. strategic suppliers in the Soltec Power Holdings supply chain (suppliers of tracker components, raw materials, PV modules, cabling or inverters, among others).
- **180º Suppliers:** those main suppliers that are complementary to the Company's core business. These are mainly subcontractors related to the installation of a photovoltaic project (tracker installation and assembly subcontractors, main electrical equipment distributors, transporters and quality certifiers).
- **90º or elementary suppliers:** those related to the functional management of Soltec Power Holdings (consultants, audit firms, supplies of consumables or electronic equipment, among others).

In order to approve suppliers with a higher strategic value (known internally as "360º Suppliers"), corresponding to those with a more direct link to the recurring supply of tracker components, raw materials or wiring, in 2022 Soltec implemented a new risk assessment system ("GoSupply") that replaced the previous approval process. Through GoSupply, 360º Suppliers are categorised based on their risk level, which can be low, medium, medium-high or high.

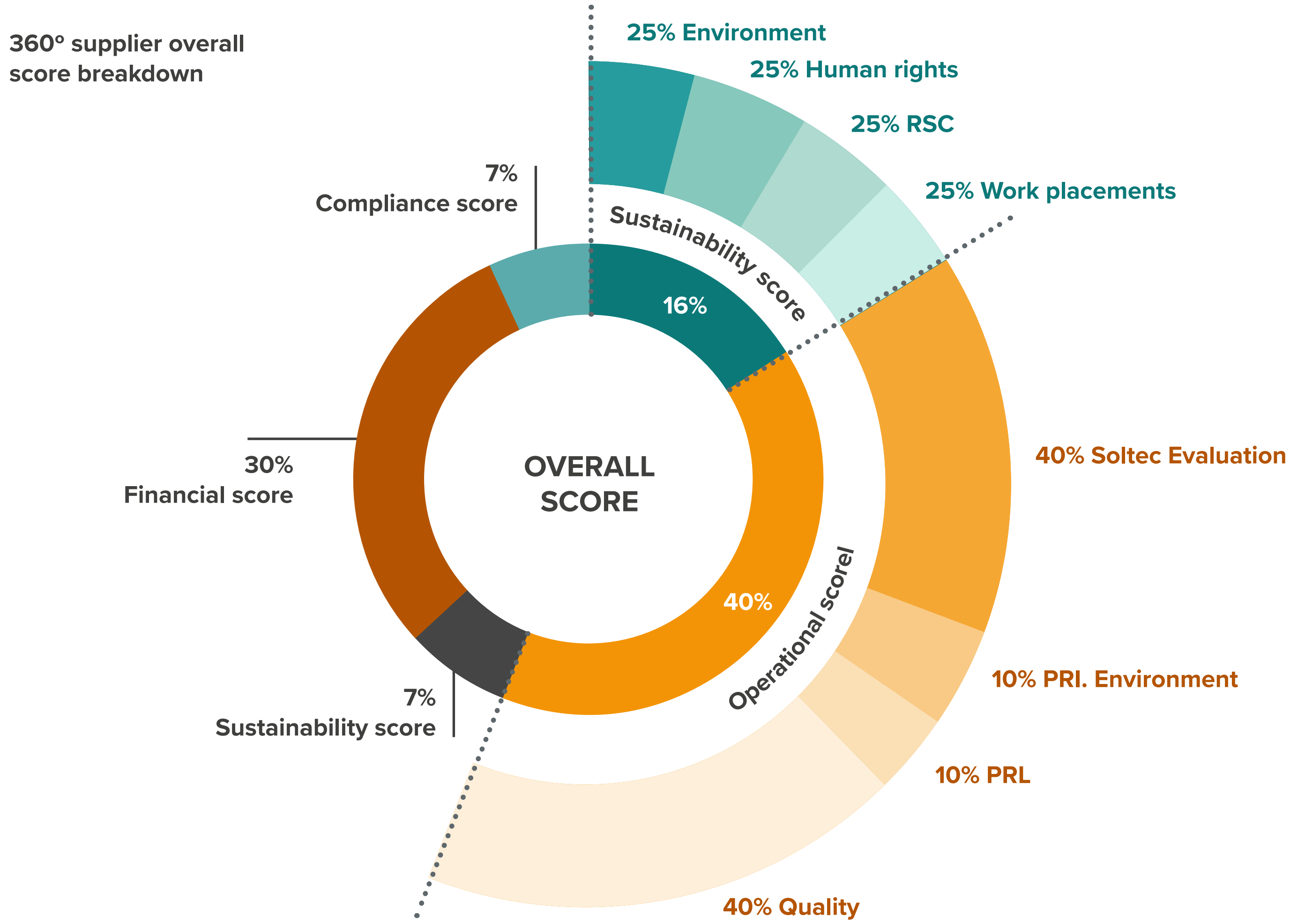
This risk level is obtained both from the assessment obtained after analysing five different variables (financial, operational, compliance, sustainability and cybersecurity variables), and from the possible alerts identified in the aforementioned assessment process

Suppliers are assessed separately in two areas, a technical and a business area to manage these assessments and potential alerts. The purpose of this procedure is to identify in which particular area the supplier poses a risk to Soltec and thus enable the decision to mitigate, transfer, avoid or simply accept the identified risk to be taken more efficiently.

On the other hand, an attempt has been made to simplify the approval process for suppliers that are more complementary to the core business (180º suppliers and 90º suppliers), which are mainly subcontractors related to the installation of a photovoltaic project (subcontractors for the installation and assembly of the tracker, distributors of main electrical material, transporters and quality certifiers).

By assessing financial, operational and compliance aspects, Soltec aims to achieve a flexible supplier approval process that is also quick and easy. Accordingly, the assessment focuses on the validation of samples to ensure minimum quality. Thanks to this 180º and 90º supplier approval process, Soltec has been able to maximise the number of suppliers close to its customers" photovoltaic plants.

In 2022, the GoSupply platform was fully implemented in the countries where Soltec operates, mainly in the USA, Colombia, Brazil and Portugal. In the case of the USA, a new functionality has been implemented, linking the issuance of financial reports issued by D&B to the evaluation of suppliers.



Efficient and digital management

Soltec has a supply chain management model that aims to develop more efficient procurement processes through digitalisation and automation, generating improvements, both internally and externally, with the Company's customers and suppliers.

Since the end of the 2020 financial year, the management process for indirect purchases (whether of goods or services) has been digitalised through the implementation of the JIRA platform, which can be accessed via the Soltec intranet. In addition to being digitised, this process has also been centralised in the procurement area in order to facilitate the traceability to the treasury area of the expenses incurred for these concepts.

Additionally, and in line with the digital transformation of the processes that Soltec has carried out in the last year, it has been decided to implement SAP/Hanna, focusing on one of the main pillars in the Company, such as the operations area.

We highlight the support of FULLSTEP in order to undertake the actions defined in the roadmap and to obtain the successful renewal of the ISO 20400 audit obtained in 2021. Therefore, during 2022 Soltec has developed a matrix, in which the impact of purchases on sustainability is evaluated, as well as a greater alignment to the Company's corporate strategy.

Internal process improvement through Lean methodology

During the 2021 financial year, a project was started to improve the management of tracker supply projects using the Lean methodology with the help of SGS. The objective is the definition of responsibilities, the optimisation of Supply Chain Management processes and the promotion of a cultural change focused on improving the management of these projects.

Some of the objectives of the initiative are:

- Improved definition of responsibilities and tasks in supply chain management.
- Greater involvement of the teams, gaining in coordination and reducing inefficiencies and avoiding duplication of tasks.
- Optimise communication and control by project, being able to set priorities, anticipate problems and take advantage of opportunities.
- Improve the results of type-H projects and the objectives set (Quality, Cost and Time).

Supplier satisfaction survey

Supplier relationship management also includes the value-added that the human aspects of the business can bring to operations, respecting the following fundamentals: two-way, open and effective communication, mutual respect and willingness to consider the needs and opinions of the other party, fairness in negotiations, building trust so that the Company can seek innovative ways of working and problem solving together, and flexibility to meet the needs of both parties.

In 2022, with the aim of increasing two-way communication with suppliers, the first supplier satisfaction survey was conducted, with positive results for the Company.

Opinion of the Company as perceived by suppliers: 4.21 out of 5.

Evaluation of the GoSupply platform: 3.30 out of 5.

Satisfaction in the process of selling the supplier's goods or services: 3.83 out of 5.

Quality of the information provided by Soltec: 3.99 out of 5.

Level of satisfaction with meeting payment deadlines: 3.52 out of 5.

Degree of collaboration with Soltec's technical and procurement team: 4.18 out of 5.

The results of the survey are a unique opportunity for improvement for Soltec, having identified areas for continuous improvement that have led to concrete measures such as:

- With the aim of improving the rating for meeting payment deadlines, a person has been added to the Treasury department responsible for communication with suppliers and the management of invoicing incidents.
- In order to improve the user experience with the GoSupply platform, a new category GoSupply90° has been created and the source of financial information for suppliers from USA, Canada and Australia has been changed.

4. ENVIRONMENTAL

Obtaining the certification

ISO50001:2018

Energy Efficiency Management.

3,030,680

tCO_2eq avoided thanks to our projects

Respect for the environment is part of the essence of Soltec, offering products and services that help decarbonize the energy system. Soltec's corporate purpose is to "create a cleaner, more sustainable and fair world through energy".

Soltec aspires to be an agent of change in the energy transition and to favor the use of renewable energies as a source of clean energy, contributing, thanks to constant innovation, to an emission-neutral economy and guaranteeing the sustainability of the environment and the its business model, in an ethical and transparent way, based on the source of solar energy.

4.1 Environmental commitment

Soltec 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, which leads the Company to work constantly and repeatedly to minimise the impact of its activities on the environment.

In this respect, it has developed a series of internal mechanisms that lay the foundations for its commitment to the environment, the central framework of which is the quality, environment and health and safety management system.

Main indicators in 2022

Indicator	2022	2021
→ Greenhouse gas emissions - Scopes 1 and 2 (tCO_2)	6,381	2,742
→ Greenhouse gas emissions - Scope 3 (tCO2)* (tCO_2)	More info page. 56	277,351
→ Energy consumption (kWh)	683,579	526,125
→ Steel consumption (t)	118,771	167,338
→ Consumption Other Components (tonnes)	31,895	29,197
→ Water consumption (m^3)	46,351	14,644
→ Fuel consumption (litres)	228,082	110,908
→ Diesel consumption (litres)	2,335,057	1,010,968
→ Hazardous waste production (t)	12	7
→ Production of non-hazardous waste (t)	2,178	1,359
→ Waste reused (%)	90	90

* Scope 3 emissions include emissions from the whole value chain.

Objectives 2023

- Conduct an **analysis of risks and opportunities**, both physical and transitional, arising from the effects of climate change.
- Calculation of greenhouse emissions of the entire value chain (scope 3).
- The carbon footprint will continue to be verified in its scopes 1, 2 and 3 according to the UNE EN ISO 14064:2019 (Certified standard).
- Product life cycle analysis.
- Actions to further promote the Circular Economy.
- Reduction of paper consumption per employee in the company by 1% compared to the previous year.
- Reduction of water consumption by 1% per employee in the company compared to the previous year, 2021.
- 1% reduction in electricity consumption per employee in the company compared to the previous year.
- 1% reduction in fuel consumption per hour worked in the company compared to the previous year.
- 1% reduction in waste generated per hours worked, compared to the previous year.

Milestones 2022

Environmental management:

- Renewal of ISO 14001 certification of the environmental management system.
- Extension of the ISO 9001 scope to photovoltaic plants and in the subsidiary in Colombia.

Energy sustainability and the fight against climate change:

- Verification of the carbon footprint in scopes 1, 2 and 3. The assessment of greenhouse gas emissions and the conformity of the carbon footprint calculation has been verified for direct and indirect GHG emissions (emissions from imported electricity consumption, emissions from transport and products used) in accordance with the UNE EN ISO 14064:2019, standard for the 2021 campaign.
- Obtaining ISO 50001:2018 certification on Energy Efficiency Management.
- Certification of 100% green energy, thus contributing to the protection of the environmen.
- Conducting a climate change risk analysis.

Environmental management approach

Soltec, as a sustainable company, promotes awareness for the respect and care of the environment, working hard to avoid and reduce the impacts that its activity could have on it.

For the management and coordination of all the Company's environmental actions related to the design, manufacture and assembly of solar trackers, it is periodically monitored through the environmental management system implemented at the Company's sites in Spain, Mexico, Brazil and Chile, based on the ISO 14001 standard.

In addition, Soltec has not received any fines or sanctions for non-compliance with regulations related to consumer health and safety issues in the last four years.

This framework comprises a number of internal mechanisms, which are described below:

The Company has a specific environmental management approach, along the lines set out in the **Company's Quality, Environment and Health and Safety Policy**, which establishes the principles of action in this area as follows:

- Ensure that services comply with applicable specifications, standards and codes, as well as applicable legislation and regulations in terms of quality, environment and occupational safety.
- Establish actions and programmes aimed at continuous improvement, pollution prevention and the prevention of damage and deterioration of health, both in the quality of services and in the respect, protection of the environment and people's safety.
- Incorporate management based on the minimisation or elimination of environmental impacts into services and make this objective compatible 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, in order to be able to collaborate jointly in the improvement of performance, both in technical aspects and in quality, occupational risk prevention and environmental aspects.
- Encourage and motivate staff, through the necessary training and awareness-raising, in order to enhance their integration in the management and development of the quality, environment and occupational health and safety system.
- Establish mechanisms to encourage worker participation in order to improve health and safety in the workplace.

Soltec has designed **environmental management plans** to be implemented in solar tracker installation projects, adapted to the specific environmental legislation in the different countries where the projects are carried out.

As a consequence of the environmental management plans and risk analysis, Soltec draws up project **monitoring plans** with the aim of establishing a mechanism to ensure compliance with legal requirements and current environmental regulations.

The **Quality, Environment, Health and Safety Policy** is developed through an environmental management system integrated with that of quality and health and safety, which is used for the management and coordination of all environmental actions linked to the design, manufacture and assembly of photovoltaic plants. This system is certified according to the highest international standards (ISO 14001) and implemented at the Company's sites in Spain, Mexico, Brazil and Chile.

Performance of **risk analyses** to identify the main environmental impacts and risks. The analyses take into consideration the different stages of the life cycle of the products and services offered by the Company. The main environmental risks to be taken into account are the use of raw materials, waste generation, noise pollution and atmospheric emissions from energy consumption. It must be noted that during the 2022 financial year, the Company has performed an analysis of the risks derived from climate change (see section "3.3 Risk management").

See section 3.3 "Risk Managememt".

Internal audits are conducted by the Environment, Health and Safety (EHS) department to periodically ensure the correct functioning of the management system, covering both the central offices and the design, manufacturing and installation projects of the photovoltaic plants in progress.

To implement the environmental management system, Soltec has an **Environment, Health and Safety** (EHS) Department, dedicated entirely to the management of the environmental impact generated by the Company through its operations, as well as the management of the impacts deriving from the solar tracker installation processes.

Numerous **awareness-raising and training activities** are carried out for employees, with the aim of making them aware of the importance of saving resources in their work environment and reducing the environmental impact of their daily activities, thus contributing to reducing their ecological footprint and promoting the Circular Economy. As a complement to these training actions, Soltec has produced a manual that incorporates a set of good practices in this area.

Finally, **Soltec has a budget adapted to the needs of the Environment, Health and Safety (EHS)** department, with a total of 86 thousand euros dedicated to environmental prevention by the Company.

Pollution

Soltec has modelled economic growth based on respect for the environment through innovation and optimisation of photovoltaic technology.

Thanks to its cutting-edge technology, the Company continues to strengthen its position in the solar photovoltaic market with revolutionary products such as its single- and double-facial solar tracker. The functionality of solar trackers is to make the photovoltaic module rotate around its axis following the direction of the sun, thus generating more energy.

During the 2022 financial year, projects with a cumulative capacity of 3,788 MW have been completed, enabling the estimated reduction of 3,030,680 tonnes of CO_2.

Meanwhile, the standard factory service includes the innovative Solhub warehousing and logistics system, which delivers on time. This allows us, in addition to providing the best service, to maintain total control throughout the process, controlling CO_2 emissions, having proper control over waste management and, in short, being responsible for environmental sustainability.

At the same time, Soltec is responsible for implementing measures to reduce its significant environmental aspects. The carbon emissions from the combustion of their vehicles are checked to ensure that they have passed all regulatory controls and the speed of traffic on the site is limited to ensure lower emissions. In addition, Soltec does not use gases in its production process, limiting their use to the refrigeration system of the facilities, with no recharging of refrigerant gases in 2022 and 2021. The Company carries out regular inspections of these systems in compliance with the highest standards of sustainability and is certified as compliant with the ISO 14001 standard on environmental management.

Similarly, control measures aimed at reducing noise are implemented in the projects through, for example, the use of noise reduction systems in machinery and construction vehicles, the verification of machinery manufacturers' certificates of conformity and regular checks of machinery.

Energy sustainability and the fight against climate change

Soltec aims to integrate sustainability into business management and decision-making in line with the United Nations Sustainable Development Goals, while generating value for both society and the Company.

Accordingly, all products are designed with performance in mind. The Company's engineers have the experience and dedication to optimise the performance of each project, enabling them to develop the most cost-effective, efficient and sustainable solar tracking solution. Manufactured trackers allow more energy to be generated per occupied hectare and a better use of space.

In order to save limited resources, the Company has created a decalogue of good practices for its employees, with special emphasis on energy and water saving. Similarly, the reduction of paper consumption is encouraged.

Thanks to new technologies, the Company has developed a process of digital transformation of all its activities and the way it relates to its stakeholders. In this regard, the Company has created a digital intranet for the entire organisation, which allows all communications to its employees to be always available, they use electronic means such as e-mail whenever possible and the web and other digital media for promotion or marketing, eliminating, for example, advertising brochures.

In addition, Soltec has an Energy Management Policy approved during the 2021 financial year. For Soltec the efficient use of energy resources is key to being competitive and environmentally sustainable. In this policy and with the aim of fulfilling its mission and vision and becoming increasingly sustainable, Soltec has energy objectives and targets as a framework to achieve continuous improvement of energy performance and the Energy Management System (EMS).

These include commitments such as:

- Continuously improve energy performance.
- Promote the efficient use of energy and energy savings in its fixed and temporary installations.
- Implement new and improve existing technologies to consume energy more efficiently in their facilities.
- Improve the energy consumption habits of workers and staff belonging to contractors and subcontractors.
- Encourage the use, as far as possible, of renewable energy production technologies.
- Ensure the availability of information and resources to achieve energy objectives and targets.
- Support the purchase of energy efficient products in order to improve energy efficiency.
- Support design activities that consider energy performance improvement.
- Comply with applicable requirements related to their energy uses and consumptions.

Soltec is committed to the fight against climate change, aiming to be a greenhouse gas (GHG) neutral company in the long term, with a progressive reduction of emissions planned in the short and medium term.

Accordingly, in the case of Spain, the Company only works with electricity suppliers with an electricity mix that does not generate CO_2 emissions or other GHGs through its electricity consumption and undertakes not to vary this selection criterion. In addition, from the paradigm of sustainability, the Company is committed to progressively reducing its electricity consumption, running control and awareness campaigns, changing equipment for more efficient ones, etc.

Meanwhile, the Company in Spain has implemented a plan to reduce its carbon footprint, in which it continuously monitors its emissions and is committed to reducing them year by year. It is worth mentioning that the carbon footprint generated by Soltec is very small, considering the size of the organisation, but even so, the Company strives for excellence, with an even lower level of emissions.

Soltec seeks to gradually improve its energy indicators and to this end has developed and implemented a series of measures throughout its activities:

Reduction of energy consumption and promotion of renewable sources:

- 100% renewable energy consumption at Soltec's corporate offices.
- Attainment of the ISO50001:2018 certification on Energy Efficiency Management during the financial year 2022.

Sustainable mobility:

- Promotion of collective transport at the projects and among employees.
- Installation of charging points for electric vehicles at offices and projects.

Machinery:

- Renewal of the fleet of vehicles and machinery for non-polluting alternatives.
- Substitution of propane-consuming production processes with other methods that do not use propane.

Renewal of the Reduzco seal

During the first months of 2023, Soltec is renewing the "Reduzco" seal awarded by the Ministry for Ecological Transition and the Demographic Challenge for 2022, in recognition of its commitment to the fight against climate change. This seal of quality highlights the important role of companies in protecting the environment, thus recognising the action plan promoted by Soltec to reduce its carbon footprint in the generation of green, clean and renewable energy. The Company currently has the seal granted during the 2021 financial year.

Greenhouse gas emissions

For yet another year Soltec has achieved certification of the organisation's carbon footprint in accordance with the UNE EN ISO 14064:2019. This time it has been calculated for scopes 1, 2 and 3, i.e. for direct GHG emissions (emissions from combustion, fugitive and process emissions) and indirect GHG emissions (emissions from imported electricity consumption, emissions from transport and from products used).

The Company's electricity consumption has increased by 30% as a result of the Company's increased activity, which has led to an increase in Scope 2 (emissions associated with electricity consumption) compared to 2021.

Scope 1, which measures emissions from all direct sources of combustion, mainly diesel and petrol, has increased as a result of the increase in the consumption of fossil fuels in 2022, due to the increased use of machinery as a result of the increase in activity.

With regard to its Scope 3 emissions, Soltec initiated a process to measure and reduce them in 2020. Along these lines, Soltec calculated the emissions associated with air travel for employee business trips in 2020. Additionally, in 2021 Soltec goes a step further and calculates all Scope 3 categories for the Company from its value chain, resulting in 277,351 tCO_2e.

In order to reduce the impact of Soltec's emissions, a policy to reduce business travel is in place. The Company has a travellers' guide to raise awareness among employees. Finally, in addition to the measures outlined above, Soltec will promote various projects related to the absorption and offsetting of its CO_2 emissions. The Company is currently analysing several projects in this area. The Company has also joined business initiatives related to climate change through which it seeks to position itself as an active and committed agent in the fight to find a solution to this global challenge, such as joining the "For The Climate" community, which brings together various public and private agents to contribute to the fulfilment of the Paris agreements, one of the most outstanding examples.

Promoting the circular economy

The world's economy is based on a linear system of extraction, manufacture, use and disposal of products that is reaching its limits and the depletion of natural resources led by environmentally damaging fossil fuels.

Soltec understands that the shift from a linear to a circular economy is a key step in environmental improvement and care, as it leads to a considerable reduction of waste through an optimal use of available resources. Soltec ensures that it follows a methodology for the proper management of waste generated throughout the Company and transmits it to both employees and the people responsible for its internal or external management.

Periodic training is given to both employees and subcontractors, in which good practices are shared and the importance of correct waste segregation for recycling is emphasised.

The Company's activity generates different types of waste, non-hazardous (mainly plastic, paper and cardboard and wood) and hazardous waste in small quantities (mainly oils, absorbents and packaging), due to the diversity of activities carried out in its work centres from office, logistics, manufacturing, installation and maintenance activities.

For all these reasons, Soltec believes that the circular economy must be strengthened in its activities, closing the "life cycle" of products, producing goods and services while reducing consumption, waste and the use of raw materials, water and energy. Some of the measures implemented during the year have been:

Use of **raw materials** mostly from **recycled material** (steel)

Selection of suppliers committed to the environment, through a strict **supplier approval process**

Geographically diversified manufacturing, as far as possible, being as close to the projects as possible, thus **reducing transport** and therefore CO_2 emissions.

Reducing the use of plastic in product packaging. In this regard, the Company reduced the weight of plastic packaging, which enabled a **70%** reduction in the use of plastics.

Extending the life cycle of our tracker. The useful life of photovoltaic plants is getting longer and longer, 40 years of lifetime. Their life cycle is getting longer and once finished, 95% of their material can be recycled, re-entering the circular economy

Install in a sustainable way, **reusing the waste generated** in the project, either as resources for the installation itself, or as elements of the biodiversity of the site or as a donation to nearby communities. See examples on the following pages.

Change from plastic to **aluminium tracker elements**. Thus, at the end of its useful life, aluminium is much **easier to recycle** than plastic

In all the projects there is a measurement and control of the waste generated, and different alternatives are developed in relation to this waste, including reuse in the projects themselves or recycling activities such as cardboard or wood.

The Company has contracted external companies as authorised managers for the collection and management of hazardous and non-hazardous waste, in accordance with the provisions of the legislation in force in each country.

All waste is correctly labelled, allowing rapid identification of the waste and informing both users and managers of the associated risk. In addition, all of the Company's workplaces that generate waste have a properly signposted storage area.

The waste storage area is sized and characterised according to the volume of waste generated in the workplace. The safety, health and environment department carries out periodic reviews of the state of the waste storage facilities to detect anomalies, possible improvements and to check that internal waste management is being carried out correctly.

In addition, Soltec in Spain registers all its production sites in the register of small waste producers of the General Directorate for the Environment, keeping each register updated in accordance with the rules published by the relevant regional authorities. In this area, each country strictly complies with its local legislation.

An example of Soltec's efficient waste management is the collection point (wood) of the La Loma Photovoltaic Project, where the waste generated from the construction operation is used by processing and donating this material, as well as reusing the waste in the same project by transforming it into useful items in the construction stage. The following initiatives stand out:

Wood processing (shredding), transport and delivery as a donation for the process of making organic fertiliser for farms in the project's area of influence.

Final product after the transformation of shredded wood into compost.

Reuse of wood for different items of the project: support for fire extinguishers, construction of temporary walkways, supports for signage, furniture for offices, among others.

Key indicators in 2022

Indicator	2022	2021
→ Volume of steel going to recycling plants (%)	100	100
→ Volume of paper-cardboard going to recycling plants (%)	100	100
→ Volume of plastic going to recycling plants (%)	100	100

Responsible water management

Soltec, as a sign of its commitment to sustainability, is committed to responsible water management and, therefore, from the Environment, Health and Safety (EHS)department, various measures are put in place to improve efficiency in its use and avoid degradation or misuse of the resource. Soltec annually monitors the volume of water consumed and reports on a monthly basis in order to identify reduction opportunities and set intensity targets. In 2022, the decalogue of good environmental practices launched in the previous year will continue to be applied, emphasising water saving.

In 2022, Soltec's operations were responsible for the consumption of approximately 46,351 m3 of water (14,644 m3 of water in 2021). Soltec does not use water in its manufacturing process, Practically all consumption, 43,172 m3 in 2022 (12,144m3 in 2021), corresponds to water consumption in relation to the measures to reduce environmental impact carried out by the Company with the objective of reducing dust in suspension of construction projects. This water used in construction is non-potable, following and complying with environmental legislation. The rest of the consumption, 3,179 m3 of water (2,500 m3 of water in 2021), is limited to human consumption in the Company's facilities.

Soltec will promote the circular economy in the areas where it develops its Ecovoltaica plants, rewarding intelligent management of raw materials to minimise and control waste, and thus avoid water pollution.

Efficient consumption of materials

The circular economy is very present in Soltec's activities and processes, as it designs them prioritising respect and care for the environment, maximising the use of recycled material resources and extending their useful life.

To this end, the Company prioritises the use of certain raw materials of recycled origin in its manufacturing of solar trackers and substitutes materials for others that have a lower environmental impact during their life cycle.

Soltec, in its strong commitment to efficient material consumption, has used 15% recycled steel in the manufacture of its solar trackers (21% by 2021), mainly used for the manufacture of pins, tubes and module supports. Steel is the main raw material used by the Company. The reduction in the percentage of recycled steel use is mainly due to the reduction in the number of pins in the solar trackers, this being the component with the highest consumption of recycled steel.

In recent years, there has also been a drive to replace lead batteries with lithium batteries, which have a lower impact on the environment because they favour the use of fewer batteries (the power supply to the tracker provided by a lithium battery is equivalent to that of two lead batteries) and a longer life cycle (the life cycle of a lithium battery is 10 years compared to 5 years for a lead battery). All of its new projects incorporate lithium batteries.

During the 2022 financial year, the decrease in raw material consumption (mainly steel) is mainly due to the reduction in the use of pins in the solar trackers, with this component using the largest proportion of steel in the solar tracker.

Key indicators in 2022

Indicator	2022	2021
→ Steel consumption (t)	118,771	167,338
→ Percentage of steel of recycled origin in total (%)	15	21
→ Paper and cardboard waste generated (t)	344	216

Precautionary principle

As far as the precautionary principle is concerned, the Company's activities do not generate impacts that could cause serious or irreversible damage to the environment.

Biodiversity protection

The environmental management plan supports the construction process of photovoltaic installations with the Company's products. The environmental management plan foresees the control of potential impacts on flora and fauna, among other aspects. In this way, biodiversity protection mechanisms are envisaged in operations where there could be some kind of impact, beyond the operations that are usually carried out in industrial areas that do not present any risk of impact on biodiversity.

The Company has a specific team tasked with implementing biodiversity mechanisms, whose main function is to develop environmental management plans and conduct environmental impact assessments prior to the execution of projects, where control of possible effects on fauna and flora, among other aspects, is anticipated. Furthermore, Soltec declares compliance with the "zero deforestation" target.

Among the main actions carried out by the Company to guarantee the protection of biodiversity are the following:

FAUNA

- Installation of wildlife fences on which rectangular plates are placed to prevent birds from colliding.
- Performance of the verifications required to detect the presence of nests or species' refuges, fulfilling the rescue protocol for the correct management of all those that could be affected by the works.
- Provide information to the site personnel involved on important or protected species and communities.
- Monitoring activities on the state of the avifauna.
- Construction of wildlife shelters with construction site waste and plant debris.
- Identification, survey and optimal relocation of wildlife.
- Installation and dissemination of forest fire and wildlife hazard signage on projects under construction.

FLORA

- Limitation of the area of action including access roads and auxiliary facilities.
- Watering of vegetation in case of significant accumulation of dust on vegetation.
- No stockpiling of any material, even temporarily, in areas occupied by natural vegetation.
- Use of animals, such as sheep, to cut grass in a natural way, obtaining a mutual benefit and avoiding the use of herbicides.
- Prohibiting the application of herbicides and pesticides, and no vegetation cleared outside the project area.
- Operational areas provided with the required firefighting equipment to protect the area and surroundings from potential fires.
- Rehabilitation of ecological corridors, where these exist.
- Celebration of World Tree Day in the different projects under construction.

ECOLOGICAL HERITAGE

- Special monitoring of earthworks in sensitive areas.
- Gathering information and plans from the competent bodies, identifying and signposting the most sensitive areas, prohibiting the passage of heavy machinery.

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REAL-LIFE CASE

At the photovoltaic plant in La Loma, it is common to see alligators (Caiman crocodilus ssp.), one of the smallest and most abundant species of the Crocodylia order in South America. It is characterised by a crescent-shaped ridge or frown located in front of the eyes and on the back of the snout, from which it derives its popular name: spectacled caiman. The team always proceeds to call in the environmental technical team, which includes a biologist, and proceeds to identify and study the animal and then relocate the caiman to its natural habitat. Soltec is always committed to preserving and protecting biodiversity and verifies that the mechanisms developed are effective and help to make the solar plant a safe place for workers, animals and plants.

4.2 Quality and excellence in our products and services

Satisfying its customers, guaranteeing high quality standards and improving the performance of its products is one of Soltec's main objectives. In the same way, Soltec aims to offer the best possible service to its customers, thus guaranteeing effective technical assistance, and to achieve this it carries out accompaniment, consultancy and training activities.

In order to meet the high quality standards demanded by its customers, as well as to comply with applicable legislation and other applicable standards, in 2021 Soltec approved a new Quality, Environmental and Occupational Health and Safety Policy which details the principles by which the Company is governed to ensure the best performance of its products.

In addition to this policy, Soltec has deployed in the main geographies in which it operates a Quality Management System certified in accordance with the ISO 9001 standard. This system is constantly being expanded and, in 2021, in addition to the Brazilian subsidiary, the Company's subsidiaries located in Chile and Mexico were certified in order to provide an efficient and quality service to the customers of both subsidiaries.

The Company has a department dedicated exclusively to ensuring and improving the quality of its products and processes. This department's functions include ensuring the proper functioning of the Quality Management System and carrying out internal quality audits on the different areas of the Company.

For its internal audit work, the department has a team of inspectors. In 2021, the team expanded and tightened the audit process in all departments and factories, complying with the requirements of ISO 19011:2018. A total of 12 internal audits plus a total of 4 external audits have been carried out during the financial year 2021.

Soltec contracted a new supplier approval platform ("GoSupply") in 2021. It includes different quality criteria in the evaluation system. In the scoring methodology, quality aspects contribute up to 40% of the "operational" score given to each supplier vetted through the tool. Finally, specific quality audits are carried out on the most relevant approved suppliers.

The number of complaints received from customers and admitted for processing in 2022 amounted to 35 (58 in 2021), the majority of which were resolved (89%), mainly through the replacement of materials and/or repairs. Through the Solmate platform, Soltec has managed a total of 800 incidents (670 in 2021), originating from warranty executions within the Solmate system itself.

Improvements to the Quality System for the financial year 2022

- New internal area for the management of construction services (EPC and BoP): this new area works to improve construction projects by centralising all subcontracting, construction services, material procurement and cost analysis tasks. In addition, the Company has implemented "TruQC" (digitalised inspection system) in all projects, including construction services, and increased the number of inspection teams to evaluate the scope of construction services.
- Consolidation of the traceability system for electronic components: Soltec worked together with SGS in the implementation of a lean system to determine and record the history of the components included in the electronic boards of the trackers, obtaining traceability, through a QR code included in the boards, which helps to determine the origin and quality of the materials used.
- Carrying out electroluminescence, by acquiring a camera and a computer to process images taken during the night, in order to internally evaluate the assemblies and ensure their quality, as well as to have full production capacity.
- Extension of the Works Instruction library by formalising a document that defines the working instructions on the process to be followed in relation to the verification of the test points performed.

Product certifications

In addition to having a Quality Management System certified according to ISO 9001:2015, Soltec promotes the certification of its products in accordance with the main schemes and relevant technical standards in its market, of which the following stand out:

- UL 3703 certification: This certifies the reliability of the tracker by ensuring its mechanical and electrical safety in accordance with solar tracking system standards.
- ISO 9001 certification: Certificate that guarantees Soltec's customers the Company's continuous commitment to the improvement of its products.
- IEC 62817 certification: Specific certification for solar tracking systems to evaluate and characterise the parameters and specifications of solar trackers.
- EN 1090 certification: Certificate of conformity of factory production control for manufacturers of metallic structures
- ISO 27001 certification: Certifies that information security is guaranteed and correctly implemented in the Company.
- Stamp of the Brazilian Telecommunications Agency (Anatel): Certification of the electronic system that controls Soltec's single-axis solar trackers, guaranteeing customers in Brazil that the installation and use of its solar trackers complies with current regulations in terms of safety and regulated technical functionalities.
- Dy-WIND system certification: Certification of analysis of dynamic wind effects applied to the design of solar trackers for accurate structural dimensioning and to provide greater stability to the structure.

Commitment to service quality and customer satisfaction

Soltec, in view of its commitment to its customers, has the necessary resources to establish a quality, environment and health and safety management system in its organisation. Its aim is to provide you with a more efficient service every day, assuming that the services provided must have a constant increase in quality, reliability and safety.

All of the Company's products are guaranteed to ensure their correct operation, in accordance with the terms of the contracted guarantee, undergoing strict quality controls to comply with the specifications and requirements of its customers, and with national and international standards.

Soltec provides its customers with a customer support service, "Solmate", and has an online platform, rolled out in 2021, available 24 hours a day through which customers can report problems quickly and track their requests at any time. With local infrastructure in countries such as Mexico, USA, Brazil, Spain, Chile and Australia, as well as "Solhub" warehouses in different countries to initiate a quick spare parts management, Soltec guarantees the best and quickest response to any operating incident through the Solmate programme and its three branches Solmate Warranty, Solmate O&M and Solmate Care.

Solmate has a specialised and dedicated team on 5 continents and in all the group's subsidiaries. It also offers O&M services. Soltec's commitment to the smooth running of the project is totally aligned with the objectives of its customers.

One of Soltec's main objectives is the trust of its customers. For this reason, Solmate is formed as the exclusive and fully dedicated department to attend to the projects in operation with its solar tracking systems.

In addition, as part of the Quality System, the Company has a procedure for the identification and management of non-conformities, which are correctly documented by each project/subsidiary and reported to the central quality department on a monthly basis at the latest, as well as periodic satisfaction surveys. Once the necessary actions have been implemented, the causes (origin) of the non-conformities are analysed and the necessary corrective actions to avoid their repetition are determined. In addition, Soltec conducts customer satisfaction surveys, obtaining an overall score of 4.06 out of 5 in 2022 (4 out of 5 in 2021).

solmate WARRANTY

Soltec is committed to supplying its customers with products that guarantee the correct operation of the photovoltaic plants and, for this reason, all products are guaranteed through the Solmate Warranty. Soltec records all inspections, tests and quality tests carried out and issues a FAT (Factory Acceptance Test) certificate prior to shipment to the customer.

solmate O&M

Through Solmate O&M, Soltec has an operation and maintenance plan, with regional coverage, which includes services such as on-site and online coordination, routine and urgent plant visits, periodic reports, dedicated personnel, monitoring and online administration. To this end, the Company has operating procedures that meet the necessary requirements for the performance of tracker maintenance activities, with the aim of standardising activities during the work and thus managing to control, reduce and/or eliminate the risk of accidents involving people, equipment, installations and the environment.

solmate CARE

With Solmate Care, customers can enjoy ongoing technical assistance, online or on-site, and additional support options. Its aim is to accompany them throughout the process, with dedicated experts who can give an immediate response, as well as the diagnosis of the problem and the fastest possible management of the solution. Through Solmate Care, customers can access additional benefits such as the monitoring of their Tracking Monitoring System, which allows a more precise knowledge of the operation of the solar trackers, as well as warranty extensions.

5. SOCIAL

2,678

Total employees

Launch of the

Soltec Foundation

Soltec's strategy is driven by its employees, their passion for the products, the teamwork and the relationship with the customer in order to offer a quality service.

The Company trusts in the capabilities of its employees, in the diversity of talent to be able to grow and meet the objectives and challenges that arise, and therefore always understands professional relationships as a long-term alliance in which everyone benefits, guaranteeing at all times the protection and defence of their rights, job stability, stable employment and a motivating professional project where they can develop through continuous learning.

5.1 People first

Soltec's strategy is driven by its employees, their passion for the products, the teamwork and the relationship with the customer in order to offer a quality service.

The Company trusts in the capabilities of its employees, in the diversity of talent to be able to grow and meet the objectives and challenges that arise, and therefore always understands professional relationships as a long-term alliance in which everyone benefits, guaranteeing at all times the protection and defence of their rights, job stability, stable employment and a motivating professional project where they can develop through continuous learning..

Key indicators in 2022

Indicator	2022	2021
Number of employees	2,678	2,495
Percentage of women in the workforce (%)	18.36%	19.79%
Percentage of women in senior management (%)	25.0%	37.5%
Total hours of training [1]	56,098	55,661
Hours of training per employee	20.51	22.31
Occupational accident frequency rate [2]	0.84	2.36
Occupational accident severity rate [3]	0.05	0.03
Number of occupational diseases [4]	0	0
Voluntary rotation rate	18.5%	31.6%
Total rotation rate	26.6%	28%

1. EHS training is included.
2. Number of lost-time accidents per million hours worked (all accidents were classified as low or minor in 2022).
3. Number of days not worked due to accidents occurring during working hours, per thousand hours worked (during the 2022 financial year, all accidents were classified as low or minor).
4. A disease contracted as a result of work performed for hire or reward or on a self-employed basis in the activities specified in the Schedule of Occupational Diseases

Objectives 2023

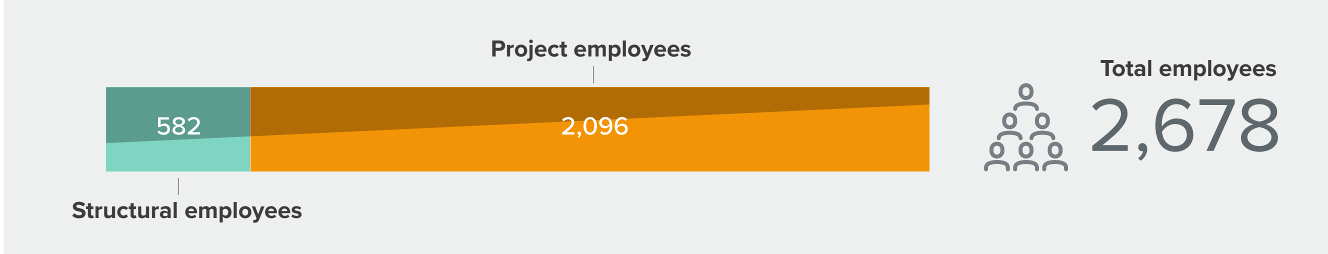
- **Improving the employer brand**.
- Global **climate survey**.
- Digitalisation of the **training plan** and the process of joining the Company.
- Extension of **variable remuneration to all group employees** linked to strategic, departmental and individual objectives.
- **Increase in the number of women** in the workforce at senior and middle management levels.
- Certification of the **Equality Plan**.

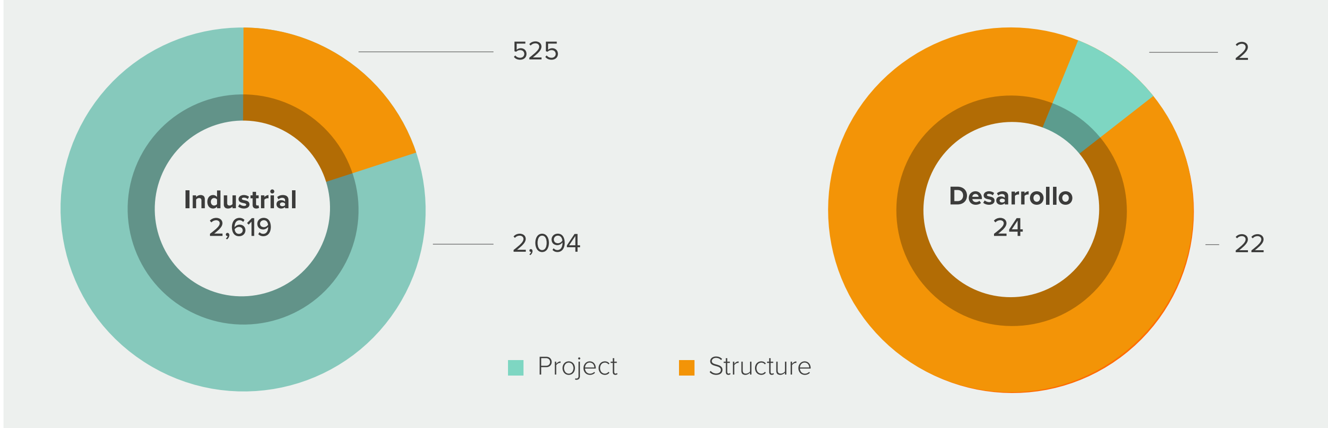
Milestones 2022

- New remuneration policy in line with employee objectives and variable remuneration.
- New recruitment and staff appraisal policy that is diverse, inclusive and promotes talent attraction.
- First work climate survey.
- Increasing the services offered under the flexible remuneration scheme
- Implementation of the equality plan and extension of Equality training globally.
- Promoting internal communication through an ambassador programme.
- Internal employee training: Leadership school, lean office, etc.

Our staff

By the end of 2022, Soltec had a workforce of 2,678 employees in 11 countries, which represents 7% growth compared to the end of the last financial year. This growth in staff is mainly due to the evolution of the business.

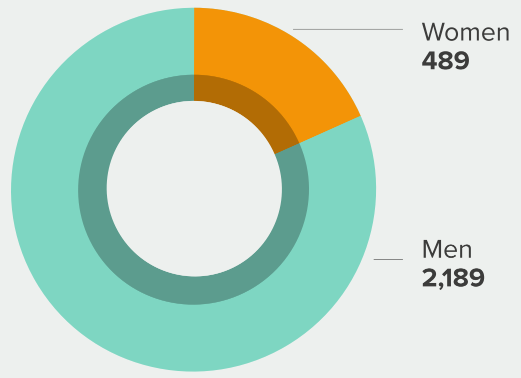




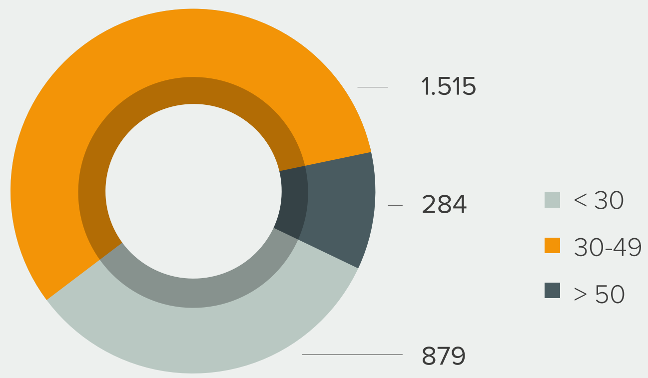
The profile of the Soltec team

The distribution of employees by country, gender, professional category and age as at 31 December 2022 is as follows:

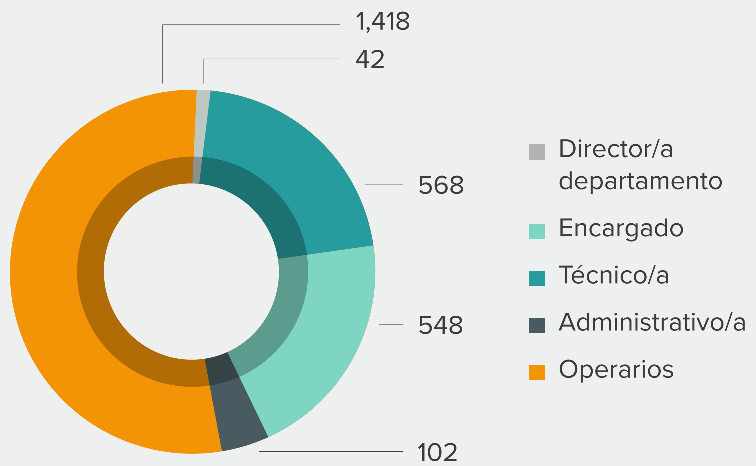
Distribution of employees by gender



Distribution of employees by age



Distribution of employees by professional category



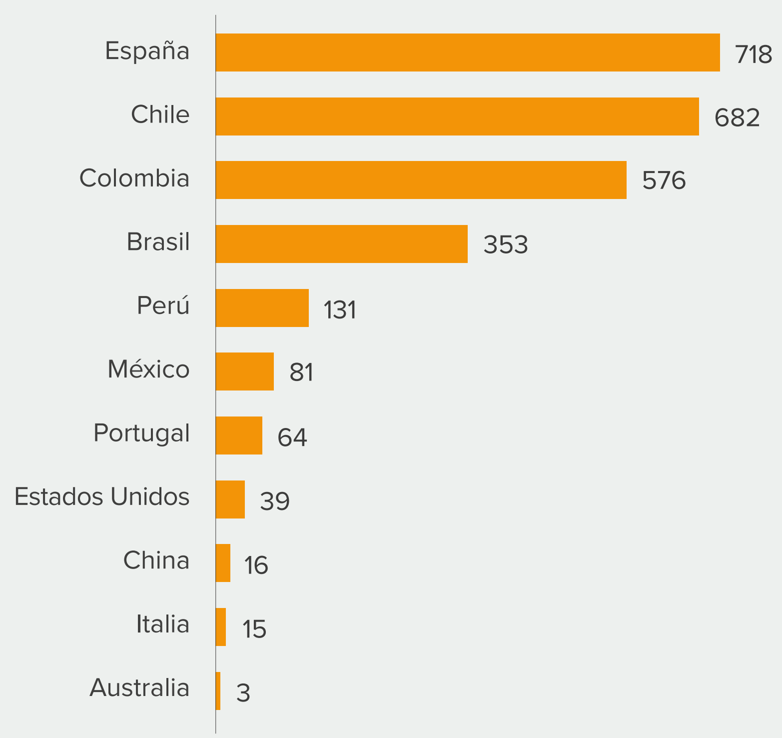
PERFIL DE NUESTRAS PERSONAS

30-49
years old on average

99%
with a full-time contract

20.51
training hours per employee

46
nationalities



Collective agreements

Soltec stands for freedom of association, and the effective recognition of the right to collective bargaining, as well as equal opportunities and treatment, and non-discrimination in pay for work of equal value.

The application of these rights is reflected in the continuous, open and constructive dialogue that the Company maintains on an ongoing basis with the trade unions, and there have been no significant conflicts between the social partners.

The working conditions and rights of Soltec's employees, such as freedom of association and trade union representation, are laid down in regulations, agreements and, where applicable, agreements with the relevant employee representatives. The collective agreements for the iron and steel industries in the Region of Murcia and Cáceres and its province, the metal industries and services agreement in Albacete, the metal sectoral agreement in Zaragoza, the sectoral agreement for engineering companies and technical studies offices, and the agreements for offices in Murcia and Madrid are the most relevant reference agreements in Spain. As for the other subsidiaries, they are governed by the applicable sectoral/company collective bargaining agreements, if they are formalised, or by the labour legislation of each country.

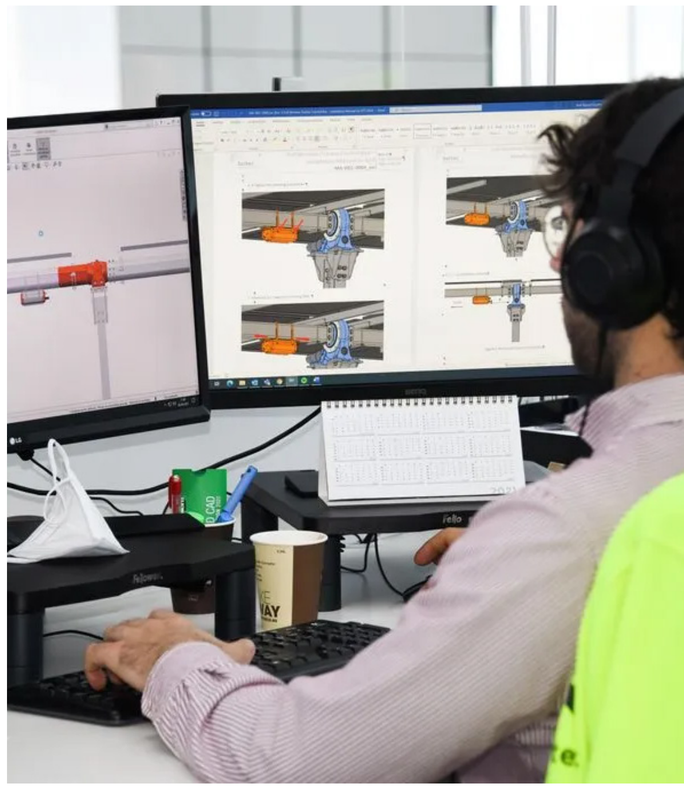
Digitalisation of information relating to people in the Company

In the 2022 financial year, the digitalisation of the organisation's people-related information continued to deepen, through the SAP SuccessFactors tool for human resources information management. In addition, a programme for payroll management was implemented during the year.

In addition, a selection process management system (ATS, Teamtailor) has been implemented to improve the experience of all candidates during global selection processes. This process has enabled Soltec to improve its employer brand and to have a global talent pool.

With the aim of achieving a better monitoring of the exemption of work income received for work carried out abroad regulated by the Personal Income Tax Law, Soltec has implemented the K-Travel tool (accessible via web or through an application) to improve and optimise the monitoring of this regulation.

The implementation of these systems has simplified, automated and homogenised processes and data management, as well as contributing to an improvement in the group's talent management.



Equal opportunities and non-discrimination

Soltec does not accept any discrimination on the grounds of age, race, ethnicity, colour, sex, religion, political opinion, national extraction, sexual orientation, social origin or disability.

To this end, Soltec has an **equal opportunities** management framework in place to ensure equal treatment and opportunities for its workforce, as well as non-discrimination of any of its employees. This framework is composed of: a policy; an equality body and an equality officer with specific functions to ensure compliance with the policy and related activities; and an action plan that was developed in FY2021, which has been implemented in FY2022.

The **Equality Plan** sets out lines of action to be implemented in the different areas of work. The main lines of action are as follows:

- Access to employment
- Promotion
- Training
- Remuneration
- Organisation of work time
- Reconciliation
- Prevention of harassment

During the 2022 financial year, the **negotiating committee for the diagnosis and the Equality Plan** was set up, comprising both members representing the Company and members representing the employees. The committee has met a total of three times since it was set up, and measures have been taken such as the start of Soltec's equality diagnosis, the launch of an equality survey and the launch of communication campaigns on equality for the entire workforce. The committee continuously monitors progress towards achieving real equality between women and men in the Company and, by extension, in society as a whole.

Soltec, declares as a basic principle, the right of workers to receive respectful and dignified treatment, committing itself to implement procedures to prevent, detect and eradicate psychosocial risks of workers and especially to protocolise the process of action in the face of conduct that may involve workplace harassment, having implemented a protocol of action against workplace harassment that establishes the procedures, measures of action and prevention, as well as the follow-up and monitoring of any incident in relation to the same.

During the years ended 31 December 2022 and 2021, no relevant risks in the area of equality have been identified and no complaints have been received in relation to equality.

Equal opportunities management framework

Equal Opportunities Policy

Signed in 2019, the Equality Policy aims to guarantee equal treatment and opportunities for all its employees and to promote and encourage measures to achieve real equality within the organisation.

Standing Committee for Equality and Equality Officer

The Standing Committee for Equality is a body responsible for ensuring equality and eliminating any possible discrimination that may occur in the company. The Equality Officer assumes various functions, such as coordinating and supervising all phases of the process for the elaboration of the Equality Plan. He/she is also responsible for supporting, advising and training the Standing Committee for Equality

Equality Plan

The Equality Plan covers, among other matters, access to employment, professional classification, promotion and training, remuneration, organisation of working time in order to favour, in terms of equality between women and men, the reconciliation of work, personal and family life, and the prevention of sexual harassment and harassment on grounds of sex.

Equal pay

Soltec ensures fair remuneration for its people and has therefore implemented a remuneration system based on their individual performance.

The system recognises the value that each employee generates for the organisation through their performance, behaviour and adherence to the set of core values by which the Company is governed. The system also recognises extraordinary contributions they may make, thus promoting a positive impact on employee motivation.

Soltec has a structured remuneration system which is intended to provide a basis for organisational development, increasing clarity about jobs and processes in the organisation, thus establishing the basis for increasing the organisation's competitiveness in the market. In the same way, the pay policy promotes equal treatment of men and women that does not establish or encourage wage differentiation.

Soltec's remuneration scheme consists of:

Fixed remuneration: based on the definition of the post and its hierarchical level. This is based on the applicable collective bargaining agreement or the conditions and agreements in force in each country, as well as the level of responsibility, the functions performed and the professional background of each employee.

Variable remuneration: based on the fulfilment of objectives established for the employee, agreed with the employee and remunerated on the basis of the results achieved. This system seeks to promote employee commitment to the Company according to the following formula: Performance = (Performance x Attitude) Value. During the 2022 financial year, it has been applied to 45 people with reported variable, as well as to new recruits and in the sectors of estimation, production, procurement and logistics.

Long-term incentives: an element of loyalty to encourage employees to remain with the Company in the long term, linking their success to that of Soltec (see section 3.1 System of governance). It seeks to compensate and motivate participants, enabling them to be part of the Company's value creation by establishing a link between their remuneration and the performance of the actions of the Long-Term Incentive Plan. During the year ending 2022, 20 persons have benefited from this system.

Social benefits: additional benefits received by the Company's employees, either in addition to their salary or through collective benefits. With regard to salary supplements, these benefits enable the Group's employees to optimise their salaries by selecting or acquiring certain benefits with significant advantages that enable them to maximise their remuneration. Some of the actions and/or social benefits to be highlighted are as follows:

- Benefits such as pension plans (401k retirement plan, where employees set what percentage of their income will be automatically deducted from their pay to invest in their retirement account) and health insurance in the US, health insurance in Colombia, health insurance and gympass in Brazil.
- Afternoon off for employees on their birthday.
- Platform of discounts on education, food, transport, among others, for all employees of the Company ("inspiring benefits").

Flexible remuneration: Improvement of the flexible remuneration service that allows employees to make tax savings by purchasing certain products such as restaurant vouchers, medical insurance, childcare and transport.

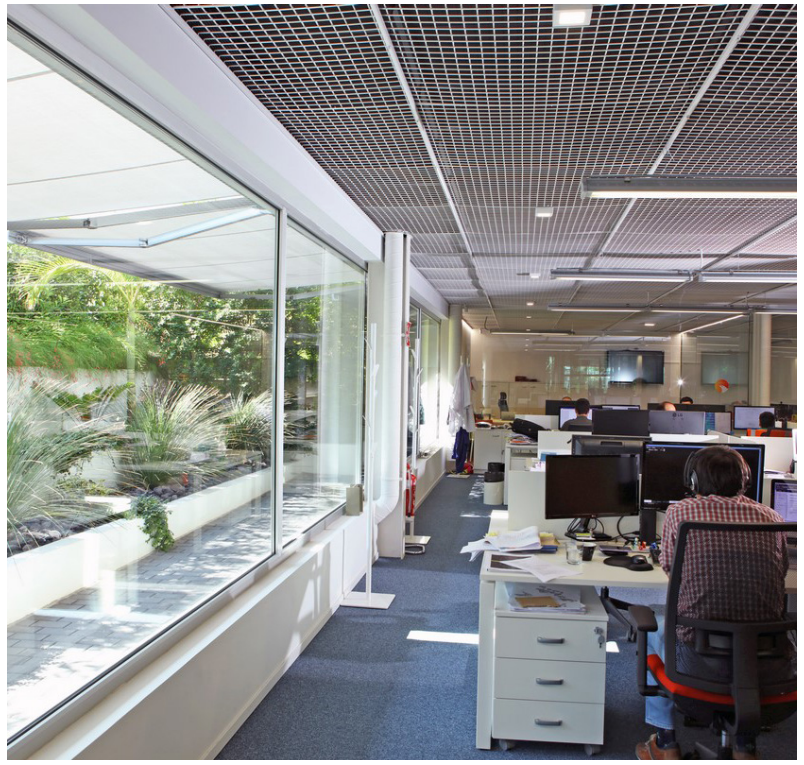
During 2022, the average remuneration of Soltec's workforce has changed as follows:

Average remuneration of employees by professional category (€)

	2022	2021
Director	111,692	95,028
Manager	30,956	31,175
Technician	12,351	21,263
Administrative staff	12,351	11,879
Manual worker	8,653	12,979

Average employee remuneration by gender (€)

	2022	2021
Man	16,558	20,439
Woman	16,229	20,057



Remuneration policy

The Company's remuneration policy promotes equal treatment. The remuneration model rewards the level of responsibility and career path, ensuring internal equity and external competitiveness, as well as the retention and promotion of talent.

For the calculation of the Company's pay gap, the average salary of men and women by professional category has been considered, including both fixed and variable remuneration of workers in the average salary. This information is conditioned by the following aspects:

- The professional categories are made up of an assimilation of different professional categories in their origin according to the legal and labour framework of the country
- The professional categories include different jobs with different remuneration depending on the position
- Not all professional categories exist in all societies or countries
- The wage structures of each society or country are different

In the above context, the pay gap for each category has been calculated as the average pay gap between men and women divided by the average pay of men.

In addition, with the aforementioned information, the weighted average has been calculated taking into consideration the weight of each category with respect to the number of employees during the year.

The pay gap for the 2022 and 2021 financial years for the Company as a whole amounts to 2%.

The ratio between the minimum wage paid by Soltec and the minimum wage for the financial years 2022 and 2021 is higher than one unit for Spain, and the Group undertakes to respect the local regulations in force in the rest of the subsidiaries, both at the level of collective agreements and agreements linked to the establishment of a local minimum wage.

Update of the remuneration policy in the financial year 2022

In order to design remuneration in line with the growth experienced by the Company in recent years, as well as the demands of the market, Soltec carried out a comparative analysis with market remuneration practices for the Company's senior management. The resulting analysis enabled the Company to adopt measures to balance the perceived remuneration package, based on objective and pre-established metrics, such as the revision of the amount of the long-term incentive for senior management, as well as the application of the short-term variable remuneration of the management committee.
In the 2022 financial year, Soltec has continued to apply the process of identifying performance and potential with the aim of having a complete view of talent that facilitates decision-making and the design of action plans, as well as the updating of the remuneration policy accordingly.

Talent selection at Soltec

In order to attract the best talent, Soltec has a selection policy and incorporates objective criteria that guarantee equal opportunities and access to employment in its selection processes, from recruitment to hiring. For Soltec, the integration of the diversity perspective in its processes is key, and this has led them to establish tools and procedures that guarantee the management of personnel free of any discrimination.

Soltec has developed during the 2022 financial year a global selection and recruitment procedure to ensure the Company's priority objective that the selection of personnel is carried out based on the principles of equal opportunities and non-discrimination, ensuring that the selection criteria are based on merit and competencies for the performance of the position and not on reasons of race, age, gender, marital status, ideology, political opinions, nationality, religion, sexual orientation or any other personal, physical or social condition. This ensures the ability to recruit and retain the best talent and maintain legal and ethical principles in line with the values of the Company and its stakeholders.

This procedure covers the different phases of the selection process, from the detection of the need to the decision making, including the vacancy request, the publication of the offer, the screening of CVs, the telephone interview, the competency-based interview and the final interview.

All stages of the process defined above are recorded and monitored through the recruitment programme, and the tool implemented in 2022 to improve the experience of all candidates globally, during the selection process, as mentioned in the section "Digitalisation of people-related information in the Company".

Soltec has launched a global referral programme for 2022 with the aim of improving talent retention, encouraging the search for qualified candidates in line with the Company's values and culture, reducing the time and cost of selection processes and speeding up the induction process for new recruits. This process involves team members in the Company's growth, rewarding the attraction of talent.

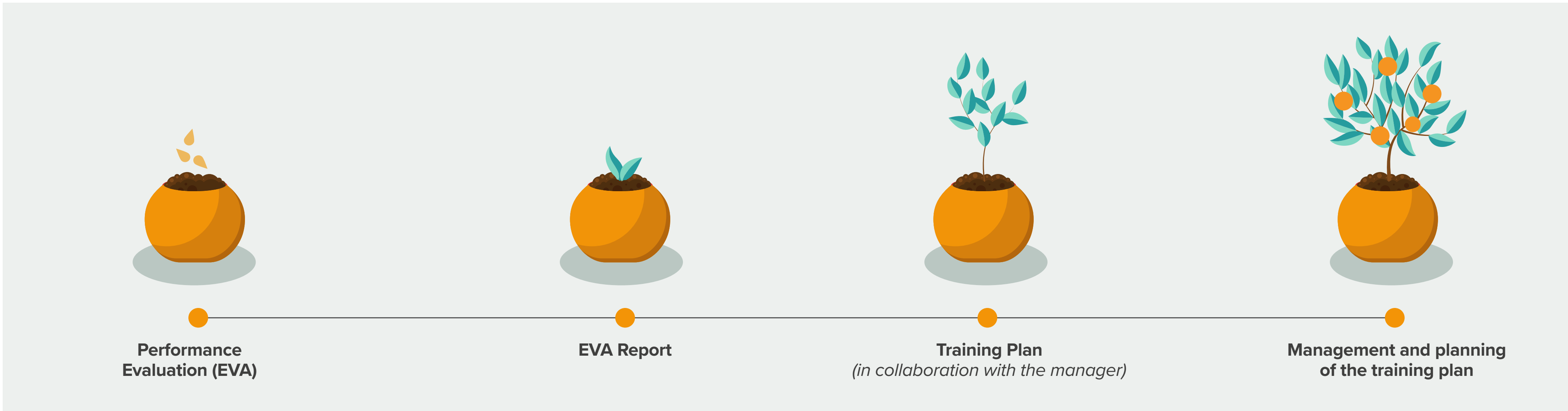
The programme consists of active employees being able to refer any person to fill a job position, obtaining in exchange an economic reward that will vary according to the level of the position to be filled and that will be settled as long as the person referred is hired and has been in the position for more than 6 months.

Professional development

Soltec has implemented different mechanisms to measure and evaluate the performance of its professionals and promote their individual development in the Company.

Performance Appraisal helps to have a complete picture of internal talent, as well as to design necessary action plans, or decision making by the Company. It helps to discover the potential of each member of the team and to define priorities for professional development.

An update of the employee performance appraisal process has been carried out during the financial year 2022. This new appraisal process is based on the following key points:



1. Performance Appraisal: the appraisal has enabled Soltec to objectively measure the competencies and performance of the Company's employees. The last 180° performance appraisal was carried out in December 2022. The performance appraisal analyses key behaviours of the various competencies that influence the performance of employees in each of Soltec's areas. These assessed competencies are grouped into core competencies, such as adaptation and flexibility, teamwork, initiative and proactivity, customer orientation, and innovation; and other competencies specific to each area and for people responsible for a team, two additional competencies are assessed: team management and decision-making.

2. Performance appraisal report: at the end of the appraisal, each employee will receive a report summarising the strengths and areas for improvement and the training needs identified by his or her manager. In addition, thanks to the talent matrix for each area, it is possible to detect key people and high potentials.

3. Action plan: in the feedback of the Performance Appraisal, the manager and the employee establish an Individual Action Plan in order to develop the areas of improvement detected or to enhance the strengths. The same action plan will include training actions focused on acquiring relevant knowledge for their professional development and their greater contribution of value.

4. Training plan: the training actions related to the areas for improvement detected in the performance appraisal are collected and, in collaboration with the direct manager, the employee's training roadmap is established.

Training and promoting employability

One of Soltec's priorities is to offer its professionals training and continuous improvement opportunities so that they acquire the knowledge and skills necessary to effectively manage the challenges each position entails. Staff training and motivation play a key role in Soltec's value creation process. This is why, year after year, the Company draws up training plans adapted to the training, integration and professional and personal development needs of the team, taking into consideration both the collective objectives of the Company and the individual objectives of each employee. The internal training plans have managed to extend the range of training on offer and the duration of the courses to provide a greater variety of training that can be accessed by all staff, addressing not only general aspects (languages and office automation), but also incorporating specific and technical courses that allow for in-depth study of the skills and abilities related to the jobs in each area.

The objectives of the Soltec training system are as follows:

- Implement Soltec's strategic plans.
- Provide the knowledge and skills necessary for the professional performance of each position at all levels and branches.
- Meet new demands arising from our strong commitment to innovation in our products and services.
- Support the integration of new recruits and existing teams.
- Encourage professional development, thus facilitating internal growth, promotion and participation in other projects.

It must be noted that Soltec carried out its first training plan in 2020, which was based on the learning needs of employees detected exclusively by managers, without the support of a proper appraisal tool. With this update of the appraisal system, training needs have been linked to the Performance Appraisal process, key staff and high potentials have been identified, and more specific training for different employees has been offered. Based on the results of the Performance Appraisal, a global training framework has been established for all employees.

It includes training plans focused on technical training for certain departments, specific courses for key people and/or high potentials in the organisation and different transversal programmes through different platforms. The main training courses fall into the following categories.

- **Technical training:** they respond to a global need and address different areas, with the aim of promoting the technical improvement of employees in order to achieve good performance in their jobs.
- **Transversal training:** these respond to the need to develop employees in certain soft skills, which are key to the Company's growth and competitiveness.
- **Development plans for people with high potential (competences and skills):** these refer to attitudes and aptitudes so that a person can develop in the Company. Action plans and individual development plans are designed for people with high potential.

During 2022, total employee training hours amounted to 56,098 hours, of which 9,233 hours were given to structural employees, with the remaining hours corresponding to health and safety training received mainly by project employees.

The main transversal programmes implemented during the 2022 financial year were as follows:

- **School of Leadership**: a training programme for company managers aimed at providing consistent tools to improve team management and decision-making.
- **Ambassador programme**: during the 2022 financial year, the ambassador training programme has been consolidated with the aim of increasing the commitment and feeling of belonging to the Company, as well as collaborating in the construction of a Soltec value proposal by increasing the leadership of the people who take part in the programme. Five face-to-face sessions and three online sessions were held, alternating between talks by experts in change management and company executives.

- **Equality training** for members of the negotiating committee and the rest of the staff.
- **"Speexx" language platform**, which covers the full range of skills that employees may require for the development and learning of a foreign language. The platform has exercises focused on grammar, videos on current affairs, virtual classes with native teachers and pronunciation exercises. During the 2022 financial year, the tool was used by more than 162 employees.
- **Training in flexible methodologies**, including the **Agile Bootcamp** programme aimed mainly at the industrial division, engineering, IT and innovation, as well as the continuation of the Lean in Lean Office training programme for the departments involved in the organisational project.
- **Training in digital tools** such as SAP, Hrider, Teamtailor and Microsoft Office 365, as a tool for efficiency in the use of Soltec tools.

During 2022 the Solteach programme has been started up, a programme that aims to attract talent at global level, through collaboration with different institutions such as TEC Monterrey, and ENAE. The main objectives of the programme are as follows:

- To attract junior employees who want to develop their career in the photovoltaic energy sector.
- To train talent with sector-specific knowledge.
- To create a pool of talent so that it can develop at Soltec globally. The aim is to train students to become part of the workforce.

The programme offers more than 70 hours of transversal training, focusing on subjects such as strategy and business, as well as other soft skills. In addition, more than 80 hours of specific training per module are carried out in three different modules, PM Soltec Industrial and Soltec Development, engineering and sales. During the 2022 financial year, the number of students who took part in the project rose to 45, with a total of 20 new professionals joining the Company.

Wellbeing of our employees

Soltec works for the wellbeing of its employees, and has therefore implemented various actions to contribute to the wellbeing and health of its employees. During the financial year 2021, due to the implications of the pandemic restrictions, Soltec launched the Solcare platform, which has been further developed during the financial year 2022.

Solcare is a digital platform accessible to all Soltec employees in the world with an email address.

Solcare has several pillars:

Among the various services offered by the platform are:

- Tips for mental health care.
- Help groups and psychosocial support.
- Tips and activities to care for and promote physical health.
- Volunteers organised by the Soltec Foundation.
- CSR activities.
- Access to flexible remuneration services (health insurance, childcare, training, etc.).

In addition, during financial year 2022, employee awareness campaigns have been carried out, promoting group activities, as well as healthy challenge initiatives such as "Suma Kms", where employees record the kilometres they have travelled in exchange for Soltec making donations of the equivalent amount to certain NGOs. It is worth mentioning the celebration of the "Solcare Week" with the aim of promoting the Solcare platform, carrying out different group activities related to health and wellbeing.

The main goals of the platform during the 2022 financial year have been the pursuit of social wellbeing, the creation of healthy bonds between employees, holistic health, physical wellbeing and emotional wellbeing.

Soltec works to promote the integration, equal opportunities and non-discrimination of people with different abilities in the labour market, establishing protocols of action to resolve issues that arise in cases where health conditions, biological condition, disability or any other cause, give rise to a special sensitivity of a worker to the conditions of the work they usually carry out.

Soltec promotes the incorporation and specifically guarantees the protection of these workers, and to this end will take these aspects into consideration in the risk assessment and, based on this, will adopt the necessary preventive and protective measures, complying at all times with the legislation in force in each country.

Finally, in relation to accessibility, Soltec promotes the integration of people with disabilities in the workplace by ensuring comfortable accessibility without physical barriers in its offices.

Health and safety of workers

Soltec assumes as one of its key commitments the integral protection of the health of its employees. The Company's commitment to health and safety in the workplace is transmitted to the different stakeholders through the policies and systems defined by the Company: quality, environment and health and safety policy and management system based on the ISO 45001 and ISO 14001:2015 standards.

This system is eminently preventive in nature and is based on the identification and prior planning of the units that may pose a risk to the health and safety of workers, in order to carry out their execution in accordance with the established criteria.

Soltec has opted in Spain, as an organisational modality for prevention management, for the agreement of an external prevention service that assumes the specialities of industrial hygiene and health surveillance. The company's own prevention service manages the specialities of safety, ergonomics and applied psychosociology.

The Company also has its own preventive resources through an EHS department which is constituted as a specific organisational and functional unit, functionally integrated in the management system and reporting directly to the company's management, which is also responsible for providing training to all employees and for carrying out inspections and audits, helping them to maintain a high level of prevention throughout Soltec. It also has prevention delegates and a Health and Safety Committee.

Since the organisation's activity is so geographically dispersed worldwide, the global director of the EHS department is physically located at the headquarters in Murcia, with an EHS department manager in each of the Company's projects and offices around the world.

Soltec recognises the importance of working conditions as a determining factor in employee engagement and talent retention. In this respect, it looks after the quality of life of its employees, providing them with comfortable conditions in a stable and high-quality working environment.

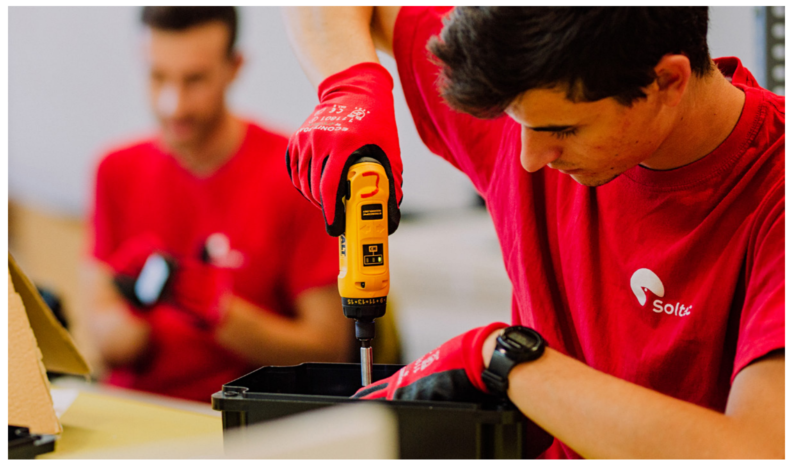
In the different countries where Soltec operates, there are several collective agreements governing the employment of employees and most of them include specific health and safety conditions to promote and encourage safe work.

These conditions broadly cover aspects such as:

1. The obligation to provide adequate protective equipment for the task at hand.
2. The need to ensure the training and competences of personnel carrying out hazardous work.
3. The right of any employee to stop work being carried out in unsafe conditions.
4. The obligation of employees to comply with established rules, procedures and guidelines for the safe execution of their work.
5. The obligation for workers to undergo occupational medical examinations to validate their medical fitness in relation to the work to be performed.

The accident frequency and severity index has been on December 31, 2022 of 0.84 and 0.05 for men (2.36 and 0.03 during 2021) , having computed five accidents for men and none for women (seven accidents for men in 2021), categorized as minor. During 2022 and 2021, no cases of occupational disease have been declared. In this context, no high-risk jobs have been identified.

The company is committed not only to continue reducing the accident rate, which is generally below the national or industry average, but also to continue with rigorous environmental compliance in accordance with ISO 14001:2015. Additionally, Soltec adheres to the Luxembourg Declaration of healthy companies, with the aim of not only maintaining, but also improving the health of all company workers.



Reconciliation of personal, family and working life

During the year 2022, Soltec has continued its commitment to the work-life balance of those who form part of the Company. Therefore, all benefits are offered to employees regardless of the type of contract they have. Flexible working arrangements and benefits offered to Soltec employees:

- **Flexible working hours:** Soltec offers its employees flexible start times, intensive working hours or timetable adaptations.
- **Leaves of absence:** the Company offers a wide range of leaves of absence to its employees to deal with personal matters: from moving house to personal leave, including reduced working hours for childcare.
- **Family reconciliation:** Soltec has implemented various preventive measures such as reduced working hours, the possibility of having one day a week for teleworking, or being able to choose between an intensive working day or five Fridays off in summer.
- **GoStudent private lessons:** EdTech specialises in offering a personalised tutoring service in a variety of subjects and languages for all levels and ages, in a flexible and digital way. Employees are offered free classes, free content and a blog for families.
- **Other benefits:** Soltec gives its employees the opportunity to benefit from other initiatives within the Company, such as flexible remuneration and the wellness programme.

During the financial year 2022, a total of 52 men and 9 women were able to take parental leave (33 men and 5 women during financial year 2021).

Soltec employees have the autonomy to organise their working time on the basis of the applicable collective bargaining agreements and/or company agreements that regulate the annual working hours, as well as the operational needs applicable in each situation.

Internal communication

Soltec seeks to strengthen the relationship between the Company and its employees by generating a greater sense of belonging and facilitating the flow of information in the Company through actions that encourage internal dialogue and the dissemination of corporate messages. In this regard, Soltec's internal communication plan was established during the 2022 financial year.

An internal communication policy has been designed and its objectives can be divided into 3 main blocks:

- Create a sense and pride of belonging to the group and foster cohesion between divisions and subsidiaries.
- Encourage and transmit a corporate culture centred on transparency, collaboration and diversity.
- Use communication as an ally to achieve change management and foster flexible, results-oriented management and continuous improvement.

The Company's communication channels are divided into online and offline, the most relevant of which are described below:

Online

- **Email:** It is the most popular internal communication channel within companies. Through it, information such as organizational changes, financial results, newsletters, calls for meetings, and other critical nature information is shared.
- **Yammer:** internal social media with different communities to be able to interact in a more direct and segmented way with specific employees. In addition, this social media app has other functions that enable two-way communication and teamwork.
- **Solnet:** intranet created in Sharepoint to digitise and centralise access to folders and apps relevant to the organisation.

Offline

The most common channel in the Company is face-to-face meetings, which is why the efficiency of these meetings is pursued. Suggestion boxes, billboards and notice boards can also be found as the main offline communication channels..

In order to lead this internal communication plan, an Editorial Committee has been created to coordinate and plan the activities aimed at achieving the objectives of this plan.

Furthermore, all the actions included in this internal policy are in line with good market practice.

During 2022, a work climate survey was carried out which yielded a Trust Index© result of 73 points out of 100, above the market average, with a participation rate of 70.5%.

The Trust Index© is the arithmetic mean of the statements in the work climate survey, which allows the Company to know the state of its culture, measure the experience of people, and quantify the level of commitment.

The work climate survey focused on five priority areas: innovation, leadership, diversity, communication and engagement. The climate survey has allowed Soltec to identify challenges and opportunities for improvement that will be included in future action plans.

73/100 Work climate survey

5.2 Engagement with local communities

The sustainability policy approved by the Company's Board of Directors sets out the following objective

The Company aspires to be an agent of change in energy transition, favouring the use of renewable energies as a source of clean energy, contributing, thanks to constant innovation, to an emission-neutral economy and guaranteeing the sustainability of the environment and the productive mode in which we find ourselves in an ethical and transparent manner, based on the main source of energy in our region: the sun.

Key indicators in 2022

Indicator	2022	2021
→ Job creation in local communities	1,698	2,620
→ Economic value distributed to stakeholders (€Mn)	602.6	453.5
→ Amount earmarked for social partnerships (€)*	259,824	45,334
→ Number of Soltec Foundation volunteers	155	162
→ Employee dedication to corporate volunteering projects (hours)	3/8 hours per action	6/8 hours per action
→ Community training and awareness-raising about renewable energy (hours)	4,842	9,000

*Includes the total amount spent on sponsorship and donations

Objectives 2023

The main objective of Soltec is the consolidation of the foundation's activity, with the following four lines of action:

Outreach, awareness-raising and education:
- Launch of a programme of grants to initiate research into sustainable renewable energies.
- Launch of a training course for university specialists in green hydrogen.
- Programme to attract women to the industry.
- Workshops for vocational training students.
- Launch of the foundation's own website.

Training for integration:
- Development of a line of training for job placement, with a refresher course for installation companies with the aim of training their employees to work on photovoltaic installations.

Innovation and entrepreneurship:
- Promotion of sustainable entrepreneurship and innovation in the photovoltaic sector.
- Consolidation of the Helios Programme for the promotion of sustainable entrepreneurship.

Social and environmental action:
- Consolidation of the Foundation by increasing the budget and funds, as well as the establishment of the Foundation's own Compliance policy.
- Consolidation of the corporate volunteer programme.
- Establishment of a methodology to measure the Company's social impact.

Milestones 2022

The most significant milestones achieved by the Company during the 2022 financial year are as follows:

- Launch of the Soltec Foundation.
- Establishment of the Foundation's first Action Plan.
- Development of the Helios programme for the pre-incubation of sustainable entrepreneurial projects in the Region of Murcia. This programme aims to encourage and promote entrepreneurship aimed at providing solutions to key sustainability challenges in the Region. Participants receive training, counselling and personalised support.

Soltec's sustainability principles are established on the basis of its corporate values: consistency with its mission and vision, solidarity, solvency, transparency, accountability, social justice, customer focus, care for people, and the use of technology as a driver of change.

Soltec is committed to the wellbeing of the societies in which it is present, adding value in the geographical regions in which it operates in order to contribute to the improvement of the local communities and to guarantee the improvement of their quality of life.

The Company is committed to generating a positive impact on society, establishing a good relationship with its environment, aware that photovoltaic plants are an opportunity for growth and development for municipalities and their communities. They have a tractor effect on the local economy as they represent a stimulus for employment and a dynamiser of existing economic activity.

Contributing to the wellbeing of our communities

Photovoltaic plants are an opportunity for growth and development for municipalities and their communities. They have a tractor effect on the local economy as they represent a stimulus for employment and a dynamiser of existing economic activity.

In order to realise this potential, Soltec assumes the following:

- Create local job offers, also favouring groups with difficulties in finding employment.
- Prioritise procurement of nearby goods and services, except for non-market conditions. Accordingly, national equipment, components or services are used for at least 50% of the total cost of the project, giving priority to regional suppliers.
- Registration of the SPVs in the municipalities where the project is located.

Furthermore, Soltec believes that the residents of the municipalities in which the parks are developed must be the first to benefit from this potential. For this reason:

- Soltec is committed to compensate with up to 1% of the energy produced by the plant to those residents living between 1 and 2 kilometres radius of the project, through the formula of self-consumption or bonus.
- In addition, the Company will reinvest the entire ICIO rebate (tax on constructions, installations and works) with an additional contribution of 1,000 euros per megawatt in neighbourhood associations in the vicinity of the plant.

The Foundation

The Soltec Foundation was created in 2021 as an expression of Soltec's vocation for corporate social responsibility, as well as its desire to contribute to the improvement of each of the societies in which the Company operates.

The Foundation's primary objective is the promotion, development and support of initiatives of a social, cultural, educational, environmental, entrepreneurial or technological nature aimed at promoting sustainable renewable energies, and in particular photovoltaic energy.

Therefore, the Foundation pursues aims of general interest, and all its activities are based on two main axes:

- **Commitment to ensuring accessibility to sustainable renewable energy**, reducing the carbon footprint and contributing to the development of solar energy through environmental initiatives, entrepreneurship and innovation and technology.
- **Its cultural and educational commitment, especially dedicated to promoting knowledge about renewable energies**, as an educating and dignifying element for people.

In this sense, through the Foundation, Soltec will channel the different social, cultural, educational and environmental actions that it carries out to contribute to the development and needs of the local community.

	ACTUATION	CONTRIBUTION TO THE FOLLOWING SDGS
Education, dissemination and awareness-raising	where the Company will seek to promote knowledge of renewable energies, raising awareness of the importance of the use of sustainable energies and educating for an appropriate energy transition. In this line of action, the UPCT and Soltec Foundation Chair in sustainable renewable energies stands out. Other activities in this area include: • The granting of scholarships and the provision of specialised training activities. • Participation in specific forums and collaboration with universities and other educational centres. • Workshops for vocational training students. • Promotion of actions to awaken girls' interest in training in the field of engineering. • Carrying out site visits.	4, 5, 10, 12, 13, 17
Innovation and entrepreneurship	Soltec seeks to encourage and support sustainable entrepreneurship, giving support to it, as well as promoting sustainable employment. The aim is to encourage the creation of entrepreneurial and innovative environments by supporting initiatives that develop sustainable renewable energies. One of the main initiatives that stands out in this area is the Helios programme, based on an accompaniment programme to obtain the tools, knowledge and skills necessary to perfect or find and develop a sustainable business idea. The programme will be implemented through different online and face-to-face activities, such as training, specialised mentoring, masterclasses and pilot tests. In addition, during the 2022 financial year, the Soltec Foundation will participate in the 12th edition of the Marathon for the Creation of Companies of the Miguel Hernández University of Elche.	7, 9, 11, 13, 17
Training for integration	Employment as a tool for the dignification of people is one of the priorities of the Soltec Foundation. That is why the Foundation will run specific training activities for the assembly and installation of solar trackers both for installation companies that can generate jobs, and directly for unemployed people in the locations where Soltec will develop its projects for the construction of photovoltaic plants, with the aim of training and promoting their employability. Priority will be given to vulnerable groups in these trainings	1, 5, 8, 10, 17
Social and environmental action	Through corporate volunteering and alliances with other entities, we seek to improve the societies in which we are present, contributing to the reduction of the carbon footprint, adapting to climate change, protecting biodiversity and contributing social value by collaborating with those who need it most. The Company's talent and resources will be made available to society to contribute to building a cleaner, fairer and more sustainable world, focusing on the planet and people.	2, 3, 7, 10, 11, 13, 14, 15, 17

Support to local communities

Soltec's strong commitment to the development of the communities most depressed by unemployment is reflected in the hiring of labour for projects carried out by the Company in the last year, amounting to 1,698 positions (2,620 in 2021).

Education is a fundamental pillar of its commitment to local communities. The Company provides theoretical/practical training courses in the communities where it is located, not only in renewable energies, but also in other trades that can benefit the target group. These courses are free of charge for local staff, who generally come from areas of high unemployment and have no access to the labour market due to a lack of specific training.

Finally, once the projects are completed, the Company offers long-term contracting opportunities to employees who have shown the best performance.

Distribution of economic value to stakeholders

Soltec's activity induces a positive impact on society linked to the distribution of economic value among its stakeholders. A significant part of the Company's revenues were distributed to the main stakeholders with whom the Company interacts, which include employees, suppliers, public administrations, financial institutions and local communities.

Distribution of economic value to stakeholders (€k)		
Employees	Payment of salaries	68,756
Suppliers	Spending on procurement and contracting	524,328
Financial institutions	Interest payments	9,306
Local community	Amounts spent on donations and sponsorships	128

Volunteer Service

Soltec makes a major effort to organise corporate volunteering initiatives and support projects that meet the needs of each location, provided they are aimed at generating a positive environmental and social impact on the local community.

Accordingly, Soltec has a global volunteer service that arranged a number of solidarity initiatives over the year. The activities in this field at national and international level included the following:

Blood donation campaign at the corporate headquarters located in Molina de Segura (Murcia

For the third consecutive year, Soltec participates in the campaign of companies of the Murcia Health Service, "donate blood, donate life". During a working day, mobile units were brought to the Company's facilities so that staff could both donate blood and register as bone marrow donors. Without a doubt, there is nothing more supportive than donating life.

In 2022, a further step has been taken in **corporate volunteering** activities, incorporating the professional variable, i.e. actions related to the professional profile of the volunteer. Accordingly, several talks have been given mainly to students on technical aspects of the photovoltaic sector, thus favouring their professional development.

Elimination of invasive species and reforestation with native vegetation

Soltec's Global Volunteering Service, together with ANSE, has carried out the action "Solsiembra", an environmental activity in the protected area of Rambla del Cañar in Cartagena. The aim of this ecosystem recovery action is to save water resources and reduce the recurrence and intensity of fires. In addition to eliminating invasive reed species, more than 200 units of native species such as oleander, jujube, mastic and poplar, among others, were planted, thus favouring the preservation of biodiversity. Nesting boxes for migratory birds were also built.

Donations and sponsorships

Aware of the social responsibility that the Company has as an organisation, all resources are provided to guarantee the integrity of employees and collaborators. Soltec also makes various donations and conducts sponsorships of entities in order to support their activities and show its commitment to different social causes.

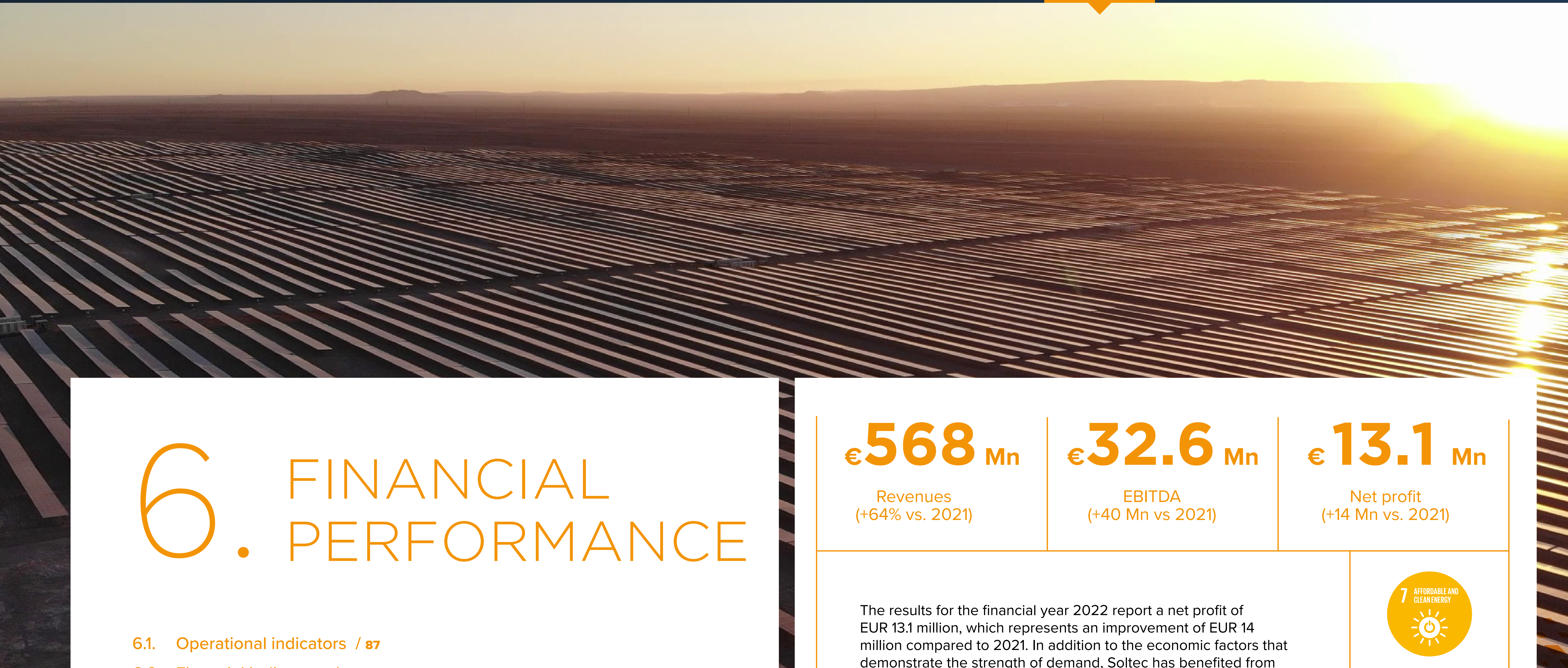
In this regard, it is worth highlighting the Company's initiative to support sport by sponsoring sporting activities, including: sponsorship of Soltec Team cycling, the Ciudad Molina Basket team and the Alcayna-Altorreal club, among others.

In addition, during the financial year 2022, Soltec has made donations to a significant number of cultural and social activities, totalling donations and sponsorships of 128,484 euros. These donations included the following:

- **Caritas Cartagena Summer School**, with this collaboration the Soltec Foundation made it possible for children at risk of exclusion to enjoy a summer camp, thus ensuring that their basic needs are covered, receiving school support and being able to leave their worries and situation of vulnerability behind for a few days.

- **Food Bank of Segura**, Soltec Foundation shows its firm commitment to the most needy by collaborating financially with this entity that ensures that no person in need goes hungry.

- **Others:** The Ronald McDonald Foundation's charity market for the children's ward of La Arrixaca Hospital, the "Secret Garden" Sustainable Festival, the CEEIM's "Makers" innovation and entrepreneurship fair, and the UMH Foundation's business creation programme



6. FINANCIAL PERFORMANCE

€568 Mn	€32.6 Mn	€13.1 Mn
Revenues (+64% vs. 2021)	EBITDA (+40 Mn vs 2021)	Net profit (+14 Mn vs. 2021)

The results for the financial year 2022 report a net profit of EUR 13.1 million, which represents an improvement of EUR 14 million compared to 2021. In addition to the economic factors that demonstrate the strength of demand, Soltec has benefited from strategic advantages that have allowed it to accelerate the recovery.

Therefore, the company has reached record revenues of EUR 568 million, an increase of EUR 222 million compared to EUR 347 million in 2021 (+64%).

7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
13 CLIMATE ACTION

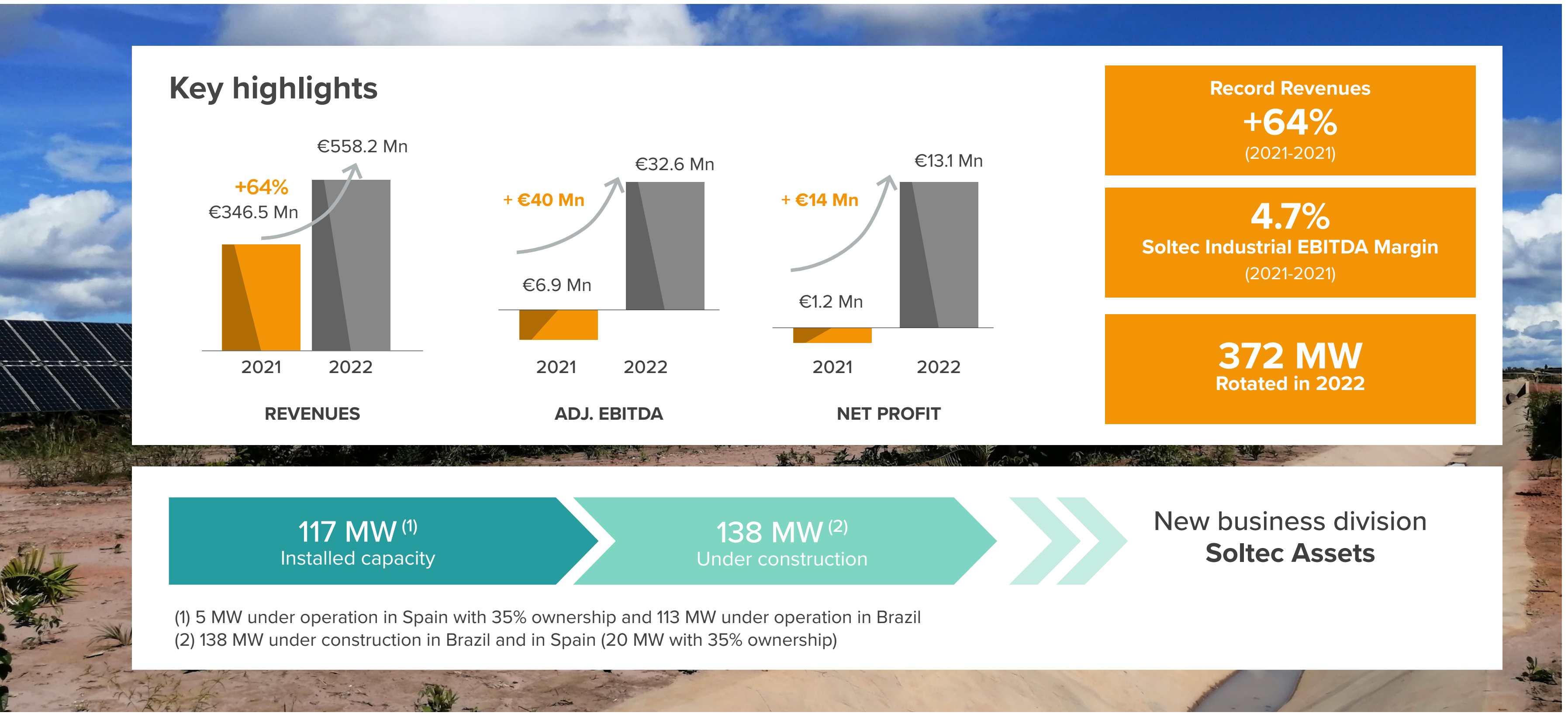
The results for the financial year 2022 report a net profit of EUR 13.1 million, which represents an improvement of EUR 14 million compared to 2021. In addition to the economic factors that demonstrate the strength of demand, Soltec has benefited from strategic advantages that have allowed it to accelerate the recovery.

Thus, the company has reached a record annual revenues of EUR 568 million, an increase of EUR 222 million compared to EUR 346 million in 2021 (+64%).

It should also be noted that Soltec recorded EUR 165 million in revenues in the fourth quarter of the year, reaching a quarterly record for the entity, EUR 5 million higher than the EUR 160 million recorded in the same quarter of 2021 (+3%). These revenues are explained by three main factors: the strength of demand for solar trackers globally, the value proposal of the solar tracker compared to other alternatives and the company's positioning in high-growth markets in the photovoltaic sector.

Adjusted EBITDA also exceeded EUR 32.6 million, an increase of EUR 39.5 million from EUR -6.9 million in 2021. This EBITDA represents a consolidated margin of 6% of revenues and consolidates the positive trend that the company started to observe in the second quarter of the year. This positive profitability development is mainly explained by the strength of demand, the result of the measures implemented over the last quarters to counteract the disruptions that have plagued the photovoltaic industry, as well as improved international logistics conditions.

The figures achieved in 2022 confirm the strong recovery of the sector, after a very difficult start to 2022 due to the geopolitical tensions in Europe, and show a positive upward trend throughout the year despite the instability of the financial markets and the duration of the war in Europe.



6.1 Operational indicators

The Company's operating indicators are a clear reflection of the health of the business and the opportunities offered by the markets in which the Company operates.

The main operating indicators of the industrial business are:

Backlog: corresponds to projects that have been signed but are pending execution.

Pipeline: corresponds to projects that have a certain degree of probability. Details of the probabilities assigned to each project according to where it is located are shown below:

BID STATE	BID probability
Contract signed	100%
MoU (Existing Customer)	100%
Mou (New customer)	90%
LOI (Existing Customer)	80%
Contract under negotiation (Existing customer)	70%
LOI (New customer)	70%
Contract under negotiation (New customer)	60%
Shortlisted (2 finalists)	50%
Shortlisted (3 finalists)	33%
Shortlisted (4 finalists)	25%
Shortlisted (5 finalists)	20%
Offer (Existing customer)	10%
Updated offer to the same customer (Existing customer)	10%
Offer (New customer)	5%
Updated offer to the same customer (New customer)	5%
Missed offer	0%
Offer not sent: Off-market price	0%
Offer closed: Customer discarded	0%

Performance of the **industrial division**

During the 2022 financial year, Soltec's industrial division has consolidated its leadership in the sector, reaching a track record of supplying 15.6 GW of solar trackers, of which 3.8 GW have been supplied during 2022. These figures represent an increase of 32% compared to the previous financial year.

The evolution experienced is a clear reflection of the solid value proposal of the Soltec solar tracker, together with the offer of construction services, a differential offer in the market. It is worth highlighting the Company's presence in major markets for photovoltaic solar energy and its capacity to continue growing by signing supply contracts with important customers worldwide.

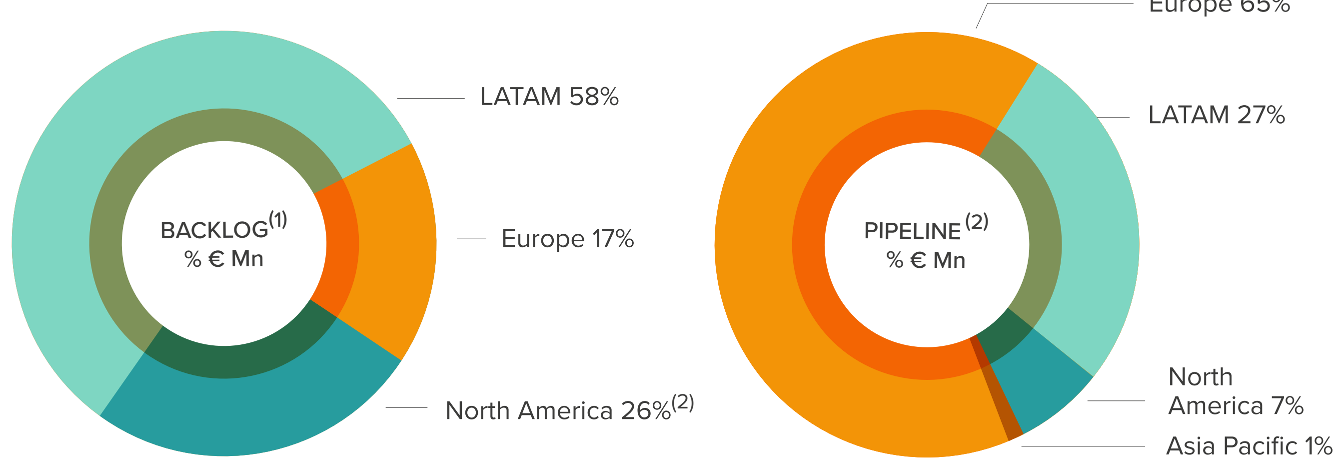
The industrial division continues to show solid operating indicators throughout 2022. Operating indicators, with a backlog (including signed contracts pending execution) of EUR 252 million and a pipeline (potential contracts identified by the Group with a certain probability of success) of EUR 3,637 million, 19% higher than in the previous year.

It is worth noting that 51.9% of the economic value of the pipeline (1,887 million euros) comes from projects developed by the development division, making it one of the main "clients" of the industrial division, showing the synergies between both divisions.

Geographic diversification is one of the Group's clear commitments, in this sense, the backlog and pipeline of the industrial division are geographically diversified in markets of relevance for solar photovoltaic energy.

In terms of backlog, the most representative markets are Latin America (51%), North America (26%) and Europe (17%). In terms of the geographical breakdown of the pipeline, Europe represents 65%, Latin America 27% and North America 7%.

Geographic diversification

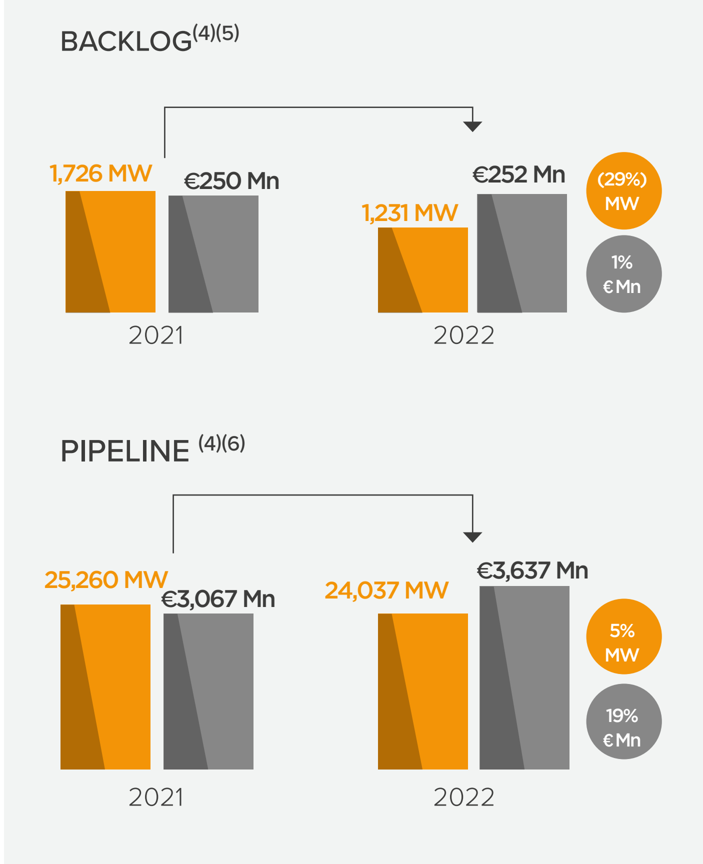


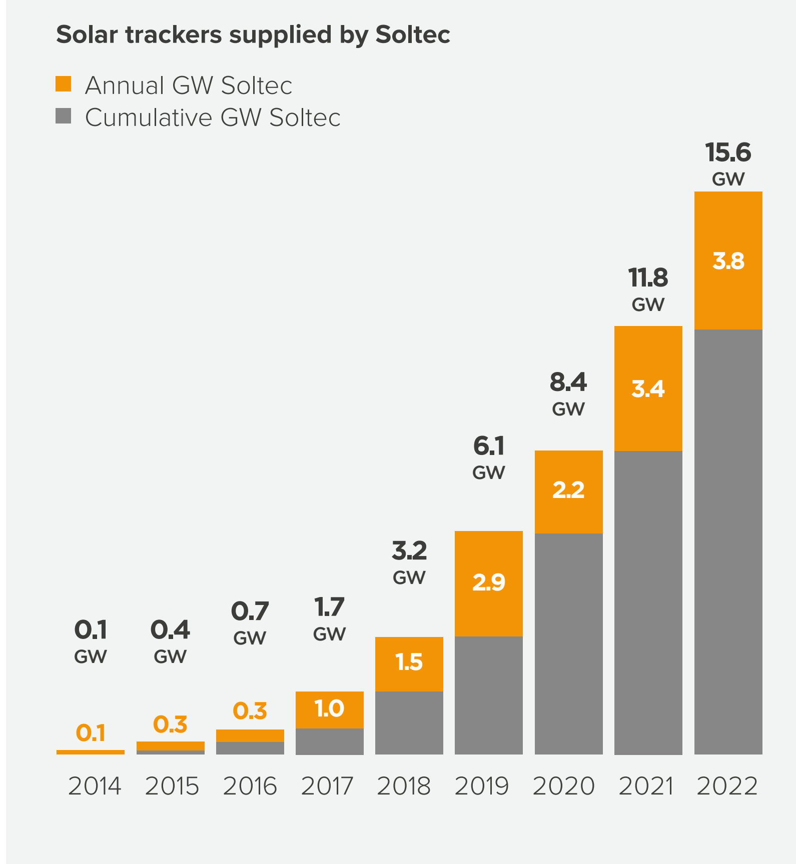
Source: Company

(1) Backlog: Contracts signed pending execution.

(2) Pipeline: Future potential contracts (not signed) with a certain probability of success. Aggregate value of total pipeline projects not weighted by probability.

Soltec Industrial's operational indicators:





Note: Both the backlog and the pipeline include the supply of solar trackers and construction services.
Source: Company

Source: Company

(4) Backlog and pipeline in €Mn include tracker supply and construction related services.

(5) Backlog: Contracts signed pending execution.

(3) Pipeline: Future potential contracts (not signed) with a certain probability of success: €3,637 Mn and 24,037 MW is the sum resulting from all potential projects, not weighted by probabilitys.

Performance of the **Soltec Development Division**

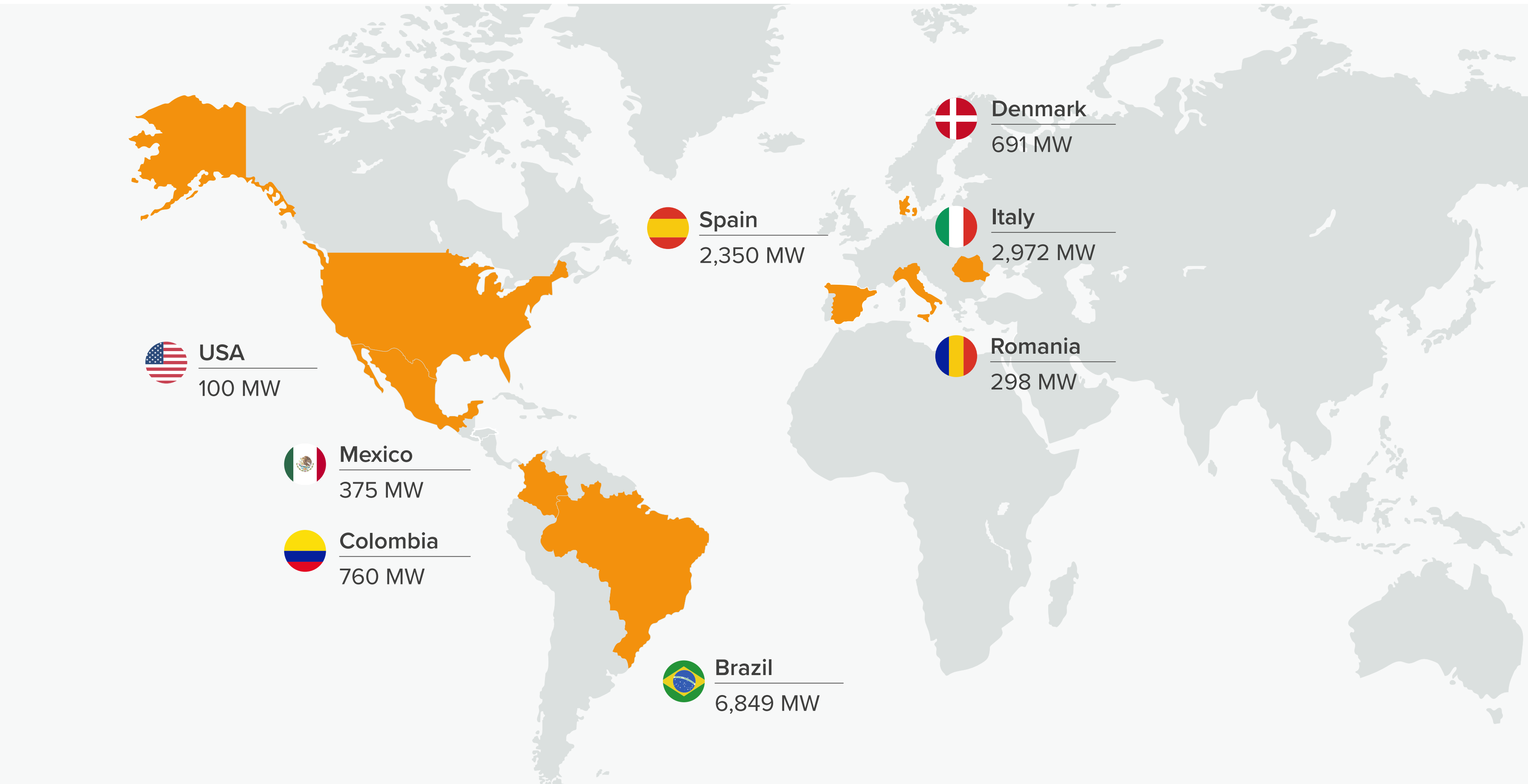
At year-end 2022, the Group's photovoltaic projects division has a pipeline of 14.4 GW in various stages of development, an increase of 38% compared to the previous year.

Soltec continues to boost its business in the most important markets for the photovoltaic sector, including Spain, Italy, Brazil, Colombia, Denmark and the United States.

Geographically, the pipeline of the development division is distributed as follows: 43% of the megawatts are located in Europe and 57% in the Americas.

- **Backlog** projects (portfolio of projects with more than 80% expected probability of completion) stand at 743 MW, of which 117 MW have come into operation in 2022 and 138 MW are under construction.
- **Advanced stage** projects (project pipeline with an expected completion probability between 50-80%) have risen to 3,415 MW in 2022, an annual growth of 11%.
- **Upstream** projects (portfolio of projects with an expected completion probability between 30 and 50%) have reached 2,516 MW.
- In addition, the company has 7,721 MW of identified opportunities in the different geographical areas in which it operates.

Regional distribution of pipeline of projects under development at the end of 2022



The operational indicators of the development business are as follows:

Projects in preliminary phase (identified opportunities)
(expected probability of completion <30%): **7,721 MW**

→ Land secured or in process.
→ Feasibility study and business case carried out.

Early stage projects
(expected probability of completion 30-50%): **2,516 MW**

→ Land secured and interconnection application submitted.
PPA and SPA partially agreed: Expected asset turnover in 24 months.

Projects at an advanced stage
(expected probability of completion 50-80%): **3,415 MW**

→ Land secured.
→ Interconnection rights granted.
→ Agreed or partially agreed PPA and SPA agreement

Backlog
(expected probability of completion >80%): **743 MW**

→ Land secured
→ Interconnection rights granted
→ Agreed PPA;
→ Expected asset turnover in 6 to 12 months

Projects that have already started construction or are in a pre-construction phase and notice to proceed has been given to the relevant CPE contractor

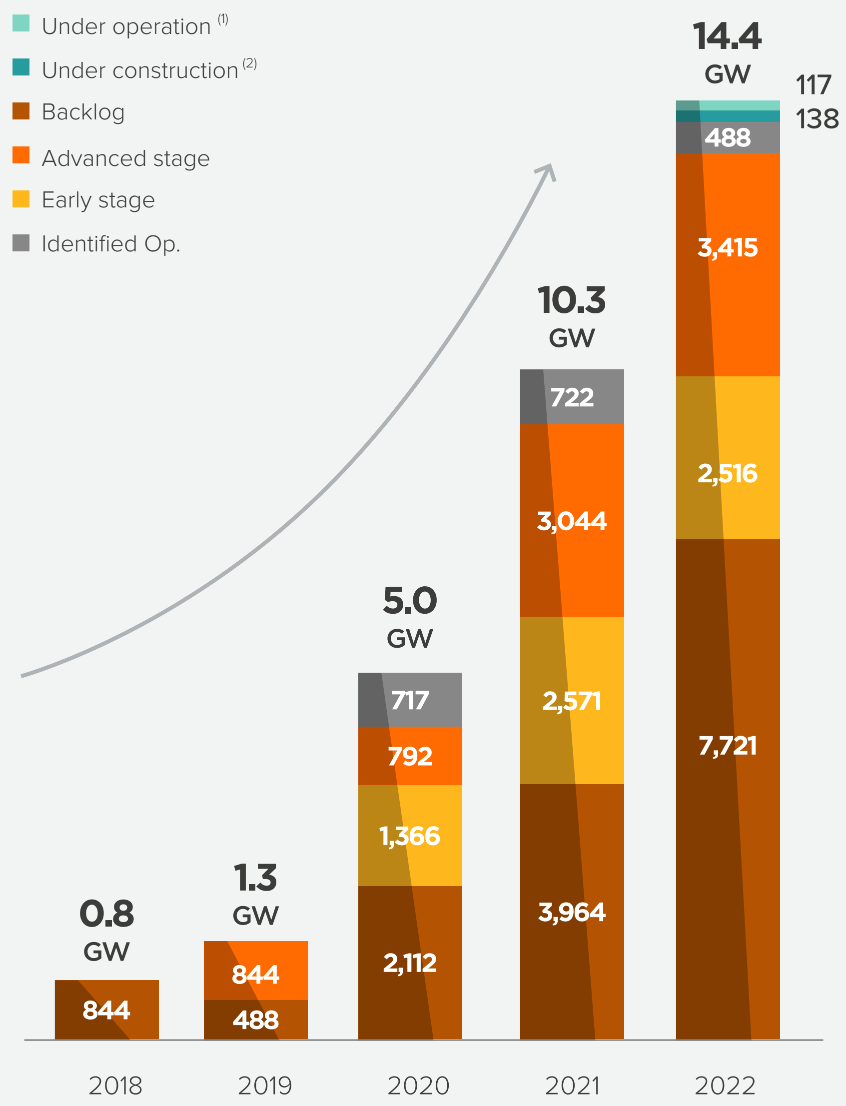
→ Projects in operation. Plants that have already started to generate energy

Rest.	488
Construcción	138
Operación	117

Performance of the project **development division**

MW	BACKLOG			Adv. stage	Early stage	Id. Opp	Total Pipeline
	Under operation	Under construction	Rest				
Probability		>80%		50-80%	30-50%	<30%	
Spain	5 (1)	25 (2)	-	830	708	782	**2,350**
Brazil	113 (1)	113 (2)	488	173	1,438	4,525	**6,849**
Italy	-	-	-	2,277	370	325	**2,972**
Denmark	-	-	-	-	-	691	**691**
USA	-	-	-	-	-	100	**100**
Colombia	-	-	-	135	-	625	**760**
Romania	-	-	-	-	-	298	**298**
Mexico	-	-	-	-	-	375	**375**
Total	**117**	**138**	**488**	**3,415**	**2,516**	**7,721**	**14,395**

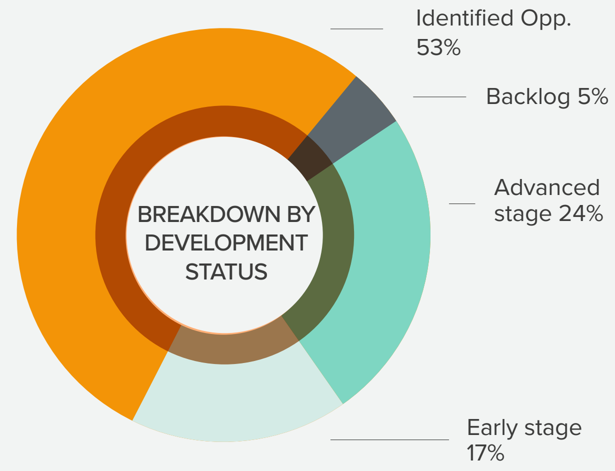
Evolution of the pipeline of projects under development

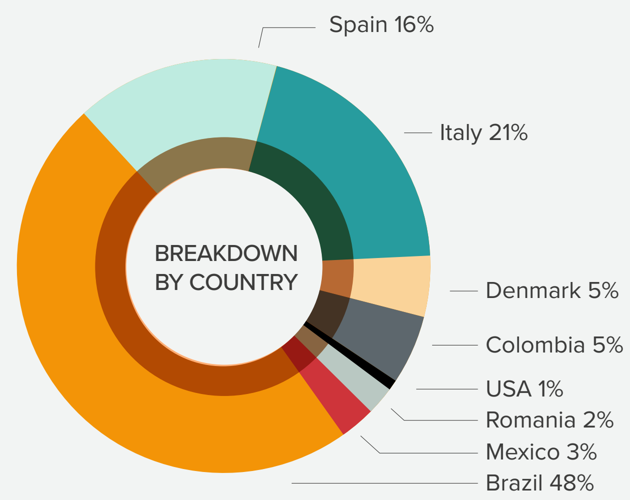


Source: Company

(1) 5 MW under operation in Spain with 35% ownership and 113 MW under operation in Brazil
(2) 138 MW under construction in Brazil and in Spain (35% ownership)

Distribution by geography and stage of development(3)





(3) Installed capacity of all potential projects not weighted by the probability estimate.

Performance of the asset **management division**

The asset management division (Soltec Assets) was created during the 2022 financial year, as a clear example of the Company's commitment to vertical integration. **Through this division, Soltec expects to obtain an additional revenue stream from energy sales that provides recurrence, strength and stability, as well as to mitigate existing risks in the value chain through geographic and business diversification**. This new area will enable the Group to differentiate itself from its competitors and maximise the value of its projects.

Soltec is committed to owning geographically distributed electricity generating assets, with the objective of having 70% of its assets in Europe and 30% in Latin America.

At year-end 2022, 117 MW are in operation corresponding to two projects in Spain and Brazil:

Under operation | Under construction

BRAZIL / PEDRANÓPOLIS[1]

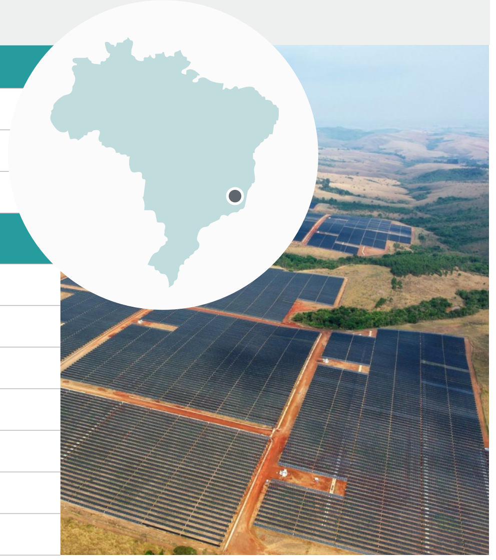
Key project data	
Location	Sao Paulo
Capacity	112.5 MWp
Net Energy Generated P50 - Year 1	2,100 kWh/kWp
Key development permits	
Site control	✓
Interconnection rights	✓
Environmental approvals	✓
Off-taker Agreement / PPA	✓
RTB	✓
COD	Nov-2022
Est. selling energy date	Nov-2022

SPAIN / LA ISLA[1]

Key project data	
Location	Cartagena, Murcia
Capacity	4.5 MWp
Net Energy Generated P50 - Year 1	2,075 kWh/kWp
Key development permits	
Site control	✓
Interconnection rights	✓
Environmental approvals	✓
Off-taker Agreement / PPA	✓
RTB	✓
COD	2023

BRAZIL / ARAXÁ[1]

Key project data	
Location	Minas Gerais
Capacity	112.5 MWp
Net Energy Generated P50 - Year 1	2,100 kWh/kWp
Key development permits	
Site control	✓
Interconnection rights	✓
Environmental approvals	✓
Off-taker Agreement / PPA	✓
RTB	✓
COD	Feb- 2023
Est. selling energy date	Feb- 2023



SPAIN / LOS VALIENTES I y II[1]

Key project data	
Location	Molina de Segura, Murcia
Capacity	13.9 MWp
Net Energy Generated P50 - Year 1	2,067/2,075 kWh/kWp
Key development permits	
Site control	✓
Interconnection rights	✓
Environmental approvals	✓
Off-taker Agreement / PPA	✓
RTB	✓
COD	2023

SPAIN / LA ASOMADA[1]

Key project data	
Location	Murcia
Capacity	4.5 MWp
Net Energy Generated P50 - Year 1	2,075 kWh/kWp
Key development permits	
Site control	✓
Interconnection rights	✓
Environmental approvals	✓
Off-taker Agreement / PPA	✓
RTB	✓
COD	Feb-2022
Est. selling energy date	Feb-2022

SPAIN / TOTANA IVI[1]

Key project data	
Location	Totana, Murcia
Capacity	5.5 MWp
Net Energy Generated P50 - Year 1	2,065 kWh/kWp
Key development permits	
Site control	✓
Interconnection rights	✓
Environmental approvals	✓
Off-taker Agreement / PPA	54 EUR
RTB	✓
COD	2024

(1) Soltec Assets holds a 35% interest in the project

6.2 Financial indicators

Soltec is committed to transparent financial management, based on compliance with current regulations and the application of best management practices. The main principles applied by Soltec to ensure responsible and efficient management are as follows:

Transparency

Provide transparent and truthful information on the financial and non-financial situation of the Group and its businesses..

Ethics

Always behave ethically and with absolute respect for the laws and regulations in force in each country in which the Group operates.

Coherence

Ensure the coherence and reasonableness of the financial and non-financial commitments and covenants assumed and monitor them.

Optimisation

Focus financial management on optimising performance and efficiency in the use of financial resources.

Management

Manage in a unified manner the issuance of guarantees, sureties and surety insurance.

Compliance

Identify and manage financial risks within established parameters, in accordance with internal regulations and best market practices.

Planning

Plan financial needs in order to anticipate access to markets on the best possible terms and ensure the availability of funds.

Follow-up

Monitor the performance—and in particular the liquidity—of the securities issued by Soltec on the stock market.

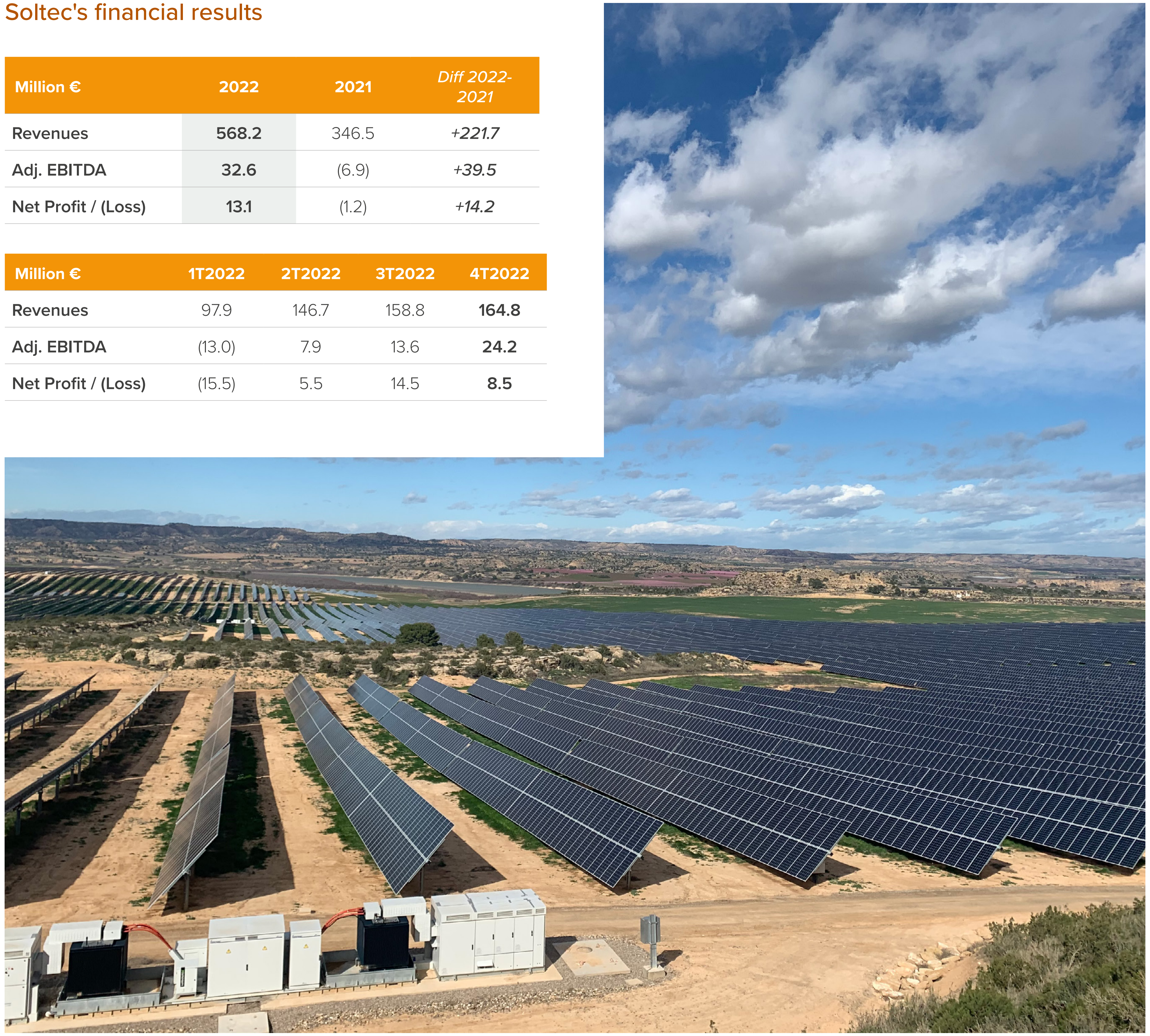
Contacts

Manage the dialogue with economic and financial entities that interact with the Group.

Soltec's financial results

Million €	2022	2021	*Diff 2022-2021*
Revenues	568.2	346.5	*+221.7*
Adj. EBITDA	32.6	(6.9)	*+39.5*
Net Profit / (Loss)	13.1	(1.2)	*+14.2*

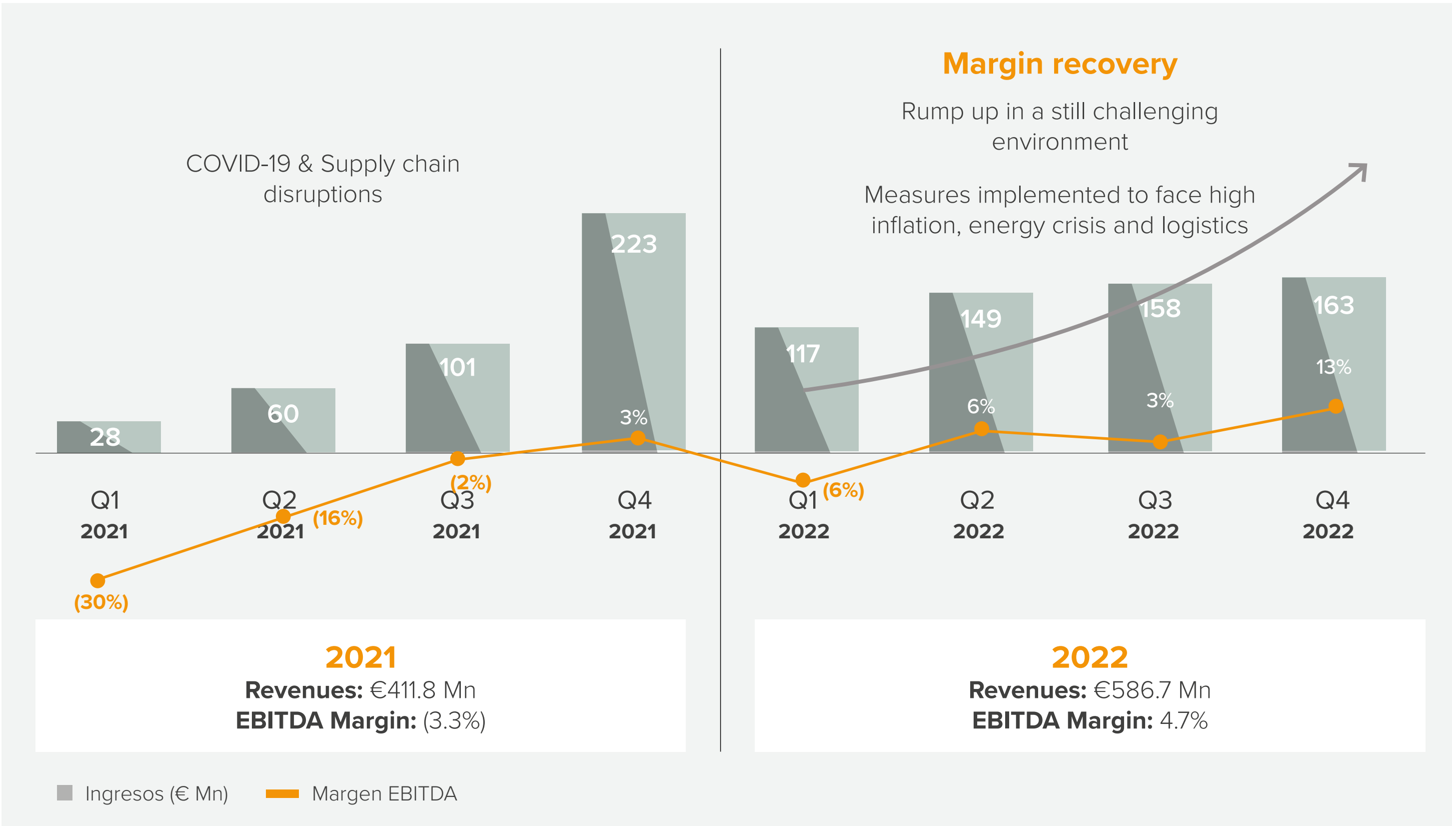
Million €	1T2022	2T2022	3T2022	4T2022
Revenues	97.9	146.7	158.8	**164.8**
Adj. EBITDA	(13.0)	7.9	13.6	**24.2**
Net Profit / (Loss)	(15.5)	5.5	14.5	**8.5**



Industrial division: record demand and unique value proposal

The industrial division (Soltec Industrial) has demonstrated its global leadership position in the supply of solar trackers, with an accumulated track record of 15.6 GW, having supplied 3.8 GW by 2022.

Of the revenues corresponding to the industrial division, 74% comes from the sale of solar trackers, and 26% corresponds to the rest of the services offered by the company (installation, civil works, etc.). This division represents 82% of the group's total EBITDA, and achieved a margin of 4.7% in the year ended 2022, while in the fourth quarter of the year it recorded EUR 163.3 million in sales, and an EBITDA margin of 12.7%.



Results of the industrial division

Million €	2022	2021	*Diff 2022-2021*
Revenues	586.7	411.8	*+174.9*
Adj. EBITDA	27.3	(13.6)	*+40.9*
Adj. EBITDA margin	4.7%	(3.3%)	

Million €	1T2022	2T2022	3T2022	4T2022
Revenue	117.1	148.6	157.8	**163.3**
Adj. EBITDA	(7.5)	9.5	4.6	**20.7**
Adj. EBITDA margin	(6.4%)	6.4%	2.9%	**12.7%**

Development division: balanced pipeline

The photovoltaic project development division **(Soltec Development)** closed the year with a pipeline of 14.4 GW of projects at various stages of completion in eight countries: Spain, Italy, Denmark, Romania, Brazil, Colombia, the United States and Mexico. It should be noted that this division aims to develop projects up to RTB ("Ready to build"), and at that point sell them to a third party, or to the asset management and operation division **(Soltec Assets)**.

Soltec Development has rotated 372 MW in Spain and Italy over the 2022 financial year and currently has several M&A processes open in different geographical areas with strong interest, given the high quality of the assets under development.

The pipeline of projects under development is geographically balanced, with 44% of projects located in Europe and 56% in the Americas.

It is also worth mentioning that the company has obtained favourable environmental impact statements (DIA) for 401 MW in January 2023, corresponding to 16 projects in Murcia and Alicante. With these, and in accordance with Royal Decree Law 23/2020, Soltec already has all the necessary environmental impact statements, which expired in January 2023.

Results of Soltec development

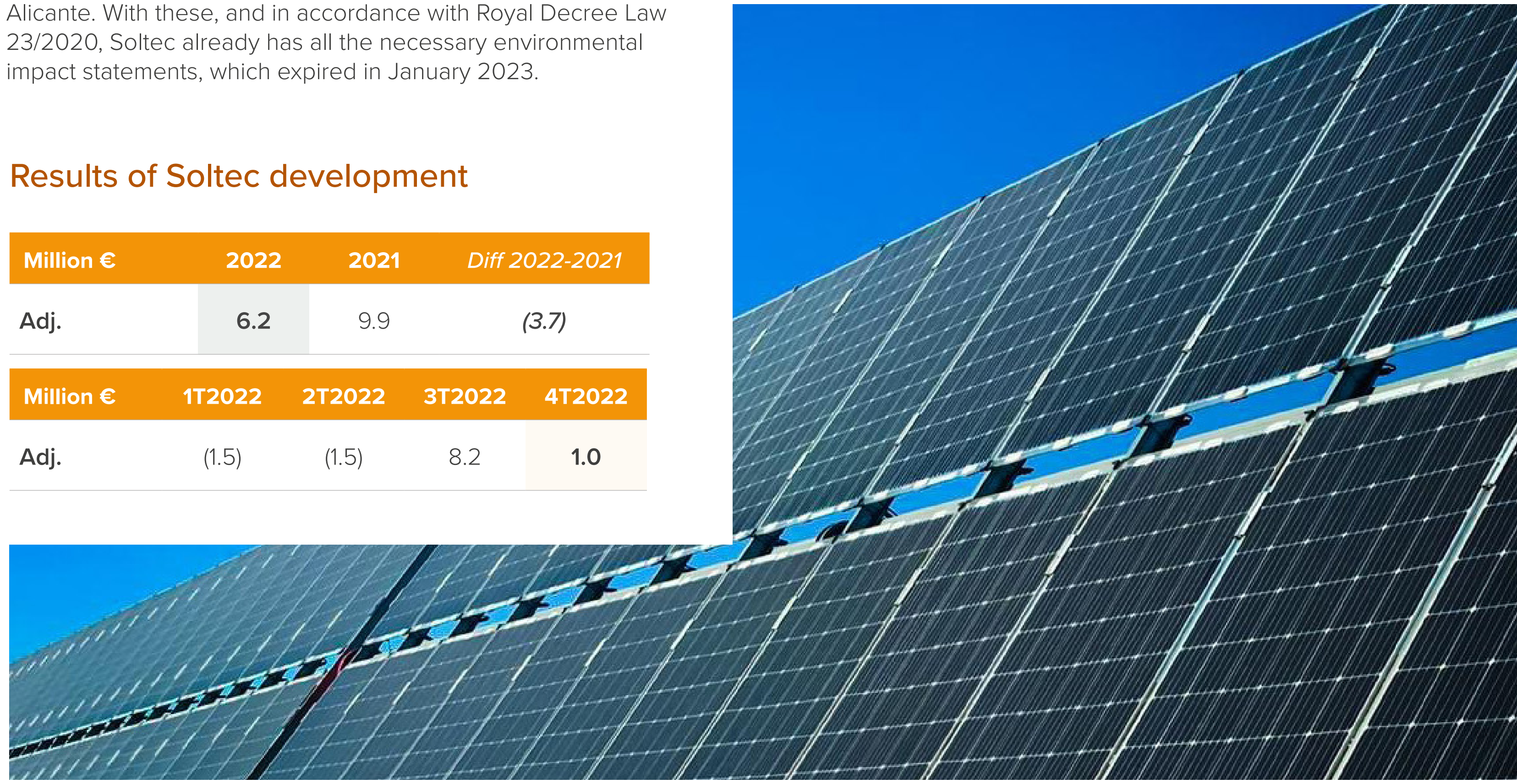
Million €	2022	2021	*Diff 2022-2021*
Adj.	6.2	9.9	*(3.7)*

Million €	1T2022	2T2022	3T2022	4T2022
Adj.	(1.5)	(1.5)	8.2	1.0

Asset management division: differentiation and risk minimisation

Last year, Soltec initiated the implementation of its Strategic Plan 2022-2025, through which it announced the creation of a new business line dedicated to asset management: **Soltec Assets**. Through this division, the firm expects to obtain an additional revenue stream from energy sales that will provide recurrence, strength and stability to the company. It also allows it to differentiate itself from its competitors and maximise the value of its projects, mitigating existing risks in the value chain through geographic and business diversification.

There are currently 117 MW in operation corresponding to two projects in Spain and Brazil. Soltec Assets is expected to have a portfolio of close to 1 GW by 2025.



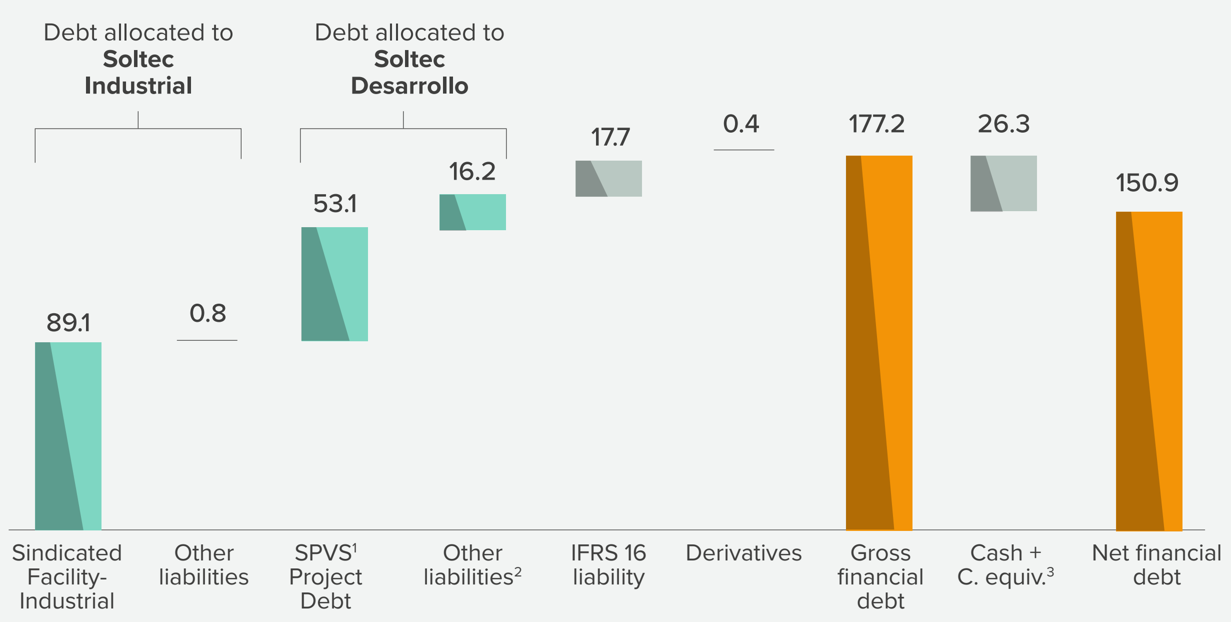
6.3 Financial structure

Financial debt

At 31 December 2022, Soltec reported a gross financial debt of EUR 177 million, mainly associated with the syndicated loan of the industrial division and the project debt linked to the assets under construction in Brazil. Net financial debt amounted to 151 million euros.

In January 2023, Soltec announced the signing of a EUR 100 million financing agreement with the credit fund advised by Incus Capital to finance the projects under development at Soltec Assets. With this operation, Soltec seeks to enhance and accelerate the growth of this division dedicated to the investment, operation and management of renewable energy infrastructures. It also guarantees the construction and commissioning of part of the projects in the development division's portfolio, mainly in Europe (Spain, Italy) and Brazil.

Net financial debt at 31 december 2022



(1) Debt linked to projects under construction in Brazil.

(2) Includes loans from the Spanish Official Credit Institute (ICO), other credit lines, long-term shareholder loans and SPVs deferred payments.

(3) Includes €19.0 Mn of cash and other equivalent liquid assets + €7.3 Mn from current financial assets.

Liquidity

The most significant financial resources of the Group and our policy for their use are set out below.

Item (thousands of euros)	31/12/2022	31/12/2021
Cash and cash equivalents	19,001	36,180
Other current financial assets	7,346	6,337
Current financial liabilities (Short-term liabilities)	(101,436)	(98,285)
Non-current financial liabilities (Long-term liabilities)	(75,540)	(16,158)
Working capital	(40,157)	(16,769)

Prudent liquidity risk management implies the maintenance of sufficient cash and the availability of funding through a sufficient amount of credit facilities. In this respect, the Group's strategy is to maintain, through our financial department, the necessary flexibility in financing through the availability of credit lines. At year-end 2022, the difference between current assets and current liabilities amounted to a negative amount of 40,157 thousand euros. Although the size of the Working Capital in isolation is not a key parameter for understanding the Group's consolidated integrated report, the Group actively manages its Working Capital through effective management of working capital and Net Financial Debt, based on the strength, quality and stability of its relationships with its customers and with partners with whom it has made investments in other countries, as well as thorough monitoring of its situation with financial institutions. Understanding the composition of the Working Capital Fund should be done separately for the Industrial, Project Development and Asset management (SAM) segments. The following is a table showing the Group's working capital at 31 December 2022:

Item (thousands of euros)	Industrial	Development)	SAM	Others*	TOTAL
Total current assets	319,587	16,541	3,401	(66,166)	273,363
Total current liabilities	(293,841)	(13,452)	(60,833)	54,606	(313,520)
Working capital 31/12/2022	25,746	3,089	(57,432)	(11,560)	(40,157)

(*) The "Other" column corresponds to the parent company as well as the impact of consolidation adjustments not allocated to business segments.

Industrial segment

At year-end 2022, the working capital of this segment amounts to a positive EUR 25,746 thousand (31 December 2021: EUR 25,609 thousand). 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 consolidated financial statements) due to the nature of the financed contracts.

Work is currently underway to improve the terms and conditions of customer contracts and diversify the customer portfolio in order to reduce the heavy dependence on a small number of customers, as well as to optimise payment conditions to suppliers. In this way, the company seeks to mitigate the risk of non-payment or late payments by customers that could generate a cash shortfall in the Group. Efforts to change this situation are materialising.

In addition to the efforts to change and improve the customer portfolio, efforts are also being made to refine the terms and conditions agreed with suppliers by analysing more carefully the risks of potential suppliers with whom they wish to contract. The aim of these measures is to improve cash flows in order to mitigate the Group's insolvency or default risks, thereby reducing the consumption of external financing resources, keeping the business running and facilitating its growth.

Segment of project development

During the 2022 financial year, Soltec Development has consolidated the expansion of its operations by identifying projects in the different regions in which it operates. The photovoltaic project development division (Soltec Development) closed the year with a pipeline of 14.4 GW of projects at various stages of completion in eight countries: Spain, Italy, Denmark, Romania, Brazil, Colombia, the United States and Mexico. It should be noted that this division aims to develop projects up to RTB ("Ready to build"), and at that point sell them to a third party, or to the asset management and operation division (Soltec Assets).

Soltec Development has rotated 372 MW in Spain and Italy over the 2022 financial year and currently has several M&A processes open in different geographical areas with strong interest, given the high quality of the assets under development.

The pipeline of projects under development is geographically balanced, with 44% of projects located in Europe and 56% in the Americas.

There are currently 137 MW of assets under construction in Brazil (Araxá), as well as in Spain (La Isla, Totana IV and Los Valientes I and II), projects that form part of the portfolio of the asset management segment.

The working capital of the development area shows a positive amount of 3,089 thousand euros. This improvement compared to the working capital in 2021 (negative by 37,507 thousand euros) is mainly due to the segregation of the portfolio towards the "asset management" segment. The most relevant short-term assets making up the working capital are (i) fixed-term deposits amounting to EUR 4,327 thousand and (ii) accounts receivable amounting to EUR 3,000 thousand.

Asset management segment

The working capital magnitude for the asset management segment is presented without comparatives as it is a newly created segment during the year 2022. At the end of the current year the working capital amounted to a negative amount of 57,432 thousand euros. This is mainly due to the balance with the group's trade payables of EUR 52,859 thousand, corresponding mostly to the balance held by Pedranópolis and Araxá under the vendor finance contract annexed as part of the module purchase agreement between Soltec España and the SPVs. The nature of the asset management business is in an initial process, power generation has not yet been impacted in a full financial year, additionally in the first days of 2023 the Group has signed a EUR 100 million financing agreement with the credit fund advised by Incus Capital to finance its renewable asset management and operation business (Soltec Asset management). (see note 6.6 on Significant events after year-end).

Capital resources

The Group's objectives in relation to capital management are to safeguard the Group's ability to continue as a going concern, to provide a return 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 a syndicated loan negotiated from its parent company in Spain with the country's main banks, specifically adapted to the particular business operation of the industrial photovoltaic technology sector.

With regard to the project development business, during the first six months of the 2022 financial year, a new financing agreement for the Araxá and Pedranópolis projects was signed with the Brazilian Development Bank for 323,000 thousand Brazilian reals (59,562 thousand euros at the exchange rate at 31 December 2022).

Average period of payment to suppliers

In compliance with Law 31/2014, of December 3, which modifies the third additional provision "Duty of information" of Law 15/2010 of July 5, the Company informs that the average payment period to suppliers is 69 days.

6.4 The Soltec share

On 28 October 2020, Soltec's shares were listed on the Spanish Stock Exchanges (Barcelona, Bilbao, Madrid and Valencia), thus marking the Group's IPO on the primary market. As a sign of the Group's commitment to its shareholders, since then the Group has been committed to strengthening its corporate governance and diversifying its sources of financing, always reinforcing Soltec's relationship with its stakeholders.

At 31 December 2022, the capitalisation amounted to EUR 377.2 million, represented by 91,387 thousand shares with a nominal value of 0.25 euros each, fully subscribed.

The share price at 31 December 2022 and the average share price for the year amounted to EUR 4.13 and EUR 4.62 per share, respectively. Compared to the closing price on 31 December, the share price has decreased by 1.67 points compared to 31 December 2021, when the share price was 6.19 euros.

	Capitalisation (million euros)	Nº of shares (x 1.000)	Price Close (euros)	Maximum price (euros)*	Minimum price (euros)	Volume (thousands of shares)	Cash (thousands of euros)
2022	377.2	91,387	4.13	6.8	3.37	80,222	369,493
2021	565.7	91,387	6.19	15.1	5.85	60,147	550,363

Soltec's share price evolution 2022

Acquisition and disposal of own shares

The shareholders owning significant direct and indirect shareholdings of more than 3% of the share capital are, according to public information, as follows:

During 2022, the Parent Company has purchased 99,612 treasury shares, which means that at 31 December 2022, the Parent Company holds treasury shares amounting to EUR 4,802 thousand.

The movement over the 2022 financial year was as follows:

	Number of shares	% voting rights	Thousands of Euros
Balance at 31 December 2021	438,656	0.48%	4,632
Additions	108,770	0.04%	170
Balance at 31 December 2022	547,426	0.52%	4,802

Traded volumes 31/12/2022	Number of shares	Cash
Absolute	80,221,563	368,871,697
Medium	312,146	1,435,298

The Group has a liquidity contract for securities listed on the Madrid and Bilbao stock exchanges and included in the Spanish Stock Exchange Interconnection System, with net purchases of 108,462 shares at December 31st, 2022.

Significant shareholdings of Soltec (31.12.2022)

Name	% of voting rights:
José Francisco Moreno Riquelme	42.3%
Raúl Morales Torres	19.6%
Franklin Templeton Investments Corp.	3.01%
Invesco LTD.	2.9%
Sweedbank Robur Fonder AB	2.0%

Dividend policy

In the short term, we intend to reinvest cash generation in the development of new projects and execution of the business plan and no dividends will be distributed. At a later stage, the dividend policy will be re-evaluated and dividend payments will be based, inter alia, on financial performance and business projections. Expectations of dividend payments, business performance and market conditions are subject to numerous assumptions, risks and uncertainties that are not within our control. The payment of dividends shall be proposed by the directors and approved by the General Meeting of Shareholders.

The ability to distribute dividends will depend on a number of factors including, among others, the amount of distributable profits and reserves, the investment plan, earnings, level of profitability, generation of cash flows and the fulfilment of obligations to do and not to do set out in debt instrument contracts.

Investor relations contact details

The company communicates and works to maintain the trust of all its stakeholders through transparency, fairness and honesty with its analysts, investors and shareholders.

Soltec actively promotes listening and collaboration with institutional and minority investors, making its business model, strategy and future objectives known in a clear and transparent manner. To this end, the Company has an investor relations department through which it has held multiple meetings with investors and has participated in roadshows and conferences throughout the year to increase the Company's visibility, attract the interest of potential new investors and strengthen relations with current investors.

In May 2022, **Soltec held its first** Capital Markets Day where the 2022-25 Strategic Plan was presented. A very important milestone, in a relevant context for the company and for the sector, where the foundations for growth in the coming years were laid.

Capital Markets Day

Renewable energies a safe bet

- The global Net Zero path is unstoppable, and the processes of electrification and decarbonisation are a global reality, which potentializes the relevance of renewable energies.
- The climate emergency requires a coordinated, adequate and urgent response.
- To meet this challenge, the energy sector has a key role to play in keeping on track to achieve the global targets.
- Furthermore, the geopolitical tensions we have recently experienced in Europe have highlighted how renewable energy is key to reducing countries' energy dependencies and securing supply.
- Despite the tensions that are occurring in the short term, in the medium to long term, it is a sector that will experience strong growth.
- The environment is more complex than ever and companies must adapt to the new conditions, with agile and flexible business models, capable of generating value and responding to the needs of their stakeholders, in a changing environment full of challenges.

A clear purpose

- Soltec has a clear purpose: to help build a cleaner, more sustainable and fair world through energy.
- This purpose directs our activity, and gives reason for our existence.
- In the current context, our corporate strategy is based on three key pillars:
  - Vertical integration
  - Sustainability
  - Innovation

Greater vertical integration to generate value

In a complex context, Soltec is committed to vertical integration to generate value for its shareholders, through three lines of business:

- Industrial: supply of solar trackers and other construction services
- Development of photovoltaic projects
- Asset management

Over the next five years, Soltec Power Holdings aims to achieve revenues in excess of EUR 780-840 million through its three business lines (Industrial, Project Development and Asset management).

Operating profit, thanks to the synergies between the different divisions, and the recurrence and strength provided by vertical integration, is estimated to be in the range of EUR 100-120 million.

An industrial IPP

The development strategy for photovoltaic projects focuses on Tier 1 countries with high irradiation and high growth potential (those where Soltec has an integrated presence, or could potentially be integrated), such as: Spain, Italy, Brazil, Denmark, Colombia, the United States, Romania and Mexico.

Every 18 months, development will commence in new countries offering potential and ensuring the use of our integrated capabilities, with continued optimisation of asset rotation aimed at maximising the value of projects under development and generating synergies.

Gradually, Soltec Power Holdings is transformed into an IPP offering industrial services and a strengthened value proposal that makes us stronger and provides us with the robustness and flexibility to cope with a complex environment.

A growing industrial division with improved operating margins

The industrial division maintains a leading position globally, ranking third in terms of cumulative installed trackers.

At the end of the first quarter of 2022, the industrial division had a cumulative track record of 12.7 GW (0.9 GW in the first quarter of the year).

Operating indicators remained robust, with a backlog (signed projects pending execution) of EUR 399 million and a pipeline (projects with a certain probability of execution) of EUR 2,928 million.

The solar tracker value proposal remains robust against fixed installations, with solar tracker supply expected to reach 26-30 GW by the end of the strategic plan period.

These levels of supply will mean revenues of between 750 million euros and 800 million euros.

The investments needed to achieve these objectives are limited to 1% of the revenues generated, corresponding mainly to R&D and amounting to 22-30 million euros for the whole period of the plan.

High quality photovoltaic developments

Soltec Power Holdings has been developing photovoltaic projects since its inception. It currently has more than 11.6 GW of projects under development at different stages of development, 225 MW under construction, and 5 MW recently connected to the grid in Spain (35% owned).

The competitive advantages of our photovoltaic developments are:

- Unique development team of 85 people dedicated exclusively to project development globally
- Origination capacity
- Quality of our assets
- Optimised development costs
- Presence in countries with high solar radiation and growth potential
- Countries in which Soltec Industrial is present and has knowledge and equipment
- Geographical diversification

The pipeline of the project development division is expected to reach 25-30 GW by 2025, highly balanced by region, with 55% of the pipeline in Europe and 45% in the Americas.

Assets to be rotated to third parties from the development division will reach 3.5 GW-4.4GW in the period 2022-2025.

Soltec assets

In line with our objective to take a further step in the vertical integration of the company, Soltec Asset management was created, which will manage the assets that the company decides to keep in its portfolio, instead of rotating them to third parties.

This step in our business strategy will allow us to:

1. Obtain an additional revenue stream from energy sales that gives our income statement recurrence, strength and stability.
2. Mitigate existing risks in the value chain through geographic diversification and business diversification.
3. Differentiate ourselves from our competitors.
4. Maximising the value of projects, generating value for our stakeholders.

Soltec Asset management will reach between 750 MW and 1020 GW in operation, generating power in the financial year 2025, generating a revenue range of EUR 30-40 million, and EUR 770-950 million of investments in the period 2022-2025.

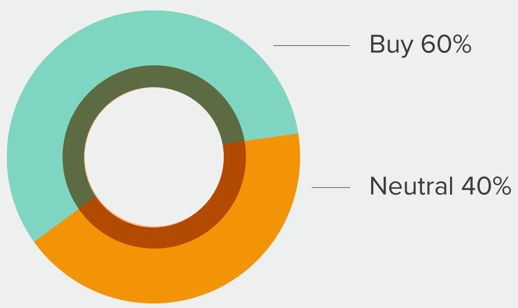
Since its inception, the company's commitment to the financial market has been to guarantee maximum transparency and trust in the market, enabling it to maintain long-lasting relationships with them.

The Company has a Financial Information Policy and a Shareholder Communication and Contact Policy in order to guarantee the truthfulness, transparency and equality of the information communicated and to foster dialogue, trust and transparency with shareholders and investors, both domestic and foreign.

As of 31 December 2022, Soltec is covered by **five** national and international **analysts**, who provide insight into the value, and the dissemination of its activity among institutional investors.

At the beginning of 2023, **Renta 4** has started to cover the stock, with a buy recommendation and €7.20 target price.

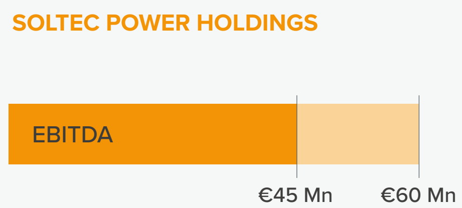
Firm	T.P.	Recommendation
Caixa	€5.1	Neutral
Berenberg	€8.0	Buy
Santander	€6.3	Neutral
JB Capital	€6.2	Buy
Mirabaud	€6.5	Buy



6.5 Guidance 2023

Although the environment remains challenging and complex, the company expects positive trends in the PV sector to be confirmed by 2023, driven by the global need to increase energy independence and strengthen the industrial chain, coupled with the good value proposal of the solar tracker (in countries with high solar irradiation).

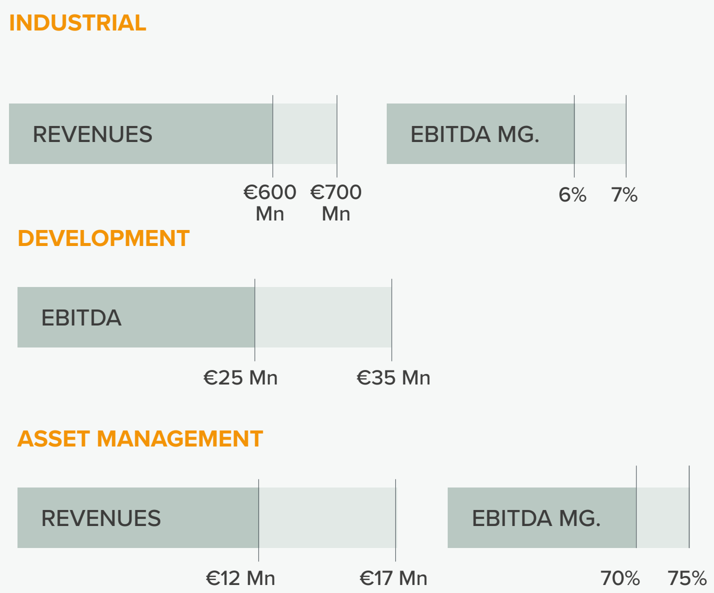
The company estimates high demand for the industrial division, in light of its current operating indicators, as well as sectoral trends in the countries where it is present. EBITDA margins are expected to trend upwards towards 2022, with EBITDA margins expected to "normalise" at levels of 6-7% on an annual basis.



2023

The demand of solar trackers will materialize in the second half of 2023 after the release of the IRA guidelines in the US, and the recently approved new capacity in Spain, reaches RTB status.

Greater seasonality of revenues in 2023 vs. 2022.



6.6 Significant events occurring after the close of the financial year

On 3 January 2023, Pablo Miguel Otín Pintado, until then CEO of the Group's project development division, left the Group.

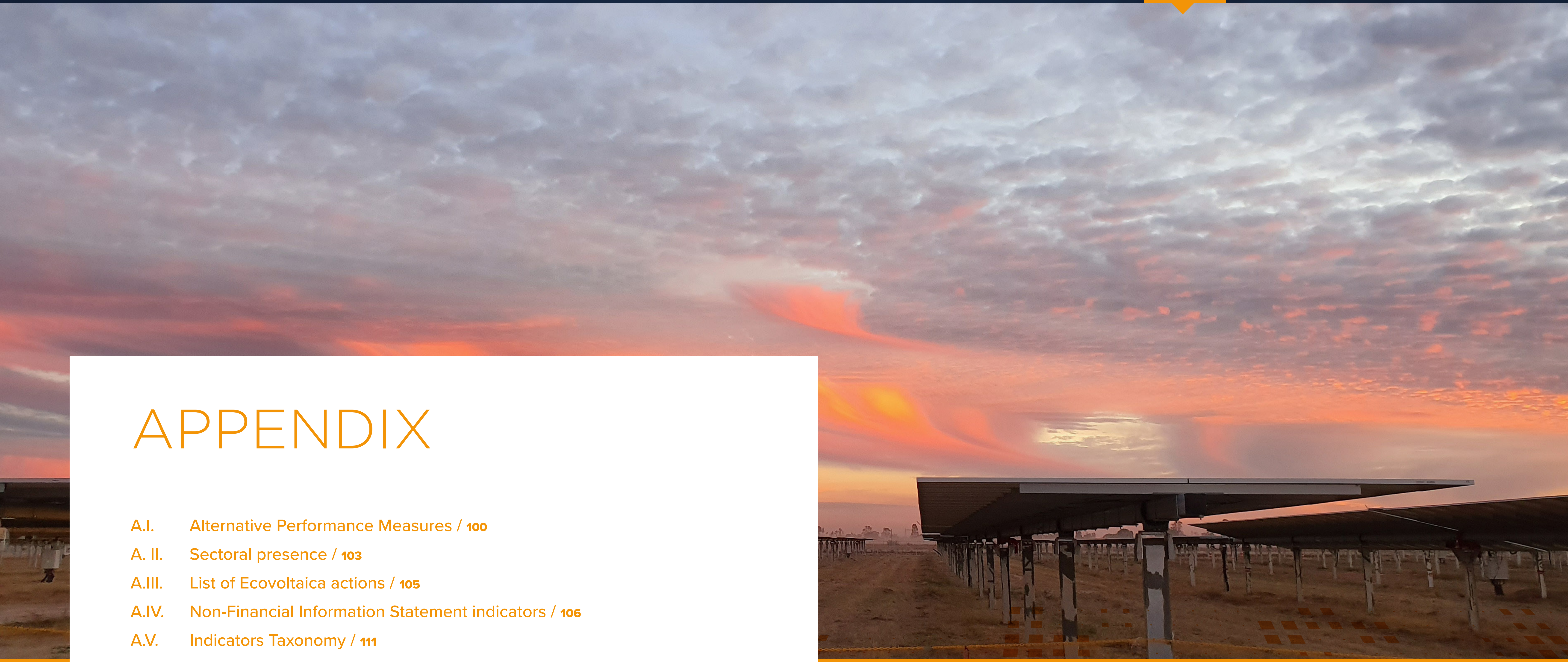
Soltec Power Holdings' photovoltaic project development division, Soltec Development S.A.U., formerly named Development, S.A.U., has appointed Mr Carlos García Mena, previously director of the entity in Brazil, as Chief Executive Officer of the photovoltaic project development division (Soltec Development S.A.U.).

On 5 January 2023, the Group signed a EUR 100 million financing agreement with the credit fund advised by Incus Capital to finance its renewable asset management and operation business (Soltec Asset management). With this transaction, Soltec seeks to enhance and accelerate the growth of Soltec Asset management, its division dedicated to the investment, operation and management of renewable energy infrastructures, and guarantees the construction and commissioning of part of the projects in the development division's portfolio, mainly in Europe (Spain, Italy) and Brazil.

In January 2023, the Group obtained a favourable environmental impact statement (EIS) for sixteen photovoltaic plants in the regions of Murcia and Alicante, with a total capacity of 401 MW of peak power, of which 352 MW are under co-development with TotalEnergies, with a 35% shareholding. In this way, Soltec already has all the environmental impact statements with an expiry date of January 2023.

On 14 February 2023, Soltec Power Holdings, S.A., holder of 100% of the share capital of Soltec Cap S.L.U., adopted, pursuant to the provisions of article 15 of the Spanish Companies Act, the decision to increase capital by means of a non-monetary contribution of the shares of Soltec Development S.A.U. and Soltec Asset management S.L.U. through the creation of new shares in the Company.

On February 27, 2023, one of the company's SPVs was notified of the initiation of a sanctioning file by the National Commission for Markets and Competition. The file is still in an initial stage and at this time the facts or the specific accusations levelled against the company are unknown. With the data available currently, the Company considers that the probability of an outflow of resources is remote, without prejudice to the revision of this analysis as more information becomes available.



APPENDIX

A.I ALTERNATIVE PERFORMANCE MEASURES

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS). In addition, it presents Alternative Performance Measures ("APMs") to provide additional information to enhance comparability and understanding of its financial information, and to facilitate decision making and assessment of the Group's performance. During the financial year 2022 the directors of the group have redefined some of the APMS with respect to the definitions presented in the 2021 annual accounts.

This redefinition is mainly due to the evolution of the Soltec Development segment and the creation of the new asset management segment, "Soltec Assets". The APMs should be considered by the user of the financial information as complementary to the figures presented in accordance with the basis of presentation of the consolidated annual accounts, but in no case as a substitute for them. The most significant MPAs are as follows:

Gross margin

Definition

Net turnover + Change in stocks of finished goods and work in progress - Procurements.

Reconciliation

The reconciliation of this APM to the consolidated financial statements for the year ended 31 December 2022 is as follows (figures in thousands of euros):

	31/12/2022	31/12/2021
Net turnover	568,196	346,514
Changes in inventories of finished goods and work in progress	-4,552	7,118
Supplies	-375,075	-298,747
Gross margin	188,569	54,885

Explanation of use

The gross profit or gross margin is considered by the Parent's directors as a measure of the performance of its business, as it provides information on the gross profit or margin from the execution of the projects, which is obtained by taking external sales and subtracting the cost incurred to achieve those sales. This margin is the best measure of the cost of manufacturing and supplying PV trackers.

Comparison

At year-end 2022, the Group's gross margin shows a significant improvement of 244% compared to the same comparative period in 2021. The variation in margins is mainly due to the result of the measures implemented over the last quarters to counteract the disruptions that have affected the photovoltaic industry, as well as the improvement in international logistics conditions.

Gross margin on sales

Definition

Gross margin / Net turnover.

Reconciliation

The reconciliation of this APM to the financial statements for the year as at 31 December 2022 is as follows (figures in thousands of euros):

	31/12/2022	31/12/2021
Gross margin	188,569	54,885
Net turnover	568,196	346,514
Gross margin on sales	33.19%	15.84%

Explanation of use

The gross margin on sales is considered by the group's management as a measure of the performance of its business, as it provides information on the percentage contribution of the gross margin to the amount of sales. This contribution enables comparative analysis of the development of the project margin for the group's managers.

Comparison

The gross margin on sales has increased significantly by 17 points in 2022 compared to 31 December 2021, mainly due to the industrial segment, which is executing the higher margin new projects 2022. The figures achieved in 2022 confirm the strong recovery of the sector, after a very difficult start to 2022 due to geopolitical tensions in Europe, coupled with the Omnicrom variant, and show a positive upward trend throughout the year despite the instability of the financial markets and the duration of the war in Europe.

Net Profit Margin

Re-Definition

Gross margin - Other personnel expenses - Other operating expenses + Losses, impairment and changes in provisions for trading operations (See note 10.1.2) + Work carried out by the group on its assets + Results from the loss of control of SPVs.

Reconciliation

The reconciliation of this APM to the financial statements for the year as at 31 December 2022 is as follows (figures in thousands of euros):

	31/12/2022	31/12/2021
Gross margin	188,569	54,885
Personnel expenses	-68,756	-50,129
Other operating costs	-151,278	-105,827
Losses, impairment and changes in trade provisions (See note 16.5)	1,971	826
Works carried out by the Group for its assets	50,825	72,173
Results from loss of control of SPVs	8,138	17,801
Net Profit Margin:	29,469	-10,271

Explanation of use

The net margin is considered by the group's management as a measure of the performance of its business, as it provides information on the net margin of the projects that have been manufactured and installed during the period.
This net margin is calculated on the basis of the gross margin, net of staff costs and operating expenses, excluding losses, impairments and changes in trade provisions made during the year, adjusted by the provisioning of provisions for guarantees.

Comparison

During 2022 the net margin has increased by 387% compared to 31 December 2021. This substantial improvement in the net margin is mainly due to the result of the measures implemented throughout the year to optimise costs and counteract the disruptions that have affected the photovoltaic industry, as well as the improvement in international logistics conditions.

Net margin on sales

Re-Definition

Net margin / Net turnover.

Reconciliation

The reconciliation of this APM to the financial statements for the year as at 31 December 2022 is as follows (figures in thousands of euros):

	31/12/2022	31/12/2021
Net Profit Margin:	29,469	-10,271
Net turnover	568,196	346,514
Net margin on sales	5%	-3%

Explanation of use

The net sales margin is considered by the group's directors as a measure of the performance of the group's business, as it provides information on the percentage contribution of the net sales margin to net turnover.

Comparison

The net margin on sales improved by 8 points in 2022 compared to 31 December 2021, mainly due to the industrial segment, which is executing the higher margin new projects 2022.

EBITDA

Re-Definition

Net Margin + Other operating income - Losses, impairment losses and changes in provisions for trading operations (See note 10.1.2).

Reconciliation

The reconciliation of this APM to the financial statements for the year as at 31 December 2022 is as follows (figures in thousands of euros):

	31/12/2022	31/12/2021
Net Margin	29,469	-10,271
Other operating income	3166	3398
Loss, impairment and variation of commercial transaction provisions	-1,971	-826
EBITDA	30,664	-7,699
Net margin	29,469	-10,271

Explanation of use

The EBITDA is considered by the group's management as a measure of the performance of its business as it provides an analysis of the result for the year (excluding interest and taxes as well as depreciation and amortisation) as a proxy for operating cash flows reflecting cash generation. Additionally, it is a metric widely used by investors when valuing companies, as well as by rating agencies and creditors to assess the level of indebtedness by comparing EBITDA to net debt and also by comparing EBITDA to debt service.

Comparison

During the year to 31 December 2022 EBITDA has improved by 498% compared to the year to 31 December 2022, mainly due to the industrial segment. This EBITDA represents a consolidated margin of 5% of revenues. This positive profitability development is mainly explained by the strength of demand, the result of the measures implemented over the last quarters to counteract the disruptions that have plagued the photovoltaic industry, as well as improved international logistics conditions.

Adjusted EBITDA

Re-Definition

EBITDA + Losses, impairment and change in trade provisions (See note 10.1.2).

Reconciliation

The reconciliation of this APM to the financial statements for the year 2022 is as follows (figures in thousands of euros):

	31/12/2022	31/12/2021
EBITDA	30,664	-7,699
Loss, impairment and variation of commercial transaction provisions	1,971	826
Adjusted EBITDA	32,635	-6,873

Explanation of use

The adjusted EBITDA is considered by the group's management as a measure of the performance of its business as it provides an analysis of operating results excluding commercial provisions which do not represent cash outflows.

Comparison

During the 2022 financial year, the adjusted EBITDA has improved by 575% compared to the financial year to 31 December 2021. This EBITDA represents a consolidated margin of 6% of revenues.

BORROWINGS

Re-Definition

Current bank borrowings + Non-current financial liabilities + Other current financial liabilities + Derivatives.

Reconciliation

The reconciliation of this APM to the financial statements for the year as at 31 December 2022 is as follows (figures in thousands of euros):

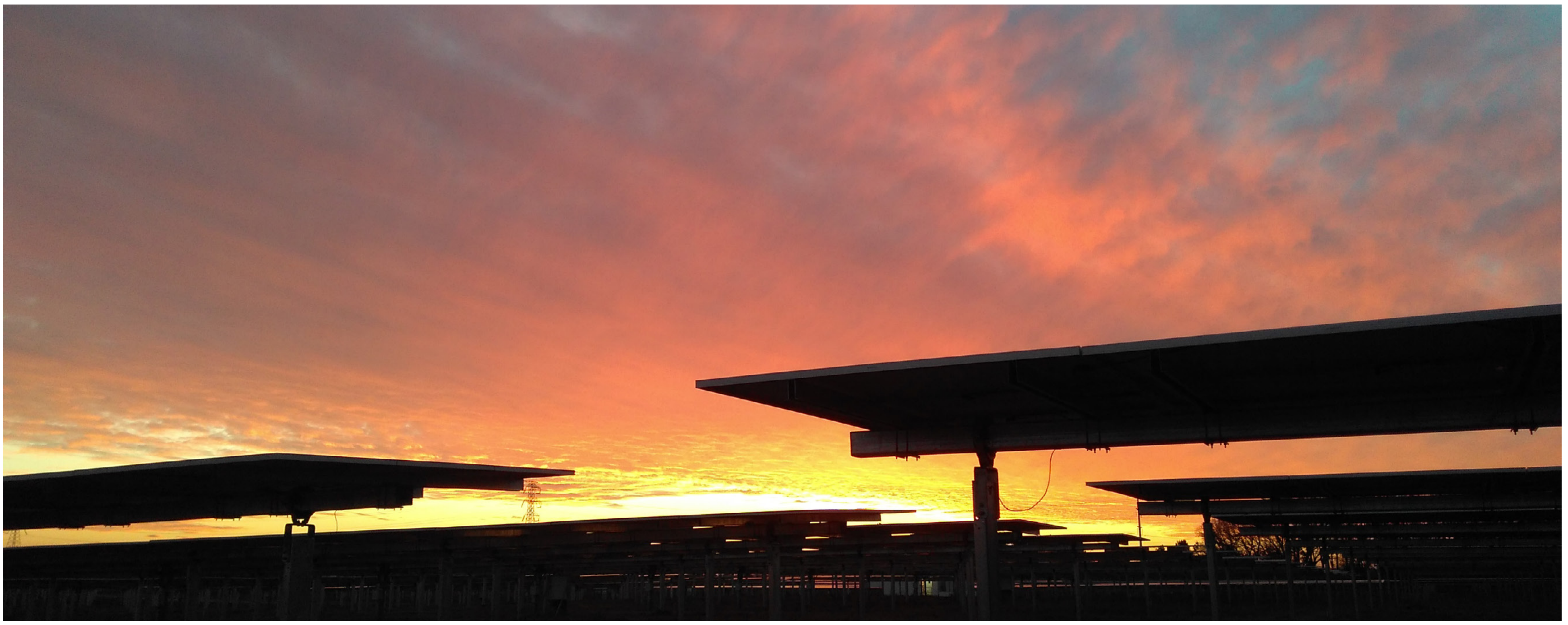
	31/12/2022	31/12/2021
Current payables to credit institutions	96,965	92,781
Non-current payables to credit institutions	48,762	0
Other non-current financial liabilities	26,778	16,158
Other current financial liabilities	4,359	3,744
Derivatives	373	1,760
Borrowings	177,237	114,443

Explanation of use

Borrowings are considered by the Group's management as a measure of the Group's performance as they measure the Group's financial position and are necessary for the calculation of leverage ratios typically used in the market.

Comparison

During the financial year 2022, Borrowings have increased by 55% with respect to the financial year 2021, this increase being mainly due to the asset management segment, (i) it has made drawdowns of the loan with the Brazilian Development Bank and maintains an outstanding balance at the end of 2022 amounting to 53,136 thousand (see note 10.2.1. on financial liabilities) and the development segment, which (ii) maintains a long-term loan with the shareholder "Grupo Corporativo Sefrán, S.L." amounting to Euros 10,550 thousand (see note 15.2 Related parties).



Net financial debt

Re-Definition

Borrowings - Current financial assets - Cash and cash equivalents (excluding those other components of cash that are pledged as collateral for the syndicated loan).

Reconciliation

The reconciliation of this APM to the financial statements for the year as at 31 December 2022 is as follows (figures in thousands of euros):

	31/12/2022	31/12/2021
Borrowings	177,237	114,443
Current financial assets (Note 10.1.2)	-7,346	-6,337
Cash and cash equivalents - cash on hand (Note 10.1.2.v)	-19,001	-36,180
NET FINANCIAL DEBT	150,890	71,926

Explanation of use

The Net Financial Debt is a financial measure of a company's net debt position. In addition, it is widely used by investors to assess the net financial leverage of companies, as well as by rating agencies and creditors to assess the level of net indebtedness.

Comparison

During the financial year 2022 the net financial debt has increased by 110% compared to the financial year 2021. This is mainly due to the financing made available for the asset management segment, with the Araxá and Pedranópolis project finance arrangements.

Leverage

Re-Definition

Borrowings / Total assets.

Reconciliation

The reconciliation of this APM to the financial statements for the year 2021 is as follows (figures in thousands of euros):

	31/12/2022	31/12/2021
Borrowings	177,237	114,443
Total assets	555,810	476,951
Leverage	32%	24%

Explanation of use

Leverage is an indicator that measures the company's debt position. It is widely used by investors to assess 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 financial year 2022 financial leverage has increased by 33% compared to FY2021. As indicated above, this increase is mainly due to the financing arranged for the asset management segment, with the drawdowns of the Araxá and Pedranópolis Project Finance.

A.II SECTORAL PRESENCE

The **Spanish Photovoltaic Union (UNEF)** represents more than 750 companies, approximately 90% of the sector's activity in Spain, representing practically the entire industry: producers, installers, engineers, manufacturers, distributors and in general any company related to the sector.

MESIA (Middle East Solar Industry Association) is a non-profit, non-governmental organisation that aims to promote solar energy in the Middle East and North Africa, as well as to organise networking for industry professionals with its more than 80 local, regional and international members.

SolarPower Europe is a grouping that aims to ensure that solar energy becomes Europe's main source of energy by 2030. The association represents more than 280 companies in the solar sector and aims to create the right regulatory and commercial framework to take solar energy to the next level, encouraging its members to make solar energy the core of a smart, sustainable, secure and inclusive energy system.

ABSOLAR (Associação Brasileira de Energia Solar Fotovoltaica) is a Brazilian association that brings together companies from the entire value chain of the solar photovoltaic sector with operations in Brazil. The entity coordinates, represents and defends the interests of its members in the development of the market and the sector, promoting and disseminating photovoltaic solar energy in the country.

ACESOL (Chilean Solar Energy Association) brings together all companies interested in promoting the development of solar energy in Chile, in order to represent them, keep them informed and collaborate in the positioning of solar energy.

EU PVSEC is the world's leading forum for photovoltaic research and development and the largest conference on solar photovoltaics. With a history of more than 40 years, EU PVSEC is the world's oldest renowned photovoltaic conference. The conference programme is coordinated by the European Commission Joint Research Centre and covers the full range of photovoltaic research, technologies and applications, focusing on bringing the latest scientific and technological research trends to the market. It brings together the global PV community to do business, network, present and discuss the latest developments and innovations in photovoltaics.

The **bifiPV Workshop** is an event on cutting-edge research and the latest trends in bifacial photovoltaic technologies. It brings together industry experts from all continents for a selection of talks on bifacial PV technology and project implementation.

The **Foundation for the Development of New Hydrogen Technologies** in Aragon is a private non-profit organisation dedicated to promoting the use of hydrogen as an energy vector. The foundation is made up of a board of trustees of more than 90 members, most of whom are private companies relevant to the Aragonese and national economy.

The **Green Hydrogen Round Table** of the Region of Murcia aims to hold open days for the dissemination and knowledge of hydrogen-based technology and its use in industry and transport; to organise sectoral round tables on the implementation of green hydrogen; and to launch the search for synergies between companies for the generation and use of green hydrogen.

World Hydrogen Congress (Green Power Conferences Ltd.) bringing together experts from across the global hydrogen value chain to provide their expertise on the hydrogen market.

The **Association of Renewable Energy Companies** (APPA) brings together companies and entities whose purpose is the use of renewable energy sources in all their forms. The Association's main objectives include defending the interests of the sector, providing specific information on an ongoing basis on renewable energies and providing legal advice and criteria for action to its members. APPA is represented in national, European and international bodies.

AREMUR is the business association for Renewable Energies and Energy Saving in Murcia and is a member of the FREMM, the Regional Federation of Metal Entrepreneurs of Murcia, a regional business organisation that integrates more than 37 associations and various groups of activity in the metal sector: production, repair, installation and maintenance.

RES4Africa (Renewable Energy Solutions for Africa) is a foundation working to promote Africa's just energy transition to achieve SDG7 ("Affordable and Clean Energy") by ensuring access to affordable, reliable, sustainable and modern energy for all. It acts as a bridge between Europe and Africa, bringing together a network of relevant members of the clean energy sector from both continents.

SER Colombia (Asociación de Energías Renovables Colombia) is an association of more than 80 companies committed to the implementation and development of non-conventional renewable energies in Colombia, including generators, developers, suppliers and consultants.

AHMUR, the Green Hydrogen Sector Association in the Region of Murcia, is a private non-profit association whose aim is to promote the transition of the Murcia region towards a decarbonised economy thanks to renewable energies and green hydrogen. AHMUR collaborates with the Centro Tecnológico de la Energía y del Medio Ambiente de la Región de Murcia as its Technical Secretariat.

Electtricita Futura is the main association of companies operating in the Italian electricity sector. It contributes to the creation of value for its 518 member companies, representing 70% of the electricity market, and supports them in their energy transition process.

Secartys is a non-profit business association that has been working to promote the competitiveness of its members and to position Spanish industry abroad since 1968. It currently represents around 300 companies and knowledge agents in Spain, helping them to increase their competitiveness and develop the sectors in which they operate.

AEPIBAL is a Business Association with more than 60 members, covering almost the entire energy storage value chain, which defends the interests of the electrochemical storage industry in Spain.

Cetenma (Centro Teconológico de la Energía y Medio Ambiente) is a business association created with the aim of supporting research, development and technological innovation in companies.

The **European Business and Innovation Center of Murcia** (CEEIM) is a non-profit organization whose mission is to: Promote entrepreneurship and business innovation in society, fostering an entrepreneurial culture at an early age; encourage the creation and consolidation of innovative and technology-based companies; boost the attraction of smart capital and the professionalization of private investors.

The **Spanish Association for Investor Relations-AERIis** constituted as a non-profit association, whose objective is to serve its members for the promotion and improvement of investor relations of Spanish listed companies by promoting activities focused on the professional development of its members, organisation of events and conferences, implementation of international best practices in Investor Relations, representation of issuers before regulators and markets, as well as for the exchange of experiences and knowledge in this field.

A.III - LIST OF ECOVOLTAIC ACTIONS

Parts of the project on which it has an impact	Concrete Measures
Circular Economy	
General waste management	Control and manage waste to avoid soil and water pollution
Management of waste electrical equipment	Extended Producer Responsibility System for the recycling of panels and components
Construction	Environmental monitoring plan for waste management
	Recycling of materials used in construction and O&M
	Management through authorised companies
Transport	Prioritisation of sustainable vehicles for the transport of persons or goods, and car-sharing
Biodiversity	
Location	Exclusion of areas affected by Conservation Plans and Strategies for Endangered Species, under Special Protection Regime, and Natura 2000 Network
	Attention to national and regional zoning guidelines
	Obtaining land without compulsory purchase. On the power line, only extraordinary expropriations (blocking or uncertainty of identity) are carried out
Impact assessment	Cumulative environmental impact analysis with other projects. No artificial splitting of the plant
Plant design	Minimisation of the area of occupation (<2 ha/MW of unrestricted net area)
	Use of game fencing for wildlife movement
	Use of visual barriers with native and melliferous (flowering) species
	Prioritisation of non-concreted foundations (direct piling into structures and fencing)
	Biodiversity promotion with bird nests, insect hotels and wildlife refuges
	Minimisation of visual and ground impact. Camouflaging with the environment
	Use of 10% of the plant area for afforestation, green areas, and visual screens. Prioritisation of local volunteers for this task.
	Study of possible complementary uses of plants with compatible agricultural activities
Connection lines	Power lines avoid protected environmental areas and archaeological sites. They run along planning corridors. They share infrastructure with other developers. Prioritise parallelism with existing lines
	Optimisation of the location of supports, avoiding new roads and respecting vegetation. Prioritisation of pruning over tree felling. Raise the clearance height of the driver to avoid trees
	Ground wire marking with reflective bird-saving devices
	Use of the bases of the supports as nests for small birds and bats. Use of wildlife and insect shelters, and use of stork nest deterrents more than 500 metres from supports
	Respect for the natural watercourse. Accumulation areas for wetlands and green filters

Parts of the project on which it has an impact	Concrete Measures
Construction	Respect the natural state of the land. Maintenance of natural vegetation
	Planning of construction according to the breeding season of the protected species. Transplanting individual trees and shrubs or planting new trees if this is not possible
	Reforestation of disturbed areas with native vegetation prioritising melliferous (flowering) species. Prioritisation of local volunteering in this task.
	Prioritise dry cleaning of panels. Decrease in water consumption.
Socio-Economic Excellence	
Local Employment	Creation of local job offers. Prioritising outplacement of former workers in the area
	Training offer to jobseekers
	Favouring groups with difficulties in finding employment
	Signing of collaboration agreements with the town council to create employment
Compatibility of existing economic activity	Offer the land of the plant for compatible agricultural activities (livestock grazing, beekeeping, agriculture,...)
Local stakeholder dialogue	Signing of collaboration agreements with local associations representing civil society and environmental associations
	Ensuring compliance with transparent governance and anti-corruption policies
Mobilisation effect in the economy	Prioritising the procurement of goods and services close to the plant
	Use of equipment, components and/or services according to physical proximity criteria for at least 50% of the total project cost (at market prices)
Benefit for the local community	Issuing covered bonds or enabling individuals to participate in financing
	Register the SPVs in the municipalities where the project is located. Local payment of taxes
	Compensate up to 1% of the energy produced by the plant to residents living within a radius of 2 km of the project, through self-consumption or subsidies
	Reinvest full ICIO rebate + 1000 euros per MW for neighbourhood associations
National Carbon Footprint Offsets and Donations	
Carbon Footprint	Obtaining the "Emission Neutral Project" label
Reforestation	Reforestation with native species. Prioritisation of local volunteering
Social donation	Donation of 1 g of food for every 1 kW/h fed into the grid over the lifetime of the plant

A.IV NON-FINANCIAL INFORMATION STATEMENT INDICATORS

Environment

Waste

The amount of hazardous waste, mainly oils, and non-hazardous waste, mainly plastic, paper and cardboard and wood, generated during the financial years 2022 and 2021 are shown in the following table:

Tonnes	2022	2021
Waste	12	7
Non-hazardous	2,178	1,359

Energy

The total electricity, diesel and petrol consumed during the financial years 2022 and 2021 is shown in the table below:

	2022	2021
Electricity (kWh)	683,579	526,125
Diesel (litres)	2,335,057	1,010,968
Petrol (litres)	228,082	110,908

Raw materials

The main raw materials used during the financial years 2022 and 2021 were as follows:

Tonnes	2022	2021
Steel	118,771	167,338
Other components	31,895	29,197

Climate change

Emissions for the financial year 2021 and 2020, calculated on the basis of Soltec's global energy consumption indicated in the "Energy" section, considering the energy emission factor applicable in each country in which the Company operates, for each type of energy consumption, have totalled:

	2022	2021
Scope 1	6,226	2,732
Scope 2	62	10

Our people

Employment

- The total number and distribution of employees by country as at 31 December 2022 and 2021 is as follows:

Number of employees	2022	2021
Spain	718	1,004
Chile	682	415
Colombia	576	313
Brazil	353	608
Peru	131	1
Mexico	81	97
Portugal	64	-
United States	39	25
China	16	15
Italy	15	10
Australia	3	5
Argentina	-	2
TOTAL	**2,678**	**2,495**

- The total number and distribution of employees as at 31 December 2022 and 2021 by gender, age and professional category is as follows:

Number of employees	Men		Women		Total		<30		30-49		>49	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Department Director	35	31	7	7	42	38	-	1	32	27	10	10
Manager	444	309	124	96	568	405	78	70	421	291	69	44
Technician	406	284	142	116	548	400	190	165	331	222	27	13
Administrative staff	43	74	59	97	102	171	44	67	57	94	1	10
Manual worker	1,261	1,329	157	152	1,418	1,481	567	602	674	705	177	174
TOTAL	**2,189**	**2,027**	**489**	**468**	**2,678**	**2,495**	**879**	**905**	**1,515**	**1,339**	**284**	**251**

- The total number and distribution of employment contracts, by type of contract, gender, age and professional category on 31 December 2022 and 2021 is as follows:

Number of employees	Men		Women		Total		<30		30-49		>49	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Indefinite	1,288	928	355	307	1,643	1,235	471	377	1,009	748	163	110
Temporary	901	1,099	134	161	1,035	1,260	408	528	506	591	121	141
TOTAL	**2,189**	**2,027**	**489**	**468**	**2,678**	**2,495**	**879**	**905**	**1,515**	**1,339**	**284**	**251**

Number of employees	Indefinido		Temporal		Total	
	2022	2021	2022	2021	2022	2021
Department Director	42	38	-	-	42	38
Manager	515	331	51	74	568	405
Technician	432	307	116	93	548	400
Administrative staff	76	117	26	54	102	171
Manual worker	576	442	842	1,039	1,418	1,481
TOTAL	**1,643**	**1,235**	**1,035**	**1,260**	**2,678**	**2,495**

- The average annual number of permanent and temporary contracts by gender, age and professional category for the years ending 31 December 2022 and 2021 is as follows:

Average number of contracts (%) In relative figures

	Men		Women		Total		<30		30-49		>49	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Indefinite	45%	40%	12%	13%	57%	53%	20%	15%	32%	33%	5%	5%
Temporary	38%	41%	5%	6%	43%	47%	18%	19%	20%	23%	5%	5%
TOTAL	**83%**	**81%**	**17%**	**19%**	**100%**	**100%**	**38%**	**34%**	**52%**	**56%**	**10%**	**10%**

Average number of contracts (%) In absolute figures

	Men		Women		Total		<30		30-49		>49	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Indefinite	1,874	726	508	244	2,382	970	791	272	1,372	606	219	92
Temporary	708	742	112	108	820	850	340	337	394	423	86	90
TOTAL	**2,582**	**1,468**	**620**	**352**	**3,202**	**1,820**	**1,131**	**609**	**1,766**	**1,029**	**305**	**182**

Average number of contracts (%)

	Indefinite				Temporary				Total			
	2022		2021		2022		2021		2022		2021	
Department Director	43	1%	39	2%	-	0%	-	-	43	1%	39	2%
Manager	581	13%	327	18%	40	2%	62	4%	621	15%	389	22%
Technician	476	11%	286	16%	87	4%	88	5%	563	15%	374	21%
Administrative staff	101	2%	99	5%	20	1%	76	4%	121	3%	175	9%
Manual worker	1,181	30%	219	12%	673	36%	624	34%	1,854	66%	843	46%
TOTAL	**2,382**	**57%**	**970**	**53%**	**820**	**43%**	**850**	**47%**	**3,202**	**100%**	**1,820**	**100%**

- EThe total number of redundancies by gender, age and professional category, during the financial years 2022 and 2021, is as follows:

Average number of contracts (%)

	Men	Women	Total	<30	30-49	>49
2022	723	208	931	383	483	65
2021	284	50	334	140	166	28

Average number of contracts (%)

	2022	2021
Department Director	3	1
Manager	82	28
Technician	69	20
Administrative staff	27	19
Manual worker	750	266
TOTAL	**931**	**334**

- The Company's average remuneration for the financial years 2022 and 2021 is as follows, broken down by gender, age and professional category:

Euros

	Men	Women	Total	<30	30-49	>49
2022	16,558	16,229	16,495	10,824	18,741	24,441
2021	20,439	20,057	14,977	22,356	27,121	20,439

Euros

	2022	2021
Department Director	111,692	95,028
Manager	30,956	31,175
Technician	19,979	21,263
Administrative staff	12,351	11,879
Manual worker	8,653	12,979

- During 2022 and 2021 the directors of the Parent Company have accrued the following monetary income for all items (including both income paid by the Parent Company and by any other subsidiary):

Thousands of euros

	2022	2021
Fixed and variable remuneration (*)(**)	510	509

((*) EUR 55 thousand and EUR 48 thousand, respectively, average remuneration of directors and managers in 2022 (EUR 55 thousand and EUR 85 thousand in 2021).
(**) At 31 December 2022 it contains as income in kind an amount of 31 thousand euros from one of the directors in respect of their senior management duties (31 thousand euros in 2021).

- The remuneration of the members of Senior Management (three women and nine men in 2022 and three women and five men in 2021), excluding those who have the status of member of the Board of Directors during the financial years 2022 and 2021, and which has been paid both by the Parent Company and by any other subsidiary, is summarised as follows:

Thousands of euros

	2022	2021
Salaries (*)	1,303	939

(*) 103 and 110 thousand euros, respectively, average remuneration for women and men in 2022 (106 and 112 thousand euros in 2021)

The ratio between the minimum wage paid by Soltec and the minimum wage for the financial years 2022 and 2021 is higher than one unit for Spain, and the Company undertakes, in the rest of the subsidiaries, to respect the local regulations in force both at the level of agreements and agreements linked to the establishment of a local minimum wage.

	2022	2021
Department Manager	10%	17%
Manager	(4%)	(5%)
Technician	9%	20%
Administrative staff	29%	17%
Manual worker	29%	17%

Work organisation

◆ The average annual number of full-time and part-time employees by gender, age and occupational category for the years ended 31 December 2022 and 2021 is as follows:

Annual average number of employees (%)

	Men		Women		Total		<30		30-49		>49	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Complete	83%	85%	16%	14%	99%	99%	37%	37%	52%	51%	10%	11%
Partial	1%	-	0%	1%	1%	1%	0%	1%	1%	-	0%	-
TOTAL	**84%**	**85%**	**16%**	**15%**	**100%**	**100%**	**37%**	**38%**	**53%**	**51%**	**10%**	**11%**

Annual average number of employees (%)

	Men		Women		Total		<30		30-49		>49	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Complete	2,575	1,457	609	339	3,184	1,796	1,124	598	1,756	1,016	304	182
Partial	7	11	11	13	18	24	7	11	10	13	1	-
TOTAL	**2,582**	**1,468**	**620**	**352**	**3,202**	**1,820**	**1,131**	**609**	**1,766**	**1,029**	**305**	**182**

Annual average number of employees (%)

	Complete				Partial				Total			
	2022		2021		2022		2021		2022		2021	
Department Manager	43	1%	39	1%	-	0%	-	-	43	1%	39	1%
Manager	617	12%	383	12%	4	0%	5	-	621	15%	388	12%
Technician	557	12%	370	12%	6	0%	4	1%	563	15%	374	13%
Administrative staff	115	7%	162	7%	6	0%	13	-	121	3%	175	7%
Manual worker	1,853	67%	842	67%	1	1%	2	-	1,854	66%	844	67%
TOTAL	**3,170**	**99%**	**1,796**	**99%**	**17**	1%	**24**	**1%**	**3,188**	**100%**	**1,820**	**100%**

◆ The number of employees on parental leave during the financial years 2022 and 2021 is as follows:

Number of employees

	2022	2021
Men	52	33
Women	9	5
TOTAL	**61**	**38**

◆ The total number of absence hours for the years 2022 and 2021 is as follows:

	Absence hours	% of total hours
2022	155,342	2%
2021	65,392	2%

Health and safety

The main safety and health-related indices for the financial years 2022 and 2021 are as follows:

	2022			2021		
	Men	Women	Total	Men	Women	Total
Occupational accident frequency rate[1]	0.84	0	0.84	2.36	-	2.36
Severity rate of accidents at work[2]	0.05	0	0.05	0.03	-	0.03
Number of accidents at work[4]	5	0	5	7	-	7
Number of fatalities	-	-	-	-	-	-
Occupational diseases[3]	0	0	0	-	-	-

1. Number of lost-time accidents per million hours worked (all accidents were classified as low or minor in 2022).
2. Number of days not worked due to accidents occurring during working hours, per thousand hours worked (during the 2022 financial year, all accidents were classified as low or minor).
3. A disease contracted as a result of work performed for hire or reward or on a self-employed basis in the activities specified in the Schedule of Occupational Diseases
4. All accidents at work were classified as low level or minor.

Labour relations

The percentages of collective bargaining agreement coverage for the most relevant geographical areas in 2022 and 2021 are as follows:

% de cobertura	2022	2021
Spain	100%	100%
Mexico	25%	9%
Portugal	100%	n/a
Brazil	100%	97%

*The rest of the countries are subject to the labour regulations in force.

Training

The training hours provided by professional category and geographical area during the financial years 2022 and 2021 are as follows:

Horas	2022	2021
Department Manager	2,187	378
Manager	6,384	3,956
Technician	5,838	3,800
Administrative staff	574	4,443
Manual worker	41,114	43,084
TOTAL	**56,098**	**55,661**

% of total hours	2022	2021
Brazil	45%	56%
Spain	28%	18%
Chile	20%	11%
Mexico	-	7%
Others	7%	8%

Accessibility

The distribution of people with disabilities by professional category in 2022 and 2021 is as follows:

Number of employees	2022	2021
Manager	2	1
Technician	4	2
Administrative staff	-	1
Manual worker	8	6
TOTAL	**8**	**10**

Tax information

The distribution by country of the results and income taxes paid during the financial years 2022 and 2021 are as follows:

Thousands of euros

	Profit before tax		Profit after tax		Accrued taxes		Taxes paid (collected)		Subvenciones recibidas	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Spain	21,718	(436)	20,014	3,893	1,703	4,329	969	(1,264)	567	1,000
Brazil	(5,217)	(8,865)	(6,439)	(9,221)	1,222	(356)	1,222	-	-	-
Mexico	(1,033)	(338)	(1,623)	(344)	589	(6)	196	46	-	-
Chile	(3,797)	(9,718)	(3,756)	(9,505)	(41)	213	-	(1)	-	-
Argentina	(483)	(170)	(483)	(231)	-	(61)	-	78	-	-
Peru	(396)	3	(374)	165	(22)	162	-	2	-	-
USA	3,134	1,298	1,853	796	1,281	(502)	357	-	-	-
Italia	(870)	13,824	(428)	13,850	(442)	26	0	-	-	-
Otros	5,024	(1,104)	4,298	(570)	726	530	662	259	-	-
TOTAL	**18,078**	**(5,506)**	**13,062**	**(1,167)**	**5,016**	**4,339**	**3,406**	**(804)**	**567**	**1,000**

A.V - INDICATORS TAXONOMY

TURNOVER

Economic activities	Codes	Absolute turnover (thousands €)	Share of turnover (%)	Substantial contribution criteria: Climate change mitigation (%)	Substantial contribution criteria: Adaptation to climate change (%)	Substantial contribution criteria: Water and marine resources (%)	Substantial contribution criteria: Circular economy (%)	Substantial contribution criteria: Pollution (%)	Substantial contribution criteria: Biodiversity and ecosystems (%)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (Y/N)	DNSH criteria ('Does Not Significantly Harm'): Adaptation to climate change (Y/N)	DNSH criteria ('Does Not Significantly Harm'): Water and marine resources (Y/N)	DNSH criteria ('Does Not Significantly Harm'): Circular economy (Y/N)	DNSH criteria ('Does Not Significantly Harm'): Pollution (Y/N)	DNSH criteria ('Does Not Significantly Harm'): Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Taxonomy-aligned proportion of turnover 2022 (%)	Taxonomy-aligned proportion of turnover previous year (%)	Category (enabling activity) (F)	Category (transitional activity) (T)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacturing renewable energy technologies	3.1	407,614.4	71.7%	100.0%	0.0%	-	-	-	-	NA	S	S	S	S	S	S	71.7%		F	
Electricity generation using solar photovoltaic technology	4.1	11,114.3	2.0%	100.0%	0.0%	-	-	-	-	NA	S	NA	S	NA	S	S	2.0%			
Installation, maintenance and repair of renewable energy technologies	7.6	148,589.3	26.2%	100.0%	0.0%	-	-	-	-	NA	S	NA	NA	NA	NA	S	26.2%		F	
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**567,317.9**	**99.8%**	**100.0%**	**0.0%**												**99.8%**			
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacturing renewable energy technologies	3.1	**0.0**	**0.0%**																	
Electricity generation using solar photovoltaic technology	4.1	**0.0**	**0.0%**																	
Installation, maintenance and repair of renewable energy technologies	7.6	**0.0**	**0.0%**																	
Turnover from Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.0**	**0.0%**																	
Total (A.1 + A.2)		**567,317.9**	**99.8%**														**99.8%**		97.9%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-noneligible activities (B)		**878.3**	**0.2%**																	
Total (A + B)		**568,196.3**	**100%**																	

CapEX

Economic activities	Codes	Absolute CapEX (thousands €)	Share of CapEX (%)	Substantial contribution criteria: Climate change mitigation (%)	Adaptation to climate change (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (Y/N)	Adaptation to climate change (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Taxonomy-aligned proportion of turnover 2022 (%)	Taxonomy-aligned proportion of turnover previous year (%)	Category (enabling activity) (F)	Category (transitional activity) (T)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of renewable energy technologies	3.1	878.4	1.1%	100.0%	0.0%	-	-	-	-	NA	S	S	S	S	S	S	1.1%		F	
Electricity generation using solar photovoltaic technology	4.1	75,868.9	93.7%	100.0%	0.0%	-	-	-	-	NA	S	NA	S	NA	S	S	93.7%			
Installation, maintenance and repair of renewable energy technologies	7.6	2,078.8	2.6%	100.0%	0.0%	-	-	-	-	NA	S	NA	NA	NA	NA	S	2.6%		F	
CapEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**78,826.2**	**97.3%**	**100.0%**	**0.0%**												**97.3%**			
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacturing renewable energy technologies	3.1	**0.0**	**0.0%**																	
Electricity generation using solar photovoltaic technology	4.1	**0.0**	**0.0%**																	
Installation, maintenance and repair of renewable energy technologies	7.6	**0.0**	**0.0%**																	
CapEX of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.0**	**0.0%**																	
Total (A.1 + A.2)		**78,826.2**	**97.3%**														**97.3%**		3.7%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		**2,169.4**	**2.7%**																	
Total (A + B)		**80,995.6**	**100%**																	

OpEX

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')										
Economic activities	Codes	Absolute OpEX (thousands €)	Share of OpEX (%)	Climate change mitigation (%)	Adaptation to climate change (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)	Climate change mitigation (Y/N)	Adaptation to climate change (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Taxonomy-aligned porportion of turnover 2022 (%)	Taxonomy-aligned proportion of turnover previous year (%)	Category (enabling activity) (F)	Category (transitional activity) (T)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Manufacture of renewable energy technologies	3.1	981.0	3.6%	100.0%	0.0%	-	-	-	-	NA	S	S	S	S	S	S	3.6%		F	
Electricity generation using solar photovoltaic technology	4.1	216.6	0.8%	100.0%	0.0%	-	-	-	-	NA	S	NA	S	NA	S	S	0.8%			
Installation, maintenance and repair of renewable energy technologies	7.6	21.653,4	79.8%	100.0%	0.0%	-	-	-	-	NA	S	NA	NA	NA	NA	S	79.8%		F	
OpEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**22,851.0**	**84.2%**	**100.0%**	**0.0%**												**84.2%**			
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacturing renewable energy technologies	3.1	**0.0**	**0.0%**																	
Electricity generation using solar photovoltaic technology	4.1	**0.0**	**0.0%**																	
Installation, maintenance and repair of renewable energy technologies	7.6	**0.0**	**0.0%**																	
OpEX of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.0**	**0.0%**																	
Total (A.1 + A.2)		**22,851.0**	**84.2%**														**84.2%**		83.4%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		**4,296.2**	**15.8%**																	
Total (A + B)		**27,147.2**	**100%**																	

A.VI. ÍNDICE DE CONTENIDOS REQUERIDOS POR LA LEY 11/2018, DE 28 DE DICIEMBRE, EN MATERIA DE INFORMACIÓN NO FINANCIERA Y DIVERSIDAD

Contents of Law 11/2018 INF		Standard used	Reference chapter
BUSINESS MODEL			
Description of the Company's business model	A brief description of the Company's business model, including its business environment, 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 2-1 Organizational details GRI 2-2 Entities included in the organization's sustainability reporting GRI 2-6 Activities, value chain and other business relationships GRI 2-9 Governance structure and composition GRI 2-13 Delegation of responsibility for managing impacts GRI 2-23 Policy commitments GRI 2-29 Approach to stakeholder engagement GRI 3-1 Process to determine material topics GRI 3-2 List of material topics	1. Soltec: A unique company in the photovoltaic sector (p. 5) 2. Our businesses (p 15) 3.4 Promotion of responsible supply chain practices (p. 60)
INFORMATION ON ENVIRONMENTAL ISSUES			
Policies	Policies applied by the Company, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	GRI 2-23 Policy commitments GRI 2-24 Embedding policy commitments	2.3 Sustainability management (p.29) 4.1 Environmental management (p. 66)
Main risks.	Main risks related to these issues linked to the Company's activities, including, where relevant and proportionate, its business relationships, products or services that may have an adverse impact in these areas, and how the Company manages these risks, explaining the procedures used to detect and assess them in accordance with the national, European or international frameworks of reference for each matter. Information about the impacts identified must also be included, together with a breakdown of such impacts, in particular with regard to the main short-, medium- and long-term risks;	GRI 207-2 Tax governance, control, and risk management	2.3 Sustainability management (p.29) 4.1 Environmental management (p. 66) 3.3 Risk management (p. 53)
General	Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety	GRI 2-22 Statement on sustainable development strategy GRI 201-2 Financial implications and other risks and opportunities due to climate change	2.3 Sustainability management (p.29) 4.1 Environmental management (p. 66) 3.3 Risk management (p. 53)
	Environmental assessment or certification procedures	GRI 2-23 Policy commitments	2.3 Sustainability management (p.29) 4.1 Environmental management (p. 66) 3.3 Risk management (p. 53)
	Resources dedicated to environmental risk prevention	GRI 2-23 Policy commitments	2.3 Sustainability management (p.29)
	Application of the precautionary principle	GRI 2-23 Policy commitments	4.1 Environmental management - Precautionary principle (p. 71)
	Provisions and guarantees for environmental risks	GRI 2-27 Compliance with laws and regulations	2.3 Sustainability management (p.29) The Group does not have significant provisions and guarantees for environmental risks

Contents of Law 11/2018 INF		Standard used	Reference chapter
Pollution	Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment, taking into account any form of activity-specific air pollution, including noise and light pollution	GRI 305-5 Reduction of GHG emissions	2.3 Sustainability management (p.29) 4.1 Environmental management (p. 66) In relation to light pollution, derived from the company's activity, there are no effects in this regard
Circular economy, prevention and management of waste	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste.	GRI 301-1 Materials used by weight or volume GRI 301-2 Recycled input materials used GRI 301-3 Reclaimed products and their packaging materials GRI 306-2 Management of significant waste-related impacts GRI 306-4 Waste diverted from disposal	2.3 Sustainability management (p.29) 4.1 Environmental management - Promoting the circular economy (p. 69)
Sustainable use of resources	The consumption of water and the supply of water in accordance with local limitations.	GRI 303-1 Interactions with water as a shared resource GRI 303-2 Management of water dischargerelated impacts GRI 303-3 Water withdrawal GRI 303-5 Water consumption GRI 303-4 Water discharge	4.1 Environmental management – Responsible water management p. 70) This aspect is not considered material since water consumption is mainly for human use, and no water is used in the manufacturing process.
	Consumption of raw materials and the measures adopted to improve efficiency in their use.	GRI 3-3 Management of material topics (with a view to GRI 300) GRI 301-1 Materials used by weight or volume	4.1 Environmental management - Promoting the circular economy (p. 69) A.IV. Non-Financial Information Statement indicators (p. 106)
	Energy: Consumption, direct and indirect; Measures taken to improve energy efficiency, Use of renewable energies	GRI 3-3 Management of material topics (with a view to GRI 302 Energy) GRI 302-1 Energy consumption within the organization (energy from renewable and non-renewable resources) GRI 302-2 Energy consumption outside of the organization GRI 302-4 Reduction of energy consumption	4.1 Environmental management - Promoting the circular economy (p. 69)

Contents of Law 11/2018 INF		Standard used	Reference chapter
Climate change	Greenhouse gas emissions	GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Energy indirect (Scope 2) GHG emissions	4.1 Environmental management – Greenhouse gas emissions (p. 69) 4.1 Environmental management – Energy sustainability and the fight against climate change (p. 68) A.IV. Non-Financial Information Statement indicators (p. 106)
	The measures adopted in order to adapt to the consequences of climate change.	GRI 3-3 Management of material topics (with a view to GRI 300) GRI 305-5 Reduction of GHG emissions GRI 304-2 Significant impacts of activities, products and services on biodiversity	4.1 Environmental management – Greenhouse gas emissions (p. 69) 4.1 Environmental management – Energy sustainability and the fight against climate change (p. 68)
	Voluntary medium- and long-term reduction targets set to reduce GHG emissions and means implemented to this end.	GRI 305-5 Reduction of GHG emissions	4.1 Environmental management – Greenhouse gas emissions (p. 69) 4.1 Environmental management – Energy sustainability and the fight against climate change (p. 68)
Biodiversity protection	Measures taken to preserve or restore biodiversity and impacts caused by actions or operations in protected areas	GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas GRI 304-2 Significant impacts of activities, products and services on biodiversity GRI 304-3 Habitats protected or restored GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	4.1 Environmental management – Biodiversity protection (p. 71)
INFORMATION ON SOCIAL AND PERSONNEL ISSUES			
Policies	Policies applied by the Company, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	GRI 207-2 Tax governance, control, and risk management	5.1 People first (P. 75) 5.1 People first – Equal pay (Pág. 78)
Main risks.	Main risks related to these issues linked to the Company's activities, including, where relevant and proportionate, how the Company manages these risks, explaining the procedures used to identify and assess them in accordance with national, European or international frameworks of reference for each matter. Information about the impacts identified must also be included, together with a breakdown of such impacts, in particular with regard to the main short-, medium- and long-term risks;	GRI 2-22 Statement on sustainable development strategy GRI 201-2 Financial implications and other risks and opportunities due to climate change GRI 203-2 Significant indirect economic impacts	5.2 Engagement with local communities (p. 83)
Employment	Total number and distribution of employees by gender, age, country and professional classification.	GRI 2-7 Employees GRI 405-1 Diversity of governance bodies and employees GRI 401-1 New employee hires and employee turnover	5.1 People first (P. 75) A.IV. Non-Financial Information Statement indicators (p. 107)
	Total number and distribution of types of employment contracts.	GRI 2-7 Employees	5.1 People first (P. 75) A.IV. Non-Financial Information Statement indicators (p. 107)

Contents of Law 11/2018 INF		Standard used	Reference chapter
Employment	Average annual number of permanent, temporary and part-time contracts by gender, age and professional category	GRI 2-7 Employees Total number of employees by contract (permanent/temporary and full/partial) by gender and region, average age and professional classification.	5.1 People first (P. 75) A.IV. Non-Financial Information Statement indicators (p. 107)
	Number of dismissals by gender, age, country and professional classification.	GRI 401-1 New employee hires and employee turnover Number of dismissals by professional classification	5.1 People first (P. 75) A.IV. Non-Financial Information Statement indicators (p. 108)
	Average earnings and their evolution broken down by gender, age and professional category or equal value	GRI 405-2 Ratio of basic salary and remuneration of women to men Average remuneration by gender, age and professional classification and its evolution. For its calculation, the total remuneration in cash and in kind must be taken into account, so the benefits referred to in GRI 401-2 must be taken into account for the calculation.	5.1 People first – Equal pay (Pág. 78) A.IV. Non-Financial Information Statement indicators (p. 108)
	Pay gap	GRI 405-2 Ratio of basic salary and remuneration of women to men *OECD: The gender pay gap is defined as the difference between median earnings of men and women relative to median earnings of men.	5.1 People first – Equal pay (Pág. 78) A.IV. Non-Financial Information Statement indicators (p. 108)
	Remuneration of equal or average jobs in the company	GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage (This indicator is used, since as the professional career advances, various factors may affect the definition of the remuneration of each person). GRI 405-2 Ratio of basic salary and remuneration of women to men	A.IV. Non-Financial Information Statement indicators (p. 108)
	The average remuneration of directors and managers, including variable remuneration, allowances, compensation, payments into long-term savings plans and any other payment, with a breakdown by sexes.	GRI 2-19 Remuneration policies GRI 201-3 Defined benefit plan obligations and other retirement plans Information disaggregated by gender.	3.1 Corporate governance (p. 46) A.IV. Non-Financial Information Statement indicators (p. 108)
	Implementation of work disengagement measures	GRI 3-3 Management of material topics (with a view to GRI 300)	5.1 People first – Wellbeing of our employees (p. 81) Although the Group does not have a work disengagement policy, there is a clear commitment to reconciliation, by setting meetings during working hours, as well as reducing the number of emails sent during non-working hours. Soltec is currently developing labor disengagement measures that will come into force in the coming years.
	Employees with disabilities.	GRI 405-1 Diversity of governance bodies and employees	5.1 People first – Equal opportunities and non-discrimination (p. 77) A.IV. Non-Financial Information Statement indicators (p. 108)

Contents of Law 11/2018 INF		Standard used	Reference chapter
Work organisation	Organisation of work time.	GRI 402-1 Minimum notice periods regarding operational changes GRI 3-3 Management of material topics (with a view to GRI 300)	A.IV. Non-Financial Information Statement indicators (p. 109)
	Number of hours of absenteeism.	GRI 403-9 Work-related injuries GRI 403-10 Work-related ill health	5.1 People first (p. 75) A.IV. Non-Financial Information Statement indicators (p. 109)
	Measures aimed at facilitating the life-work balance and promoting the co-responsibility of both parents.	GRI 401-3 Parental leave Management approach to other reconciliation measures	5.1 People first – Wellbeing of our employees (p. 81) 5.1 People first – Reconcillation of personal, family and working life (p.82) A.IV. Non-Financial Information Statement indicators (p. 109)
Health and safety	Health and safety conditions at work.	GRI 403-1 Occupational health and safety management system GRI 403-2 Hazard identification, risk assessment, and incident investigation GRI 403-3 Occupational health services GRI 403-4 Worker participation, consultation, and communication on occupational health and safety GRI 403-5 Worker training on occupational health and safety GRI 403-6 Promotion of worker health GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships GRI 403-8 Workers covered by an occupational health and safety management system	5.1 People first – Health and safety of workers (p. 81) 5.1 People first – Training and promoting employability (p. 80) A.IV. Non-Financial Information Statement indicators (p. 110)
	Accidents at work (frequency and severity) broken down by gender	GRI 403- 9 Work-related injuries	5.1 People first – Health and safety of workers (p. 81) A.IV. Non-Financial Information Statement indicators (p. 110)
	Occupational diseases (frequency and severity) broken down by gender	GRI 403-10 Work-related ill health	5.1 People first – Health and safety of workers (p. 81) A.IV. Non-Financial Information Statement indicators (p. 110)
Labour relations	Organisation of social dialogue, including procedures for informing and consulting with staff and negotiating with them	GRI 2-29 Approach to stakeholder engagement (related to unions and collective bargaining) GRI 2-16 Communication of critical concerns GRI 2-26 Mechanisms for seeking advice and raising concerns	1.2 Purpose, mission, vision and values (p. 9) 5.1 People first – Collective agreements (p. 76) A.IV. Non-Financial Information Statement indicators (p. 110)
	Percentage of employees covered by collective agreements, by country.	GRI 2-30 Collective bargaining agreements Percentage breakdown by country	5.1 People first – Collective agreements (p. 76) A.IV. Non-Financial Information Statement indicators (p. 110)
	Review of collective agreements, particularly in the field of occupational health and safety at work	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety GRI 2-30 Collective bargaining agreements	5.1 People first – Collective agreements (p. 76) A.IV. Non-Financial Information Statement indicators (p. 110) 5.1 People first – Health and safety of workers (p. 81)

Contents of Law 11/2018 INF		Standard used	Reference chapter
Training	Policies implemented in the field of training	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	5.1 People first – Training and promoting employability (p. 80)
	Total number of training hours per professional category	GRI 404-1 Average hours of training per year per employee Total hours of training.	5.1 People first – Training and promoting employability (p. 80) A.IV. Non-Financial Information Statement indicators (p. 110)
Accessibility	Universal accessibility of people with disabilities.	GRI 3-3 Management of material topics (with a view to GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	5.1 People first – Equal opportunities and non-discrimination (p. 77)
Equality	Measures taken to promote equal treatment and opportunities for men and women	GRI 3-3 Management of material topics (with a view to GRI 405 Diversity and equal opportunities) GRI 405-1 Diversity of governance bodies and employees	5.1 People first – Equal opportunities and non-discrimination (p. 77) 5.1 People first – Equal pay (p. 78)
	Equality Plans	GRI 3-3 Management of material topics (with a view to GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	5.1 People first – Equal opportunities and non-discrimination (p. 77)
	Measures taken to promote employment	GRI 3-3 Management of material topics (with a view to GRI 401 Employement)	5.1 People first – Professional development (p. 79) 5.1 People first – Training and promoting employability (p. 80)
	Protocols against sexual and gender-based harassment	GRI 3-3 Management of material topics (with a view to GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	5.1 People first – Equal opportunities and non-discrimination (p. 77) 5.1 People first – Equal pay (p. 78)
	The integration and universal accessibility of persons with disabilities	GRI 3-3 Management of material topics (with a view to GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	5.1 People first – Equal opportunities and non-discrimination (p. 77)
	Anti-discrimination and, where appropriate, diversity management policy	GRI 3-3 Management of material topics (with a view to GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination) GRI 406-1 Incidents of discrimination and corrective actions taken	5.1 People first – Equal opportunities and non-discrimination (p. 77)

Contents of Law 11/2018 INF		Standard used	Reference chapter
INFORMATION REGARDING HUMAN RIGHTS			
Policies and risks	Policies applied by the Company, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	GRI 207-2 Tax governance, control, and risk management	3.2 Ethics and integrity – Human Rights (p. 48)
Human Rights	Implementation of human rights due diligence procedures	GRI 3-3 Management of material topics (with vision to GRI 412 human rights assessment) GRI 2-23 Policy commitments GRI 2-12 Role of the highest governance body in overseeing the management of impacts	3.2 Ethics and integrity – Human Rights (p. 48)
	Prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and redress possible abuses committed	GRI 2-27 Compliance with laws and regulations GRI 2-25 Processes to remediate negative impacts	3.Governance (p. 42)
	Complaints of Human Rights violations	GRI 2-27 Compliance with laws and regulations GRI 2-25 Processes to remediate negative impacts GRI 406-1 Incidents of discrimination and corrective actions taken	3.Governance (p. 42)
	Promotion and enforcement of the provisions of the ILO core conventions relating 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 2-28 Membership associations GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor GRI 408-1 Operations and suppliers at significant risk for incidents of child labor GRI 2-27 Compliance with laws and regulations GRI 2-23 Policy commitments	3.Governance (p. 42)

Contents of Law 11/2018 INF		Standard used	Reference chapter
INFORMATION RELATING TO THE FIGHT AGAINST CORRUPTION AND BRIBERY			
Policies	Policies applied by the Company, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	GRI 207-2 Tax governance, control, and risk management	3.Governance (p. 42)
Main risks	Key risks related to these issues associated with the Company's activities, including, where relevant and proportionate, its business relationships, products or services that may have an adverse impact in these areas, and how the Company manages these risks, explaining the procedures used to identify and assess them in accordance with the national, European or international frameworks of reference for each matter. Information about the impacts identified must also be included, together with a breakdown of such impacts, in particular with regard to the main short-, medium- and long-term risks;	GRI 2-22 Statement on sustainable development strategy GRI 201-2 Financial implications and other risks and opportunities due to climate change	3.3 Risk management (p. 53)
Corruption and bribery	Measures adopted to prevent corruption and bribery.	GRI 3-3 Management of material topics (with vision to GRI 205 Anti-corruption) GRI 205-2 Communication and training about anti-corruption policies and procedures GRI 205-3 Confirmed incidents of corruption and actions taken GRI 2-27 Compliance with laws and regulations GRI 2-23 Policy commitments GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.Governance (p. 42)
	Measures to combat money laundering.	GRI 3-3 Management of material topics (with vision to GRI 205 Anti-corruption) GRI 2-27 Compliance with laws and regulations GRI 2-23 Policy commitments	3.Governance (p. 42)
	Contributions to non-profit foundations and entities.	GRI 201-1 Direct economic value generated and distributed	5.2 Engagement with local communities (p. 83)

Contents of Law 11/2018 INF		Standard used	Reference chapter
COMPANY INFORMATION			
Policies	Policies applied by the Company, including the due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, as well as the measures that have been adopted.	GRI 3-3 Management of material topics GRI 207-2 Tax governance, control, and risk management	5.2 Engagement with local communities (p. 83)
Main risks	Main risks related to these issues linked to the Company's activities, including, where relevant and proportionate, its business relationships, products or services that may have an adverse impact in these areas, and how the Company manages these risks, explaining the procedures used to detect and assess them in accordance with the national, European or international frameworks of reference for each matter. Information about the impacts identified must also be included, together with a breakdown of such impacts, in particular with regard to the main short-, medium- and long-term risks;	GRI 3-3 Management of material topics GRI 2-22 Statement on sustainable development strategy GRI 201-2 Financial implications and other risks and opportunities due to climate change	5.2 Engagement with local communities (p. 83)
	Impact of the company's activity on employment and local development	GRI 2-6 Activities, value chain and other business relationships GRI 413-2 Operations with significant actual and potential negative impacts on local communities GRI 2-29 Approach to stakeholder engagement GRI 204-1 Proportion of spending on local suppliers	5.2 Engagement with local communities (p. 83)
	Impact of society's activity on local populations and the territory	GRI 413-1 Operations with local community engagement, impact assessments, and development programs GRI 413-2 Operations with significant actual and potential negative impacts on local communities GRI 2-6 Activities, value chain and other business relationships GRI 2-29 Approach to stakeholder engagement	5.2 Engagement with local communities (p. 83)
	Relationships with local community actors and the modalities of dialogue with them	GRI 2-29 Approach to stakeholder engagement (relative to communities) GRI 413-1 Operations with local community engagement, impact assessments, and development programs GRI 413-2 Operations with significant actual and potential negative impacts on local communities	5.2 Engagement with local communities (p. 83)
	Partnership and sponsorship actions	GRI 2-28 Membership associations	5.2 Engagement with local communities (p. 83)

Contents of Law 11/2018 INF		Standard used	Reference chapter
Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in procurement policy	GRI 3-3 Management of material topics (with a view to GRI 308 and GRI 414) GRI 308-1 New suppliers that were screened using environmental criteria GRI 414-1 New suppliers that were screened using social criteria GRI 204-1 Proportion of spending on local suppliers	3.4 Promotion of responsible supply chain practices (p. 60)
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	GRI 3-3 Management of material topics (with a view to GRI 308 and GRI 414) GRI 414-2 Negative social impacts in the supply chain and actions taken	3.4 Promotion of responsible supply chain practices (p. 60)
	Supervision and audit systems and their results.	GRI 414-1 New suppliers that were screened using social criteria GRI 308-1 New suppliers that were screened using environmental criteria	3.4 Promotion of responsible supply chain practices (p. 60)
Customers	Customer health and safety measures	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 GRI 417-1 Requirements for product and service information and labeling GRI 417-2 Incidents of non-compliance concerning product and service information and labeling	4.2 Quality and excellence in our products and services (p. 72)
	Complaint systems, complaints received and their resolution.	GRI 2-25 Processes to remediate negative impacts GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.2 Quality and excellence in our products and services (p. 72)
Tax information	Benefits obtained by country	GRI 207-1 Approach to tax GRI 207-4 Country-by-country reporting GRI 207-2 Tax governance, control, and risk management	A.IV. Non-Financial Information Statement indicators (p. 110)
	Taxes on profits paid.	GRI 207-1 Approach to tax GRI 207-4 Country-by-country reporting	A.IV. Non-Financial Information Statement indicators (p. 110)
	Public subsidies received.	GRI 201-4 Financial assistance received from government	A.IV. Non-Financial Information Statement indicators (p. 110)

REGULATION ON TAXONOMY	Standard used
Sustainable Finance Taxonomy	A.V – Taxonomy indicators (p. 111)
	2.3 Sustainability management – Sustainable finance taxonomy (P. 32)

A.VII. SASB TABLES

Temas de divulgación sobre sostenibilidad y parámetros de contabilidad

Material Issue	SASB Code	Parameter / metric	Response from Soltec
Energy management in manufacturing	RR-ST-130a.1	Total energy consumed (GJ) (electricity + fuels)	4.1 Environmental management (p. 66) A.IV Non-Financial Information Statement indicators (p. 106)
		Percentage share of grid electricity (in total energy consumption)	4.1 Environmental management (p. 66)
		Share of renewables (of total energy consumption)	4.1 Environmental management (p. 66)
Water management in manufacturing	RR-ST-140a.1	Total water abstracted (m^3)	4.1 Environmental management – Responsible wáter management (p. 70) A.IV Non-Financial Information Statement indicators (p. 106)
		Total water consumed, percentage of each in regions with high or extremely high initial water stress (%)	The company does not currently have this indicator. However, water consumption is, among all environmental aspects, the least level of materiality for Soltec, since it is not used directly for production (see 4.1 Environmental commitment – Responsible water management (p. 70)
	RR-ST-140a.2	Description of water management risks and analysis of strategies and practices to mitigate them	4.1 Environmental management – Responsible wáter management (p. 70)
Hazardous waste management	RR-ST-150a.1	Quantity of hazardous waste generated (Tn),percentage recycled (%)	4.1 Environmental management – Promoting the circular economy (p. 69) A.IV Non-Financial Information Statement indicators (p. 106)
	RR-ST-150a.2	Number and total quantity of spillages, quantity recovered	4..1 Environmental management – Promoting the circular economy (p. 69)
Ecological impacts of project development	RR-ST-160a.1	Number and duration of project delays related to ecological impacts	Durante 2022 no se ha producido ningún retraso originado por impactos ecológicos.
	RR-ST-160a.2	Description of development efforts of solar energy system projects for addressing community and ecological impacts	4.1 Environmental commitment – Biodiversity protection (p. 71)
Management of energy infrastructure integration and related regulations	RR-ST-410a.1	Description of the risks associated with the integration of solar energy into the existing energy infrastructure and analysis of the efforts made to manage these risks.	Solar energy, like all renewable energy, is intermittent. The electricity system takes these intermittences into account and foresees in its models the generation that will occur during the following hours and days. In addition, it expects other plants that can regulate their output to compensate for drops in production in renewable energy plants. In recent years, batteries have been integrated into the system to compensate for hours with lower renewable energy production. Their costs have come down significantly in recent years and they are becoming increasingly competitive. In addition, other renewable management systems such as hydro pumping or green hydrogen (produced from renewable energy) have the potential to regulate the intermittence of solar energy. In the future, in combination with distributed generation, these systems will form a very robust electricity system capable of meeting the challenges of the system.
	RR-ST-410a.2	Description of the risks and opportunities related to energy policy and its effect on the integration of solar energy into the existing energy infrastructure	Energy policy has a major impact on the electricity system and specifically on the implementation of renewable energies. States set grid connection conditions, environmental requirements, and organise auctions that stabilise investments in this type of energy. A long-term and stable energy policy is best. Subsidies are not required and auctions are less and less necessary, as long as regulatory stability is guaranteed. Fortunately, the climate crisis and the Paris agreements, coupled with the economic crisis and the conflict in Ukraine, make it clear that renewables are part of the solution to the problem.
End-of-life product management	RR-ST-410b.1	Percentage of products sold that are recyclable or reusable (%)	4.1 Environmental management (p. 66)
	RR-ST-410b.2	Weight of recovered end-of-life material and percentage recycled (t, %)	4.1 Environmental management – Efficient consumption of materials (p. 70)
	RR-ST-410b.3	Percentage of products by revenue containing reportable substances according to IEC 62474, arsenic compounds, antimony compounds or beryllium compounds (%)	0% - The Company does not use reportable substances according to IEC 62474, arsenic compounds, antimony compounds or beryllium compounds
	RR-ST-410b.4	Description of approach and strategy used to design products with high recycling value	4.1 Environmental management – Efficient consumption of materials (p. 70) 4.2 Quality and excellence in our products and services (p. 72)
Supply of materials	RR-ST-440a.1	Description of the management of risks associated with the use of critical materials	4.1 Environmental management – Efficient consumption of materials (p. 70) 3.3 Risk management (p. 53) 3.4 19. Promotion of responsible supply chain practices (p. 60)
	RR-ST-440a.2	Description of risk management environmental issues associated with the polysilicon supply	The Company does not use polysilicon in its production chain

A.VIII. ANNUAL CORPORATE GOVERNANCE REPORT

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

ISSUER IDENTIFICATION DATA

End date of the reporting period: 31/12/2022

Tax number (CIF): A05556733

Company name:

SOLTEC POWER HOLDINGS, S.A.

Registered office:

(MOLINA DE SEGURA MURCIA)

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the share capital and voting rights attributed, including, where applicable, those corresponding to shares with loyalty voting rights, as at the end of the financial year:

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 indirect	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 rights attached to them:

[ ] Yes
[√] No

A.2. List the direct and indirect holders of significant shareholdings at the end of the reporting period, including directors with significant shareholdings:

Name or company name of the shareholder	% of voting rights attributed to shares		% voting rights through financial instruments		Total % of voting rights
	Direct	Indirect	Direct	Indirect	
JOSÉ FRANCISCO MORENO RIQUELME	0.00	42.27	0.00	0.00	42.27
RAÚL MORALES TORRES	0.01	19.58	0.00	0.00	19.59
INVESCO LTD.	0.00	1.83	1.07	0.00	2.89
FTIF-TEMPLETON GLOBAL CLIMATE CHANGE FUND	3.09	0.00	0.00	0.00	3.09

Details of indirect shareholding:

Name or company name of the indirect holder	Name or company name of the direct holder	% voting rights attributed to shares	% voting rights through financial instruments	Total % of voting rights
JOSÉ FRANCISCO MORENO RIQUELME	GRUPO CORPORATIVO SEFRAN S.L.	42.27	0.00	42.27

Indicate the most significant movements in the shareholder structure during the year:

Most significant movements
•SWEDBANK ROBUR FONDER AB Sale of shares below the threshold of "significant shareholding" in the company 18/05/2022 2.939% •INVESCO LTD. Modifies its "significant shareholding" in the company on 31/01/2022 to 2.409%, on 02/02/2022 to 2.397%, on 03/02/2022 to 2.397%, on 23/02/2022 to 2.325%, on 15/03/2022 to 2.732%, on 12/04/2022 to 2.446%, on 12/07/2022 to 2.729%, on 21/07/2022 to 2.690%, on 02/08/2022 to 2.848%, on 15/08/2022 to 3.031%, on 19/08/2022 at 2.999%, on 29/08/2022 at 2.952%, on 21/09/2022 to 3.223%, on 23/09/2022 to 3.216%, on 25/10/2022 to 2.928%, on 16/11/2022 to 2.939%, on 17/11/2022 to 2.933%, on 18/11/2022 to 3.010%, on 19/12/2022 to 2.942%, on 21/12/2022 to 2.891% and on 22/12/2022 to 2.891%. •SCHRODERS PLC changes its "significant shareholding" in the company on 20/01/2022 to 5.170%, and on 23/05/2022 to 4.705%. •SCHRODERS PLC Sale of shares below the threshold of "significant shareholding" in the company on 22/11/2022 to 2.803% •FTIF-TEMPLETON GLOBAL CLIMATE CHANGE FUND Purchase of shares above the threshold of a "significant holding" in the company on 19/04/2022 Total 3.087%

A.3. List the shareholdings, whatever the percentage, at year-end of the members of the board of directors who hold voting rights attributed to shares in the company or through financial instruments, excluding the board members identified in section A.2 above:

Name or company name of director	% voting rights attributed to shares (including loyalty votes)		% voting rights through financial instruments		Total % of voting rights	Of the total % of voting rights attached to the shares, indicate, if applicable, the % of additional votes attached to the shares that correspond to actions with loyalty voting	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
JOSÉ FRANCISCO MORALES TORRES	0.02	0.00	0.00	0.00	0.02	0.00	0.00

total % of voting rights held by members of the board of directors	19.62

ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

Details of indirect shareholding:

Name or company name of director	Name or company name of the direct holder	% voting rights attributed to shares (including loyalty votes)	% voting rights through financial instruments	Total % of voting rights	Of the total % of voting rights attributed to the shares, indicate, if applicable, the % of additional votes attached to the shares that correspond to the shares with loyalty voting
No data					

Give details 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:
- Raúl Morales Torres. Total: 19.59%
- José Francisco Moreno Riquelme. Total: 42.27%

The Director, Mr Marcos Sáez Nicolás, is the direct holder of 0.005% of the share capital.

A.4. Indicate, where applicable, any family, commercial, contractual or corporate relationships between the holders of significant shareholdings, 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 holders of significant shareholdings 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
RAÚL MORALES TORRES	Corporate	Raúl Morales Torres is a significant shareholder and Chief Executive Officer and Chairman of the Board of Directors
GRUPO CORPORATIVO SEFRAN S.L.	Contractual	In the first quarter of 2022, Soltec Development S.A.U. (formerly Powertis S.A.U.), a wholly-owned subsidiary of Soltec Power Holdings S.A., has taken out

Related name or company name	Type of relationship	Brief description
		a credit facility agreement with Grupo Corporativo Sefran S.L. and has made drawdowns of €10.55m.

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, indicate those directors who have been appointed in representation 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, specifying the nature of such relationships. 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, management, or their representatives, in companies that hold significant shareholdings in the listed company or in entities in the group of such significant shareholders:

Name or company name of director or representative, linked	Name or company name of the shareholder significant related party	Company name of the company in the group of the significant shareholder	Relationship/position description
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.
MR RAÚL MORALES TORRES	MR RAÚL MORALES TORRES	VALUETEAM S.L.	Raúl Morales Torres holds 19.58% of the shares through his company Valueteam S.L. and 0.01% of the shares directly. Raúl is also CEO and Chairman of the Board of Directors.
MR MARCOS SÁEZ NICOLÁS	JOSÉ FRANCISCO MORENO RIQUELME	GRUPO CORPORATIVO SEFRAN S.L.	Marcos Sáez Nicolás is a proprietary director representing a significant shareholder José Fco. Moreno Riquelme. Marcos Sáez Nicolás has an extensive and long-standing employment relationship

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Name or company name of director or representative, linked	Name or company name of the shareholder significant related party	Company name of the company in the group of the significant shareholder	Relationship/position description
			with Mr José Fco. Moreno, being Executive Director of Zukán S.L.U., a company belonging to the group of the significant shareholder.
MS MARINA MORENO DÓLERA	JOSÉ FRANCISCO MORENO RIQUELME	GRUPO CORPORATIVO SEFRAN S.L.	Marina Moreno Dólera is a proprietary director representing the significant shareholder José Francisco Moreno Riquelme. Marina is the daughter of Mr José Francisco Moreno.

A.7. Indicate whether the company has been notified of any shareholders' agreements that affect it in accordance with the provisions of Articles 530 and 531 of the Capital Companies Act. If so, briefly describe them and list the shareholders bound by the agreement:

[ ] Yes
[√] No

Indicate whether the company is aware of the existence of concerted actions among its shareholders. If so, briefly describe them:

[ ] Yes
[√] No

If during the financial year there has been any modification or termination of such covenants or agreements or concerted actions, please state this expressly:

N/A

A.8. Indicate whether there is any individual or legal entity that exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Law. If so, identify them:

[ ] Yes
[√] No

A.9. Complete the following tables on the company's treasury stock:

As at the end of the financial year:

Number of direct shares	Number of indirect shares(*)	total % of social capital
547,426		0.60

(*) Through:

Name or company name of the direct holder of the interest	Number of direct shares
No data	

Explain the significant variations during the exercise:

Explain the significant variations
Soltec Power Holdings SA continues with the purchase of treasury shares during the financial year 2022, which started on 24/03/2021. As at 31/12/2022 its shareholding amounted to 0.599% of the share capital.

A.10. Give details of the conditions and term of the existing mandate from the shareholders' meeting to the board of directors to issue, buy back or transfer own shares:

"The General Shareholders Meeting, in its resolution of 6 October 2020, decided to authorise 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, with the power even to rectify, correct, 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 finishing of this resolution and the implementation, execution and liquidation 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 complementary documentation that may be necessary or appropriate before any authority or body for the purposes of the implementation, execution or liquidation of the Incentive Plan.
(H) Carry out any action, declaration or management before any body or authority to obtain any authorisation or verification necessary for the implementation, execution or liquidation 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 entities that provide any services necessary or appropriate for the development of the Incentive Plan.
(J) Draft and publish any and all announcements as may be necessary or advisable.
(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, liquidation and successful finding of the Incentive Plan and of the previously adopted resolutions.

This agreement is made with no time limitation other than that which derives from the validity of the Incentive Plan.
Since the Incentive Plan consists of remuneration to executives in the form of the Company's own shares, it is included in the section on "Incentives" (K) a power for the Board of Directors to implement a plan to repurchase the Company's own shares in order to execute and settle the Incentive Plan."

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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 be by purchase, exchange, gift, donation, allotment or by way of
dation in payment and, in general, by any other form of acquisition for valuable consideration of outstanding and fully paid-up shares 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 held by the Company, do not exceed 10% of the share capital. The price or consideration will 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, if the acquisition takes place outside the hours of the Continuous Market. The period of validity of the authorisation shall be five years from the day after the date of this agreement.
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 Corporations Act.

A.11. Estimated free float:

	%
Estimated free float	32.21

A.12. State whether there are any restrictions (statutory, legislative or otherwise) on the transferability of securities and/or any restrictions on voting right. In particular, indicate the existence of any type of restrictions that may hinder the taking of control of the company through the acquisition of its shares on the market, as well as 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 ineffectiveness of the restrictions will occur:

A.14. Indicate whether the company has issued securities that are 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, the rights and obligations attaching to it:

B. GENERAL MEETING

B.1. Indicate and, if applicable, detail whether there are any differences with the minimum regime provided for in the Capital Companies Act (LSC) with regard to the quorum required for the constitution of the general shareholders' meeting:

[ ] Yes
[√] No

B.2. Indicate and, if applicable, detail whether there are any differences with the system provided for in the Capital Companies Act (LSC) for the adoption of corporate resolutions:

[ ] Yes
[√] No

B.3. Indicate the rules applicable to the amendment of the company's articles of association. In particular, state the majorities required for the amendment of the statutes and, where appropriate, the rules laid down for the protection of the rights of members in the amendment of the statutes.

The rules for amending the articles of association and the majorities required to do so do not differ from those established in the Spanish Corporations Act.

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 data				
Date of the general meeting	% physical presence	% in representation	% distance voting: Electronic voting	% distance voting: Other	Total
28/07/2020	100.00	0.00	0.00	0.00	100.00
Of which free float	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 free float	0.00	0.00	0.00	0.00	0.00
23/06/2022	20.33	11.71	42.35	0.17	74.56
Of which free float	0.75	11.71	0.08	0.17	12.71

The General Shareholders Meeting was held exclusively by telematic means in 2021 due to the health situation.
Of the 84.85% of the definitive quorum, 63.38% was "present" at the Meeting, understood as "connected by electronic means to the telematic attendance platform for the Meeting" and 21.47% was represented by one of the shareholders "present".
Virtually all shareholders present or represented by proxy cast their votes by telematic means.

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B.5. Indicate whether at the general meetings held during the year there have been any items on the agenda that, for whatever reason, have not been approved by the shareholders:

[ ] Yes
[√] No

B.6. Indicate whether there are any restrictions in the articles of association establishing a minimum number of shares required to attend the general meeting, or to vote 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, the contribution to another company of essential assets or other similar corporate operations, must be submitted to the general meeting of shareholders for approval:

[ ] Yes
[√] No

B.8. Indicate the address and mode of access on the company's website to information on corporate governance and other information on general meetings that must be made available to shareholders through the company's website:

https://soltecpowerholdings.com/es/corporate-governance/consejo/

https://soltecpowerholdings.com/es/corporate-governance/junta-de-accionistas/

C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors provided for in the articles of association and the number fixed by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors fixed by the board	7

C.1.2 Complete the following table with the board members:

Name or company name of director	Representative	Category of director	Board position	Date of first appointment	Date of last appointment	Election procedure
MS NURIA ALIÑO PÉREZ		Independent	DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
MS MARÍA SICILIA SALVADORES		Independent	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	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
MR RAÚL MORALES TORRES		Executive	CHAIRMAN - MANAGING DIRECTOR	02/12/2019	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
MR MARCOS SÁEZ NICOLÁS		Proprietary	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 last appointment	Election procedure
MS MARINA MORENO DÓLERA		Proprietary	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 meeting:

Name or company name of director	Category of director at the time of termination	Date of last appointment	Date of leaving	Specialised Commissions of which was a member	Indicate whether the termination took place before the finish date of the mandate
No data					

Cause of removal, if before the end of the term of office and other observations; information on whether the director has sent a letter to the other board members and, in the case of removals of non-executive directors, explanation or opinion of the director who has been removed by the general 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 to become one of the largest manufacturers and suppliers of single-axis solar trackers. With extensive experience in the solar PV industry, Morales combines his passion for renewable energy with a commitment to driving productivity through innovation and 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 its appointment	Profil e
MR JOSÉ FRANCISCO MORALES TORRES	VALUETEAM S.L.	José Francisco M. Torres is the founder of Seguidores Solares Planta 50 S.L., dedicated to the production of photovoltaic energy and specialist advisor to companies in the renewable sector. He is an economist with 42 years' experience in the fiscal and accounting consultancy sector. His extensive experience makes him a good candidate to be an 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. During his more than 20 years' experience, Sáez has worked as CFO of Soltec for 14 years, where he managed to boost the company's sales. He has also worked as a consultant or financial director of the companies of Grupo Corporativo Sefran S.L.
MS MARINA MORENO DÓLERA	GRUPO CORPORATIVO SEFRAN S.L.	Marina Moreno has more than 5 years' experience in positions of responsibility in finance departments. Moreno has worked at Soltec as a collaborator in financial analysis and remains as an advisor to Zukán S.L.U. on organisational and sustainability aspects. 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

INDEPENDENT PROPRIETARY DIRECTORS	
Name or company name of director	Profil e
MS NURIA ALIÑO PÉREZ	Nuria Aliño has extensive experience in investment banking with more than 20 years working in developed and developing markets. She has worked as 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 the Strategy Director of 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 foresight for renewable energies in 23 countries and as deputy director general of Energy Planning at the Ministry of Industry, Energy and Tourism of the Spanish Government
MR FERNANDO CABALLERO DE LA SEN	Fernando Caballero is Managing Director responsible 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 accounting and consultancy firms

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INDEPENDENT PROPRIETARY DIRECTORS	
Name or company name of director	Profile
	in the region. Caballero is also a proactive member of the Institute of Internal Auditors in Spain

Total number of independent proprietary 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 last 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 an entity that maintains or has maintained such a relationship.

Where appropriate, a reasoned statement by the board as to why it considers that such director is able to perform his duties as an independent director shall be included.

Name or company name of director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS			
The other external directors shall be identified and the reasons why they cannot be considered proprietary or independent and their links, whether with the company, its management or its shareholders, shall be detailed:			
Name or company name of director	Motives	Company, officer or shareholder with whom the relationship is maintained	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 directors				% of the total number of directors in each category			
	Financial year 2022	2021	2020	Financial year 2019	Financial year 2022	2021	2020	Financial year 2019
Executives				N.A.	0.00	0.00	0.00	N.A.
Proprietary	1	1	1	N.A.	33.33	33.33	33.33	N.A.
Services	2	2	2	N.A.	66.67	66.67	66.67	N.A.
Other External				N.A.	0.00	0.00	0.00	N.A.
Total	3	3	3	N.A.	42.86	42.86	42.86	N.A.

C.1.5 Indicate whether the company has diversity policies 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 entities, in accordance with the definition contained in the Audit Act, shall report, as a minimum, on the policy they have in place in relation to gender diversity.

[√] Yes
[ ] No
[ ] Partial policies

If applicable, describe these diversity policies, their objectives, the measures and the manner in which they have been implemented and their results for the year. Specific measures taken by the board of directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors should also be disclosed.

If the company does not apply 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 order to ensure the transparency of its selection processes, in financial year 2021 the Board of Directors approved a Diversity Policy for the Board Members with the aim of ensuring that the Board of Directors has a diversity of skills, knowledge, experience, backgrounds, nationalities, age and gender.
The selection of candidates, based on an analysis of the Company's needs, shall seek to ensure that the composition of the Board of Directors is diverse and balanced as a whole, enriching decision-making and bringing a plurality of viewpoints to the debate on matters within its competence.
In this regard, the Board of Directors assumes the commitment to promote 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.
In the selection process of candidates, any bias that may imply any discrimination, inter alia, on grounds of sex, ethnic origin, age or disability, shall be avoided.
The Board of Directors shall 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 shall 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 regarding the presence of female directors.
During financial year 2022, full compliance with this diversity policy can be seen, 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

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Appointments and Remunerations Committee and the Board of Directors, the current composition of the Board fully complies with the Diversity Policy.

C.1.6 Explain the measures, if any, agreed by the nomination committee to ensure that the selection procedures do not suffer from implicit biases that hinder the selection of female directors, and that the company deliberately seeks out and includes among potential candidates, women who meet the professional profile sought and who enable a balanced presence of women and men to be achieved. Also indicate whether these measures include encouraging the company to have a significant number of senior managers:

Explanation of measures

The Board Member Diversity Policy was approved by the Board of Directors in the financial year 2021. This policy expressly includes the need to avoid any kind of bias in the candidate selection process that could entail any kind of discrimination, among others, on the grounds of gender, ethnic origin, age or disability.

It also states that the Board of Directors shall 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 shall 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 regarding the presence of female directors.

Currently, and since its formation, the composition of the Board has included 42.83% female directors. There is no implicit bias against the inclusion of 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

The number of female directors on the Board of Directors is high.

C.1.7 Explain the findings of the nomination committee on the verification of compliance with the policy aimed at promoting an appropriate composition of the board of directors.

As indicated in section C.1.5., in financial year 2021 the Board of Directors, following a favourable report from the Appointments and Remunerations Committee, approved the Diversity Policy for Members of the Board of Directors.
Said Policy establishes that the Board of Directors assumes the commitment to promote 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.
In the opinion of the Appointments and Remunerations Committee, the current composition of the Board is diverse and balanced in terms of type of directors, age, gender, skills and knowledge. The Board of Directors is currently composed of 7 members, of which 1 is an Executive Director, 3 are Independent Directors and 3 are Proprietary Directors. There are three female directors and four male directors . The professional profiles are varied, ranging from people with experience and knowledge in the photovoltaic energy sector, as well as in other energy sources, to the banking sector, auditing and risk. At the same time, there is a wide age range.
For all these reasons, the Appointments and Remunerations Committee has concluded that the guidelines of the Diversity Policy are met in 2022.
In addition, the following has been indicated in the Board's evaluation report:
No deficiencies in gender diversity have been observed and therefore the provisions of article 529 quindecies 3 b) of the Corporations Act have been complied with:
"Establish a target for representation of the under-represented sex on the board and develop guidance on how to achieve this target"
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), such 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.
During the year 2022, the composition of the Board of Directors has remained unchanged, in full compliance with the Diversity Policy.

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 shareholder	Justification
No data	

Indicate whether formal requests for presence on the board from shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors have been appointed have not been met. If so, explain the reasons why these requests have not been met:

[ ] 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 Torres has been delegated all the powers attributed to the company's governing body that are not non-delegable and that have not been reserved to the full Board by law, the Articles of Association or the Regulations of the Board of Directors.

C.1.10 Identify, if applicable, the board members who are directors, representatives of directors or executives in other companies that form part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	does it have executive functions?
MR RAÚL MORALES TORRES	Soltec Development, 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	Solar Trackers S.L.	Sole Administrator	Yes
MR RAÚL MORALES TORRES	Soltec Asset Management, S.L.U.	Chairman of the Board of Directors	No
MR RAÚL MORALES TORRES	Soltec Cap, S.L.U.	Sole Administrator	Yes

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C.1.11 List any positions on the board, as administrator or manager held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identification of the director or representative	Company name of the entity, whether listed or not	Position
MR JOSÉ FRANCISCO MORALES TORRES	Solar Trackers Planta 50, S.L.U.	SOLE DIRECTOR
MR RAÚL MORALES TORRES	Valueteam S.L.	SOLE DIRECTOR
MR RAÚL MORALES TORRES	Valuehome S.L.	SOLE DIRECTOR
MR RAÚL MORALES TORRES	Murciana de Energía Solar S.L.	SOLE DIRECTOR
MS MARÍA SICILIA SALVADORES	Tubos Reunidos S.A.	DIRECTOR

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.

Identification of the director or representative	Other paid activities
MR FERNANDO CABALLERO DE LA SEN	Managing Director AON
MS MARÍA SICILIA SALVADORES	Director of Strategy and Planning with executive functions at Enagás S.A.
MS NURIA ALIÑO PÉREZ	Open Banking and Digital Transformation Specialist at World Bank Group - Adjunct Professor at IE University
MR JOSÉ FRANCISCO MORALES TORRES	Economist, as a freelance practitioner 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 of which its directors may form part, identifying, if applicable, where it is regulated:

[√] Yes
[ ] No

Explanation of the rules and identification of the document where it is regulated

Directors may not sit on more than four Boards in addition to that of the company.

This limitation is contained in Article 21(2)(viii) of the Board of Directors' Regulations.
2. Directors must tender their resignation to the board of directors and, if the board deems it appropriate, formalise the corresponding resignation in the following cases:
(viii) When they sit on more than four boards of directors of other companies (other than 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)	661
Amount of funds accumulated by current directors through long-term savings schemes with vested economic rights (thousands of euros)	

Amount of funds accumulated by current directors for long-term savings schemes with non-vested economic rights (thousands of euros)	8
Amount of funds accumulated by former directors through long-term savings schemes (thousands of euros)	

C.1.14 Identify the members of senior management who are not themselves executive directors, and indicate the total remuneration accrued to them during the financial year:

Name or company name	Position(s)
PABLO OTÍN PINTADO	Business Unit General Manager Soltec Development
JOSÉ FRANCISCO NÚÑEZ JIMÉNEZ	Chief Financial Officer
GABRIEL SEOANE SÁNCHEZ	Chief Organization Officer
SERGIO LÓPEZ OÑA	Business Unit General Manager Soltec Industrial
EDUARDO DE SAN NICOLÁS JUÁREZ	Chief Strategy Officer
ADA DE PAULA LAX RUIZ	Chief Marketing Officer
SILVIA AMATERATSU DÍAZ DE LASPRA MORALES	Chief Legal Officer
MERITXELL PÉREZ DE CASTRO ACUÑA	Investor Relations Director
CARLOS SALDAÑA REY	Risks Manager
FELIPE BOBILLO CARBONELL	Internal Audit Manager
JORGE GARCÍA GARCÍA	Chief Information Officer
FRANCISCO JAVIER ADIEGO ORERA	Business Unit General Manager Soltec Asset Management

Number of women in senior management	3
Percentage over total members of senior management	27.27

Total remuneration of senior management (in thousands of euros)	1,303

C.1.15 Indicate whether there have been any changes to the board's rules of procedure during the year:

[ ] Yes
[√] No

C.1.16 Indicate the procedures for the selection, appointment, re-election and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be applied in each of the procedures.

Directors shall be appointed by the General Shareholders Meeting, or by the Board of Directors by co-option, following a report from the Appointments and Remunerations Committee or, in the case of independent directors, at the proposal of the latter, in accordance with the provisions contained in the applicable regulations, the Articles of Association and the Board of Directors' Regulations. The Board of Directors shall endeavour to ensure that the choice of candidates is made by persons of recognised solvency, competence and experience, and shall be extremely rigorous in relation to those persons called upon to fill the posts of independent director. The Board of Directors,

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before proposing the re-election of directors to the General Shareholders Meeting, shall assess, with the abstention of the persons concerned, the quality of the work and dedication to office of the directors proposed during the previous term of office.
Directors shall cease to hold office when the term for which they were appointed has expired, and when so decided by the General Shareholders Meeting in exercise of the powers conferred upon it by law or the Articles of Association.
In the financial year 2021 the Board of Directors approved a Diversity Policy for the board members, as mentioned above.

C.1.17 Explain to what extent the annual evaluation of the board has led to significant changes in its internal organisation and in the procedures applicable to its activities:

Description modifications

Following the evaluation of the Board of Directors carried out at the end of 2021, an action plan was established to be developed and implemented throughout 2022. At the end of the year 2022, the Board was again evaluated and the degree of compliance with the action plan was checked. The results of this evaluation are as follows:
The majority of directors are of the opinion that the 2022 Action Plan has been partially fulfilled, with some aspects needing to be further developed during the 2023 financial year. Below we detail the progress implemented in relation to each of the points of the Action Plan approved at the end of 2021 for the 2022 financial year.
a) With regard to the commitment to the directors having available the documentation corresponding to the matters included in the Agenda, previously established for each meeting, the Company has made progress in this aspect throughout the year 2022. However, the need to continue improving in this aspect during the financial year 2023 has been established.
b) In cases of presentation of complex financial results or operations, where the information is very extensive, a commitment was made in 2022 that drafts would be circulated prior to the final document, so that the information could be reviewed in a timely manner by the directors, regardless of the variations in the final document. These drafts were generally circulated during 2022, and for 2023 the need for further improvement in this area has been highlighted.
c).-In relation to financial information, and in accordance with the established action plan, a format for the presentation of information has been agreed and applied that contains a structure for reviewing the group's economic data through the design of a more synthetic scorecard, without losing the availability of the information provided, so that the directors are aware of it in a more concise way
the Company and its group's situation and prospects are presented in an easier, more intuitive way, as well as a progress report.

d).-Regular information has been provided on the progress of the various projects, and working meetings have been held on a regular basis prior to Board meetings in order to discuss in depth the most relevant operations.
e-f). In-depth work has been carried out on the analysis of strategic sensitivity and strategic projects, culminating in the approval of the Strategic Plan 2022-2025.
g) The directors have actively participated in different events held in the sector, with the aim of deepening their knowledge of the sector.

Describe the evaluation process and the areas evaluated by the board of directors, assisted, where appropriate, by an external consultant, with respect to the functioning and composition of the board and its committees and any other area or aspect that has been subject to evaluation.

Description of the evaluation process and areas evaluated

The Board evaluation process was carried out at the end of the 2022 financial year, and was led by the Secretary of the Board and the Lead Director, in accordance with art. 529 septies of the Corporations Act.
The evaluation was carried out in two formats, in writing and via oral interview. In the written format, the directors responded anonymously to the standard questions contained in a survey sent to them by written communication, and a subsequent session was held face-to-face, without a structured format, with each of the directors, which gave rise to dialogue and open proposals. The process ended, as a novelty this year, with an additional survey in which each director evaluates each of the other board members, with the aim of achieving a more complete, in-depth evaluation with a 360º perspective.
Once the evaluation had been carried out, 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 deficiencies detected during the evaluation process.

C.1.18 For those years in which the evaluation has been assisted by an external consultant, a breakdown of the business relationships that the consultant or any company in its group has with the company or any company in its group.

The company has not yet conducted a board assessment with the assistance of an external consultant in any financial year, given that it commenced trading in 2020. An assessment of the board with the assistance of an external consultant is envisaged for the 2023 financial year.

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 prohibition provided for by law or the Articles of Association.
(iii) When they are seriously reprimanded by the board of directors for having breached their duties as directors.
(iv) When their continued presence on the board of directors could jeopardise or damage the interests, credit or reputation of the Company or when the reasons for which they were appointed cease to exist, including, without limitation, when there are significant changes in their professional situation or in the conditions under which they were appointed as directors.
(v) When they are accused 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 its entire shareholding or reduces it significantly and, (ii) in the corresponding number, when such shareholder reduces its shareholding to a level that requires a reduction in the number of proprietary directors.
(vii) When, due to acts attributable to the director, their continued presence on the board of directors causes serious damage to the company's assets or reputation in the opinion of the board.
(viii) When they sit on more than four boards of directors of other companies (other than the Company).

C.1.20 Are qualified majorities, other than legal majorities, required for any kind of decision?

[ ] Yes
[√] No

If 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 the board regulations establish any age limit for directors:

[ ] Yes
[√] No

C.1.23 Indicate whether the articles of association or the board regulations establish a limited term of office or other more stringent requirements in addition to those legally established for independent directors, other than those established in the regulations:

[ ] Yes
[√] No

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C.1.24 Indicate whether the articles of association or the regulations of the board of directors establish specific rules for proxy voting in the board of directors in favour of other directors, the manner of doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limitations have been established as to the categories to which proxies may be granted, beyond the limitations imposed by law. If so, give a brief description of these rules.

In accordance with the Rules of Procedure of the Board of Directors, the directors shall make every effort to attend the meetings of the Board of Directors and, if they are unable to do so in person, they shall grant their proxy in writing, especially for each meeting, to another member of the Board of Directors, including the appropriate instructions and voting directions, and inform the Chairman of the Board of Directors thereof. Non-executive directors may only be represented by another member of the board of directors with the same status. Directors' absences from board meetings shall be quantified in the annual corporate governance report.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the board has met without the attendance of its chairman. In the computation, proxies made with specific instructions shall be considered as attendances.

Number of board meetings	11
Number of board meetings without the chairman's attendance	0

Indicate the number of meetings held by the lead director with the other directors, without the attendance or representation of any executive director:

Number of meetings	0

Indicate the number of meetings held during the year by the various board committees:

Number of Audit Committee meetings	12
Number of Appointments and Remuneration Committee meetings	4
Number of Appointments and Remunerations Committee meetings	6

C.1.26 Indicate the number of meetings held by the Board of Directors during the financial year and the attendance data of its members:

Number of meetings attended in person by at least 80% of the directors	11
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.	11
% 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 formulation by the board:

C.1.28 Explain the mechanisms, if any, established by the board of directors to ensure that the annual accounts submitted by the board of directors to the general meeting of shareholders are drawn up in accordance with accounting regulations.

The Board of Directors has delegated the supervision of the company's financial and non-financial information to the Audit Committee and internal control mechanisms (ICFR) have been established, given that all the financial and non-financial information that is proposed for the Board's approval is subject to a prior favourable report 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, all published information is reviewed and validated by our external auditors.

C.1.29 Does the secretary of the board have the status of director?

[ ] Yes
[√] No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
SILVIA AMATERATSU DÍAZ DE LASPRA MORALES	

C.1.30 Indicate the specific mechanisms established by the company to preserve the independence of the external auditors, as well as, if any, the mechanisms to preserve 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 Regulations of the Board of Directors establish the relations with the auditors in order to receive information on those 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, in the terms set out in the applicable regulations, as well as any other communications provided for in the legislation on auditing the accounts and in the remaining auditing standards. In any case, the audit committee must receive annually from the auditors written confirmation of their independence from the Company and entities directly or indirectly related to it, as well as detailed and individualised information on additional services of any kind rendered 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 shall be issued annually, prior to the audit report, expressing an opinion on whether the independence of the auditors or audit firms is compromised. This report shall 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.
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 their independence have been correctly identified and assessed.

- Independence financial analysts, investment banks and rating agendas
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 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.

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C.1.31 Indicate whether the Company has changed external auditors during the financial year. If so, identify the incoming and outgoing auditors:

[√] Yes
[ ] No

Outgoing auditor	Incoming auditor
Deloitte S.L.	Ernst & Young S.L.

If there were disagreements with the outgoing auditor, explain the content of these disagreements:

[ ] 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)	54	79	133
Amount of non-audit work / Amount of audit work (in %)	20.00	35.00	27.00

The amount of other non-audit work mainly includes the amount of other non-audit services such as limited review of the consolidated financial statements as at 30 June, verification of the non-financial information in the Integrated Report and the report on the Internal Financial Reporting Control System.

C.1.33 Indicate whether the audit report on the annual accounts for the previous year is qualified. If so, indicate the reasons given to the shareholders at the General Meeting by the chairman of the audit committee 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 individual and/or consolidated annual accounts of the company. Also indicate the percentage that the number of financial years audited by the current audit firm represents of the total number of financial years in which the annual accounts have been audited:

	Individuals	Consolidated
Number of uninterrupted exercises	1	1

	Individuals	Consolidated
No. of years audited by the current audit firm / No. of years that the company or its group has been audited (in %)	33.33	33.33

C.1.35 Indicate whether there is a procedure to ensure that directors have the necessary information to prepare for meetings of the governing bodies in sufficient time and, if so, provide details:

[√] Yes
[ ] No

Details of the procedure

The company sends the notices to the board of directors as far in advance as possible and in any case exceeding the minimum limit of three days established in the Board of Directors' Regulations. Once the invitations to the board or commissions have been sent out, the company or the chairmen promote working meetings to identify all those aspects that require a higher level of information than that provided, or so that the directors can ask clarifying questions or request information in addition to that provided. At all times, the company promotes contact between the directors and the company's senior management, so that the directors have a direct contrast between the information to be approved and the internal management.
The rules of procedure of the Board provide for the option for all directors to seek the advice necessary for the performance of their duties. In addition, the board promotes continuous advice through the secretary and the legal advisor. In addition, the Action Plan drawn up following the Board's evaluation process in 2022 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 credit and reputation of the company:

[√] Yes
[ ] No

Explain the rules

Directors must tender their resignation to the board of directors and, if the board deems 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 prohibition provided for by law or the Articles of Association.
(iii) When they are seriously reprimanded by the board of directors for having breached their duties as directors.
(iv) When their continued presence on the board of directors could jeopardise or damage the interests, credit or reputation of the Company or when the reasons for which they were appointed cease to exist, including, without limitation, when there are significant changes in their professional situation or in the conditions under which they were appointed as directors.
(v) When they are accused 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 its entire shareholding or reduces it significantly and, (ii) in the corresponding number, when such shareholder reduces its 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 credit and reputation of the company:

[ ] Yes
[√] No

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C.1.38 List any significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company following a takeover bid, and their effects.

Nothing worthy of mention

C.1.39 Identify individually, in the case of directors, and in aggregate in all other cases, and indicate, in detail, the agreements between the company and its directors, management or employees that provide for indemnities, guarantee or golden parachute clauses, when 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 Operating Officer	In the event of a structural modification of the company or change of ownership involving a change of control, whatever its form, the chief executive officer, if he/she chooses to leave his/her post, shall be entitled to receive compensation equal to twice the amount of the last total annual remuneration received, which shall 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	Shareholders Meeting
Body authorising the clauses	V	

	Yes	No
Is the General Meeting informed of the clauses?	V	

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 on them:

Audit Committee		
Name	Position	Category
MS NURIA ALIÑO PÉREZ	MEMBER	Independent
MR FERNANDO CABALLERO DE LA SEN	CHAIRMAN	Independent
MR JOSÉ FRANCISCO MORALES TORRES	MEMBER	Proprietary

% of executive directors	0.00

% of proprietary directors	33.33
% of independent directors	66.67
% of directors other 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 thereof. 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.
-Supervise the effectiveness of the internal control 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 detected during the course of the audit, without compromising the auditor's independence.
-Supervise the process of preparing and presenting regulated and non-financial 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 replacement of the auditors, in accordance with applicable regulations, as well as the terms and conditions of their engagement, and to seek regular information about the audit plan and its implementation, as well as protect their independence in the exercise of their functions.

-Establish appropriate relations with the auditors to receive information on issues that may jeopardise their independence, for examination by the audit committee, and any other issues related to the process of auditing the accounts.
-Annually issue, prior to the audit report, a report expressing an opinion on whether the independence of the auditors or audit firms is compromised. This report shall 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, in advance, to the board of directors on all matters provided for by law, in the articles of association and in the regulations of the board of directors and, in particular, on: (i) the financial information that the Company must periodically disclose; (ii) the creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories that are considered tax havens; and (iii) related-party transactions.
-Overseeing the Company's internal audit activity, supervising the internal audit plan and verifying that the main risk areas, both financial and non-financial, of the business have been considered in this plan.
-In relation to information systems and internal control: (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 that assumes the internal audit function, propose the selection, appointment, reappointment and removal of the head of the internal audit service; receive regular information on the execution of the annual work plan, and (c) establish and supervise a mechanism that allows employees or other persons related to 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 in which communications can be made anonymously, respecting the rights of the whistle-blower and the reported party.
-In relation to the external auditor: (a) in the event of resignation, examine the circumstances; (b) ensure that their remuneration does not compromise quality or independence; (c) supervise that the Company notifies the CNMV of the change of auditor and accompanies it, if appropriate, with a statement on the possible existence of disagreements with the outgoing auditor and the content thereof; (d) ensure that the external auditor meets annually with the plenary session of the board of directors to report to it on the work performed and the evolution of 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, the 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 those cases in which the auditor has included a qualification in its audit report, the chairman of the audit committee clearly explains the audit committee's opinion on their content and scope at the general meeting.
-Summon 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's corporate website is permanently updated.

-Periodically assess the need for a separate area 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's website

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Identify the directors who are members of the audit committee who have been appointed on the basis of their knowledge and experience in accounting and/or auditing and report on the date of appointment of the chairman of the audit committee to the position.

Names of experienced directors	NURIA ALIÑO PÉREZ / JOSÉ FRANCISCO MORALES TORRES
Date of appointment of the chairman in office	06/10/2021

Sustainable Development Committee		
Name	Position	Category
MS NURIA ALIÑO PÉREZ	CHAIRMAN	Independent
MS MARÍA SICILIA SALVADORES	MEMBER	Independent
MS MARINA MORENO DÓLERA	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of directors other external	0.00

Explain the functions delegated or attributed 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 resolutions.

-Supervise compliance with the Company's corporate governance rules and internal codes of conduct, and ensure that the corporate culture is aligned with its purpose and values.
-Oversee 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 Company communicates and interacts with small and medium-sized shareholders will also be monitored.
-The 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 the legitimate interests of other stakeholders, as appropriate.
-Monitor that the company's environmental and social practices are in line with the fixed strategy and policy.
-Monitor and evaluation of stakeholder engagement processes.
-Monitor the Company's performance in matters of corporate reputation and report thereon to the Board of Directors as appropriate.
-Prior to its approval, report 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 fall within the scope of their competencies.
-Report on proposals to amend the regulations of the board of directors and the code of ethics.
-Issue the reports and carry out the actions which, 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	CHAIRMAN	Independent

Appointments and Remuneration Committee		
Name	Cargo	Category
MR FERNANDO CABALLERO DE LA SEN	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of directors other 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 thereof. 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 on the board of directors. For this purpose, it shall define the functions and skills required of the candidates to fill each vacancy and assess the time and dedication necessary for them to perform their duties effectively, taking into account a competency matrix drawn up in advance which defines the most appropriate functions, skills, knowledge and experience for the job.
-Analysing the other occupations of each director of the Company, ensuring that the directors devote sufficient time in practice and, if this is not the case, proposing the appropriate measures.
-Establish 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 for appointment 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 such succession to take place in an orderly and planned manner, in consultation with the chairman of the Company, and involving the lead director, if any, and provided that he is not a member of the appointments and remunerations committee.
-Propose 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, checking 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 the selection of 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 the information on directors' and senior management remuneration 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's website

C.2.2 Complete the following table with information on the number of female directors on the board committees at the end of the last four financial years:

	Number of female directors							
	Financial year 2022		Financial year 2021		Financial year 2020		Financial year 2019	
	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, if applicable, the existence of regulations of the board committees, the place where they are available for consultation, and any amendments made during the year. Also indicate whether an annual report on the activities of each committee has been prepared on a voluntary basis.

The committees, their composition, functions and organisation are regulated in the Regulations of the Board of Directors. The three committees have drawn up annual activity reports for the 2022 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 intragroup 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 procedures internal 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, if any) 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 in which the Related Party Transaction consists, by its very nature, is legally reserved to the competence of this body.

The Governing Board shall be responsible for approving:
- The other related-party transactions.
Approval by the Board may be made with the participation of Directors who are related to and represent the parent company, in which case, if the decision or vote of such Directors is decisive for approval, it shall be up to the Company and, where applicable, to the Directors affected by the conflict of interest, to prove that the resolution is in accordance with the corporate interest in the event that it is challenged and that they used due diligence and loyalty in the event that their liability is claimed.

The approval of related-party transactions may be delegated by the Board of Directors to its Committees or to members of Senior Management, provided that the transactions in question are:
a) Transactions entered into in the ordinary course of the Company's business, including those resulting from the execution of a framework agreement or contract, and concluded on an arm's length basis. In this case, the Board of Directors shall implement an internal procedure for the periodic evaluation of compliance with the aforementioned requirements, in which the Audit Committee shall be involved.
b) Transactions between Group companies carried out in the ordinary course of business and on an arm's length basis;
c) Transactions entered into under contracts whose standardised conditions are applied *en masse* to a large number of customers, are made at prices or rates generally established by the party acting as supplier of the good or service in question, and whose amount does not exceed 0.5 per cent of the Company's net turnover.
The approval of the related-party transactions referred to in b) and c) above shall not require a prior report from the Audit Committee.

However, the Board of Directors shall establish an internal reporting and periodic control procedure in relation thereto, in which the audit committee shall be involved and which shall verify the fairness and transparency of such transactions and, where appropriate, compliance with the legal criteria applicable to the aforementioned exceptions.

In financial year 2021, the Related-Party Transactions Policy was approved and is available on the corporate website, where the approval process for related-party transactions is developed in more detail.
At the time of writing this report, the Company is in the process of drawing up the necessary internal procedure for the periodic reporting and control of related-party transactions that may be delegated by the Board of Directors.

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D.2. List individually those transactions that are significant due to their amount or relevant due to their subject matter carried out 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 was competent to approve them and whether any shareholder or director affected abstained. In the event that the board was competent, indicate whether the proposed resolution was approved by the board without the majority of independent directors voting against:

	Name or company name of the shareholder or of any of its subsidiaries	% Participation	Name or company name of the company or dependent entity	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the board, if any, has been approved by the board without a dissenting vote of the majority of independent directors
(1)	GRUPO CORPORATIVO SEFRAN S.L.	42.27	Soltec Development, S.A.U.	10,550	Board of Directors	Marina Moreno Dólera and Marcos Sáez Nicolás	Yes

	Name or company name of the shareholder or of any of its companies dependent	Nature of the relationship	Type of operation and other information necessary for the assessment of the operation
(1)	GRUPO CORPORATIVO SEFRAN S.L.	Contractual	During the first quarter of 2022, Soltec Development S.A.U. (formerly Powertis S.A.U.) has made drawdowns on the credit facility granted by Grupo Corporativo Sefran S.L. amounting to €10,550,000.

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 given 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 carried out by 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 indicate which body was competent to approve them and whether any shareholder or director affected abstained. In the event that the board was competent, indicate whether the proposed resolution was approved by the board without the majority of independent directors voting against:

Name(s) or company name(s) of the director(s) or manager(s) or their controlled or jointly controlled entity(ies)	Name or company name of the company or dependent entity	Relation	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director who abstained	The proposal to the board, if any, has been approved by the board without the majority of independent directors voting against
No data						

Name(s) or company name(s) of the director(s) or manager(s) or their controlled companies or companies under joint control	Nature of the operation and other information necessary for the assessment of the operation
No data	

Nothing worthy of mention

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 carried out by the company with its parent company or with other entities belonging to the parent company's group, including the listed company's own subsidiaries, except that 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 carried out with entities established in countries or territories considered to be tax havens shall be reported:

Company name of the group entity	Brief description of the operation and other information necessary for the assessment of the operation	Amount (thousands of euros)
No data		

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D.5. List individually any transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with 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 the assessment of the operation	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 of Procedure of 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 corporate website, where this point is developed in more detail.

D.7. Indicate whether the company is controlled by another entity within the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its filiates, business relationships with that entity or any of its filiates (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.

Integrated risk management at Soltec is aligned with the requirements established in ISO 31000, which can be summarised as follows: diagnose, analyse and address risks arising from internal changes within a framework of continuous improvement and with the full involvement of Soltec's top management, thus linking up with Soltec's structure and culture.
This integrated risk management at Soltec allows us to make our processes more efficient by maintaining a risk profile aligned with our global and integrated business model, reporting in a transparent manner the main risks faced by the company or that may affect the achievement of our Group's objectives.
The main objective of risk management at Soltec is to identify, determine, quantify and monitor all business risks, applying an overall view of the different companies in the Company, with the aim of applying the optimal mitigating measures to eliminate or reduce the probability and/or severity of the threats identified, as well as taking advantage of the opportunities.
The risk management defined and implemented by Soltec is fully aligned with international reference standards, taking as fundamental principles:
•management leadership, which provides the necessary resources and ensures that the Company works in accordance with these principles;
•teamwork: integrating all the Group's companies and their processes and focusing on systematisation to enable the entire organisation to carry out appropriate and effective risk management;
•continuous focus on our stakeholders (customers, shareholders, etc.);
•To inform management in a timely manner of the main risks faced by the Group or that may affect the achievement of business objectives and the level of tolerance;
•innovation and the search for mitigating measures that provide certainty in the achievement of objectives;
•Adaptation to the needs of the organisation: seeking alternatives that meet customer requirements while maintaining a contained and responsible exposure to risk and enabling continuous improvement;
•Flexibility, risk management in the Soltec Group is iterative and responsive to change, taking into account human and cultural factors, but always without losing the systematic and structured approach;
•Transparency, efficiency, inclusiveness, efficiency and inclusiveness in a way that encourages the proactive participation of all employees;
•Continuous improvement based on seven key phases: identification, assessment, response, monitoring, reporting, definition and follow-up of controls and treatment plans and periodic review of the Soltec Group's risk management framework;
•Differentiated responsibility of the units and bodies involved, based on the model of the three lines of action
- First line of action: Daily monitoring and control of risks by all departments supported by policies and procedures specific to their activity.
- Second line of action: The risk management department is responsible for leading the implementation of mitigation and control mechanisms, as well as to support all frontline departments and monitor the risk management system.
- Third line of action: The internal audit department created in May 2020 ensures the proper functioning of the Soltec Group's management and provides independent and objective advice.

In short, Soltec has developed a Global Risk Management Policy, approved by the Board of Directors, in which:
•The general principles of risk management are determined;
•A three-pronged risk control model is established;
•The five pillars guiding the risk management system in the company are defined (Business Prospects, Bids and Developments Risk Management; Project Risk Management; Enterprise Risk Management; Internal Control over Financial Reporting System (ICFR) Risk Management; Climate Change Risk Management).

In the fiscal area, in 2023 the company obtained the 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 2023 for compliance with the UNE 19601 standard on the prevention of criminal risks.

E.2. Identify the bodies of the company responsible for the development and implementation of the financial and non-financial Risk Management and Control System, including the fiscal.

Board of Directors: In accordance with the provisions of the Spanish Corporations Act, risk management cannot be delegated and is attributed to the plenary session of the board.
Audit Committee Pursuant to article 14.4 (ii) of the Board Regulations, risk management is the responsibility of the audit committee.

CNMV COMISIÓN NACIONAL DEL MERCADO DE VALORES

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Risk Management Committee: The Risk Management Committee is a permanent internal informative and executive body that will discuss and reach agreements on risk management and insurance at corporate, bid and project level, as well as other strategic issues related to risk management in order to ensure 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 consists of 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 seeking the profitable growth of the company. In addition, it will ensure that mechanisms are put in place to ensure that investment decision-making processes have policies and procedures that contribute to the achievement of Soltec's strategic objectives.
Safety Committee: Among others, risk management related to 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 Commission: Among others, risk management related to human resources issues.
Fiscal compliance body: Created within the framework of the tax compliance programme, it is made up of three members belonging to the company's fiscal and financial areas, and its objective is to ensure and supervise compliance with the company's fiscal obligations.
Compliance body: Created within the framework of the corporate compliance programme, it is responsible for the supervision and control of the criminal risk management system.

E.3. Indicate the main risks, financial and non-financial, including those fiscal and, to the extent significant, those arising from corruption (the latter within the scope of Royal Decree Law 18/2017), which may affect the achievement of the business objectives.

During 2022, the main operational, strategic, financial and regulatory risks affecting the Group were identified and analysed every six months.
Specifically, a catalogue of 179 risks has been identified (476 risks to be assessed and replicated by subsidiaries) and their assessment has been conducted by means of a series of interviews and surveys with each of the "owners" of each risk.
Once this identification and assessment has been carried out, the main risks affecting the Group are linked to the existing uncertainty in the demand for products and services in a changing environment, affected by the global post-pandemic Covid-1 as well as the current geo-political situation, the difficulties of adapting to the different regulatory environments together with political and social instabilities, as well as potential regulatory changes, the growing competitiveness in the photovoltaic industry and specifically in solar trackers with impacts on price reductions, potential regulatory non-compliance at the operational level, security of information linked to product R&D, potential problems arising from system failures and/or supply disruptions (e.g. increased prices of raw materials and transport), as well as potential problems resulting from natural disasters, cyber attacks, system failures and/or supply disruptions.
During the 2022 financial year and in view of the uncertainty arising in Europe due to the situation in Ukraine, the Group has established the following policy to mitigate the possible risks arising therefrom: (i) search for alternative suppliers (ii) analysis of the situation in each geography in which the projects are implemented, (iii) contractual transfer of the possible adverse effects that may arise from this situation.
In relation to financial risks, the main risks identified during 2022 would be linked to market risks (exchange rate and interest rate), liquidity, customer credit and obtaining the necessary guarantees to be able to contract and execute projects.
The risks arising from corruption are adequately controlled through a legal and fiscal compliance risk management system.
In addition, during 2022, the Soltec Group has carried out an analysis of the risks of climate change that may affect the development of the Soltec Group's integral activity, defining the mitigation measures for the identified risks. For this purpose, Soltec has taken into account the Appendix of Annex I of the Delegated Regulation on Environmental Taxonomy included in the Delegated Regulation (EU) 2021/2139 of the European Commission.

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, financial, ESG, climate and environmental risks affecting the Group.
During the 2022 financial year, the company updated the risk map on a half-yearly basis, in which this point will be more precisely defined once the risk map is approved by the Group at the beginning of 2023.

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 therefore reduce their likelihood and impact;
•Definition of treatment plans to minimise the probability of occurrence of the different risks as well as the impact in case of their occurrence in addition to the controls.

The Group's risk management is based on a continuous improvement system implemented since 2021 and based on the following pillars:

•Systematic activity of risk identification, assessment and treatment.
•Redefinition of risks.
•Introduction of new risks in the catalogue.
•Adaptation to the changes that may affect the organisation.
•Reallocation of risks.
•Review on at least a six-monthly basis.
•Risk Management Committee (RMC).
•Constant support from Soltec's senior management.
•Review of contracts before signature.
•Follow-up during project implementation (lessons learned).

E.5. Indicate which risks, financial and non-financial, including fiscal, have materialised during the year.

During 2022, the following risks have materialised:

1. Uncertainty associated with the demand for products and services in a changing environment affected by a post-pandemic and the current geopolitical situation.
2. Potential problems arising out of natural disasters.
3. Political and social instability
4. Potential problems arising out of system failures and/or supply disruptions
5. Growing competitiveness in the industry
6. Reduction in the price of solar trackers
7. Cyber risk
8. Potential non-compliance at operational level and/or increased costs.
9. Liquidity
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.Adequate. These include, inter alia, the following control systems: (i) sizing of resources to deal with all delayed projects. (ii) commercial monitoring of main customers (iii) prospecting for new customers (iv) monitoring of opportunities due to regulatory changes and budget allocation (v) local presence in key countries (vi) investment in R&D&I (vii) study of synergies and new business lines (viii) continuous improvement systems (ix) agreements with key players within the industry (x) establishment of treatment plans focused on the analysis of estimates and analysis of project costs and project execution times (xi) diversification of customers.
2. Adequate. These include, inter alia, the following control systems: (i) transfer to the insurance market (ii) transfer of ownership and risk to clients (iii) local presence in key countries (iv) country risk analysis.
3. Adequate. These include, inter alia, the following control systems: (i) local presence in key countries (ii) local legal and fiscal advice (iii) transfer to the insurance market (iv) travel policy with monitoring of the situation in each country (v) country risk analysis.
4. Adequate. These include, inter alia, the following control systems: (i) diversification of suppliers both in companies and geographically. (ii) local presence in key countries. (iii) transfer to the insurance market. (iv) establishment of contractual mechanisms to be able to revise prices once the validity of the offers has expired and the customer has not issued the order to proceed (v) establishment of treatment plans for market price volatility analysis (vi) establishment of treatment plan for logistical analysis.
5. Adequate These include, inter alia, the following control systems: (i) investment in R&D&I. (ii) new products. (iii) study of synergies and new business lines (iv) continuous improvement systems (v) local presence in key countries (vi) agreements with key players within the industry (vii) establishment of treatment plans focused on the analysis of estimates and analysis of project costs and project execution times.
6. Adequate. These include, inter alia, the following control systems: (i) local presence in key countries (ii) supplier price optimisation (iii) design optimisation through investment in R&D&I (iv) establishment of framework agreements with suppliers (v) monitoring of raw material price fluctuations: (vi) establishment of contractual mechanisms to be able to revise prices once the validity of the offers has expired and the client has not issued the order to proceed (vii) establishment of treatment plans focused on the analysis of estimates and analysis of project costs and project timelines.
7. Adequate. These include, inter alia, the following control systems: (i) development within the organisation of best practices for information leakage management, establishment of a business continuity plan in case of cyber attack; (ii) defined security and safety policy; and procedures for data lifecycles; (iii) establishment of an information classification system; (iv) cyber secure procurement; (v) ISO 27001 certification; (vi) conducted security audits; and (vii) implementation of a system for the classification of information
8. Adequate. 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 customer with regulation of law change clauses and variations; Transfer of risk of errors or lack of information in specifications to customers; Establishment of controls to analyse the correct definition of specifications by the customer.
9. Adequate. 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 project cash flow prior to contract signature, according to customer and supplier payment conditions; analysis of maximum risk of non-payment; monitoring of cash flow of projects in execution

10. Adequate. 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 that make up the control and risk management systems in relation to the financial reporting process (ICFR) of your entity.

F.1. Entity's control environment.

Report, indicating its main characteristics for, at least:

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 System of Internal Control over Financial Reporting (hereinafter ICFR) is 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 system was designed during the 2020 financial year and therefore the accounting close of December 2020 was the first to be performed under the quality standards required for the design of Soltec's ICFR system. During 2021 the ICFR was deployed in the different subsidiaries of the group and its level of implementation and efficiency has been reviewed in the subsidiaries included in the 2022 internal audit plan.
The ICFR responsibility model of Soltec Power Holding is structured 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 Board of Directors' Regulations. Being ultimately responsible for ensuring an internal control environment conducive to the generation of reliable, complete and timely financial information.
These functions have been delegated to the Audit Committee in accordance with article 14.5(ii) of the Board of Directors' Regulations.
- 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 during the course of the audit, without compromising the independence of the Statutory Auditor.
Likewise, to supervise the preparation process and the integrity of the financial information relating to the Company and, where appropriate, to 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. One of the main functions of Internal Audit is to ensure the proper functioning of the ICFR, for this purpose:
o It conducts periodic reviews to ensure that documentation is up to date in accordance with the Annual Audit Plan

o It designs and executes, based on the scope of review agreed in the audit planning phase, tests on general controls, technological controls and process controls.
o It issues reports on the reviews carried out, reporting on the status of the functioning of the Internal Control over Financial Reporting System (ICFR), in accordance with the Annual Audit Plan.
o It verifies the correct implementation of the corrective actions identified in the ICFR according to the Annual Audit Plan

The objectives, management, review and other particularities of the ICFR are regulated in three internal policies:
o ICFR Policy Soltec Group
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:

· Departments and/or mechanisms in charge: (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:

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The design and review of the organisational structure, as well as the definition of lines of responsibility, is the responsibility of the Group's organisational management, which defines the lines of distribution of tasks and organisational functions of the Group.
Likewise, the board of directors, through the Appointments and Remunerations Committee, as established in the various sections of article 15 of the regulations of the board of directors, is responsible for assessing the skills, knowledge, availability and experience required on the board of directors, submit to the board of directors proposals for the appointment of independent directors and propose 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, checking and ensuring compliance therewith.

· Code of conduct, approving body, degree 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 commission of criminal offences in the corporate sphere in compliance 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 performance, adapting to and falling in line with the legislation in force in the country where the Group conducts its business, as well as Internal Policies and Protocols.
The audit process of the UNE 19601 standard for the Criminal Compliance management system, which includes the Soltec code of conduct, with the aim of renewing the certification corresponding to this standard, began in January 2023 and is satisfactorily concluded at the time of writing this report.

· - Whistle-blowing channel, which allows for the communication to the audit committee of irregularitie 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 whistleblowing 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 that the irregularity is of an accounting or financial nature, the compliance body would bring this circumstance to the attention of the audit committee.
There are several internal rules that regulate the process of receiving and investigating the complaints received, which establish procedures aimed at preserving the rights of privacy, confidentiality, protection of personal data of the complainants and of the reported party.
Finally, the whistleblowing channel allows the submission of anonymous complaints from any e-mail address.

· Regular training and refresher programmes for staff involved in the preparation and review of financia information, as well as in the assessment of ICFR, covering at least accounting standards, auditing, internal control and risk management:

The Human Resources department, which reports to the Organisational Department, is responsible for 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 the preparation and review of financial information, considering as the main subjects those related to accounting, internal control and risk management. The Finance Department has a budget to allocate to training depending on the needs, regulatory changes and accounting updates that occur.
In addition, Soltec is a member of the Institute of Internal Auditors, where the members of the Internal Audit team participate in courses, sector meetings and conferences aimed at the continuous training of the team.

F.2. Risk assessment of financial information.

Report, at least, on:

F.2.1 What are the main characteristics of the risk identification process, including those of error or fraud, in terms of:

· If 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 in order to apply 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 and coherent 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, bid and project level, as well as other strategic issues related 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. This committee is made up of members of the company's 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, which will be updated every six months in 2022 to include all financial, strategic, regulatory 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 finally mitigates the risks 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 reviewed and 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 and special purpose vehicles:

The scope of consolidation 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 subject to internal authorisation processes that clearly identify all entries and exits from the scope of consolidation.

· Whether the process takes 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 view of them, designing an efficient response system aligned with the company's business objectives that is fulfilled by reviewing the risks on offer that involve the most significant risks for the company.
The risk map developed by Soltec and updated every six months allows for increased 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:

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The process of preparing financial information is the ultimate responsibility of the Board of Directors. 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:

F.3.1 Procedures for the review and authorisation of financial information and the description of the ICFR, to be published in the securities markets, indicating those responsible, as well as documentation describing the flow of activities and controls (including those relating to the risk of fraud) of the different types of transactions that 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 Board of Directors' Regulations, the Audit Committee is responsible, among others, for reviewing the annual accounts and the periodic information to be provided by the Board of Directors to the markets and their supervisory bodies, ensuring at all times that legal requirements are complied with and that generally accepted accounting principles are correctly applied in their preparation.
The Regulations also state that the Audit Committee shall meet quarterly in order to review the periodic financial information to be submitted to the stock exchange authorities, as well as the information to be approved by the Board of Directors and included in its public documentation.
The Group also maintains various accounting policies and procedures to ensure the reliability of financial information. Some of these policies are:
o Accounts Payable Procedures
o Accounts Receivable Procedure
o Accounting Manual Fixed Assets
o Accounting Manual Fixed Assets
o Leasing Manual
o Asset Impairment Handbook
o On Site Administrative Control Procedure
o Closing of accounting periods procedure
o Treasury Policy
o Collateral Management Policy
o Project Cashflow Policy
o Supplier Financial Management Procedure.
o Exchange Rate Risk Management Procedure
All matters relating to ICFR are regulated by various policies and procedures:
o ICFR Policy Soltec Group
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 in relation to the production and publication of 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 objective is to ensure 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 area obtained the ISO 27001:2013 Information Security Standard certification, which is valid for three years.

The Group has the 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 at the central offices and at any of the Group's regional offices.

F.3.3 Internal control policies and procedures to monitor the management of outsourced activities, as well as those aspects of evaluation, calculation or valuation entrusted to independent experts, which may materially affect the financial statements.

Particular concern is maintained for the 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 that regulate and ensure the contracting process and quality control of third party suppliers:
- General procurement terms and conditions Soltec
- Supplier approval procedure
- Sourcing Procedure
- On-site purchasing procedure
- Product validation procedure
Likewise, the Purchasing department maintains a series of model documents that it agrees with its suppliers, such as the NDAs that define the relationship of confidentiality in the treatment 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:

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 conflicts arising from their interpretation, maintaining fluent communication with those responsible for operations in the organisation, as well as an accounting policy manual that is updated and communicated to the units through which the entity operates.

The Finance Department, with its Administration, FP&A and Tax subdepartments, 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 act as a reference to set the guidelines for accounting records, financial statements and annual accounts.

F.4.2 Mechanisms for the capture and preparation of financial information with homogeneous formats, applicable and used 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 the entities that make up 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.

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F.5. Supervision of the operation of the system.

Report, indicating its main characteristics, at least 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 supervision of the internal control system, including ICFR. In addition, report on the scope of the ICFR assessment conducted in the year and the procedure by which the assessor reports the results of the assessment, if the entity has an action plan detailing 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 reality 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 carried out by means of the following actions:
- Periodic evaluation of the design and effectiveness of controls
- Carrying out verifications and audits, in accordance with the Audit Plan agreed for the year, where one of the significant points of the scope is the review of the implementation of ICFR controls.
- 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 identified deficiencies, creating action plans to solve them, putting in place the mechanisms for their follow-up and assigning the necessary resources for their fulfilment.
To ensure appropriate coverage of the ICFR review, an Annual Internal Audit Plan is established, approved and supervised by the Audit Committee, which includes the review of the ICFR.

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 any significant internal control weaknesses identified during the review process of the annual accounts, or other significant weaknesses in any other processes commissioned to them. It shall 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 the mitigation of each of the weaknesses 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 detected in the course of its work. Annually, 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 year 2021 was the first year of deployment and implementation of the Internal Control over Financial Reporting System for Soltec and its subsidiaries.

F.7. External auditor's report.

Report 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. If not, give the reasons.

The ICFR information described by the company has been reviewed by the external auditor who has issued the corresponding report.

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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.

In the event that a recommendation is not followed or is 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. That, when the listed company is controlled, as defined in 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 precisely 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 envisaged to resolve possible conflicts of interest that may arise.

   Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

3. That during the ordinary general meeting, as a complement to the written dissemination of the annual corporate governance report, the chairman of the board of directors verbally informs shareholders, in sufficient detail, of the most relevant aspects of the company's corporate governance and, in particular:

   a) Changes since the previous ordinary general meeting.

   b) The specific reasons why the company does not follow any of the recommendations of the Corporate Governance Code and, if they exist, the alternative rules it applies in this area.

   Complies [X] Complies partially [ ] Explain [ ]

4. The company should define and promote a policy regarding communication and contacts with shareholders and institutional investors in the context of their involvement in the company, as well as with proxy advisors, that fully respects the rules against market abuse and treats shareholders in the same position on an equal footing. The company should make this policy public on its website, including information on how it has been put into practice and identifying the interlocutors or those responsible for carrying it out.

   And, without prejudice to the legal obligations to disseminate 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) that contributes to maximising the dissemination and quality of the information available to the market, investors and other stakeholders.

   Complies [X] Complies partially [ ] 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 that 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] Complies partially [ ] Explain [ ]

6. Listed companies that prepare the reports listed below, whether mandatory or voluntary, should publish them on their website sufficiently in advance of the ordinary general meeting, even if their dissemination is not mandatory:

   a) Report on the independence of the auditor.

   b) Reports on the functioning of the audit, appointments and remunerations committees.

   c) Audit committee report on related-party transactions.

   Complies [X] Complies partially [ ] Explain [ ]

7. The company should broadcast the general shareholders meetings live on its website.

   And the company should have mechanisms that enable proxy voting and voting by telematic means and even, in the case of large cap companies and in a proportionate manner, attendance and active participation in the General Meeting.

   Complies [X] Complies partially [ ] 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 that in cases where the auditor has included a qualification in its audit report, the chairman of the audit committee shall clearly explain to the general meeting the audit committee's opinion on its content and scope, and shall make it available to shareholders at the time of publication of the call to meeting, together with the rest of the proposals and reports of the board.

   Complies [X] Complies partially [ ] 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 such requirements and procedures should be conducive to the assistance and exercise of shareholders' rights and are applied in a non-discriminatory manner.

   Complies [X] Complies partially [ ] Explain [ ]

10. That when any shareholder entitled to do so has exercised, prior to the holding of the General Shareholders Meeting, the right to complete 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 the model attendance card or proxy or remote voting form with the necessary modifications so that new items on the agenda and alternative proposals for resolutions can be voted on in 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] Complies partially [ ] Explain [ ] Not applicable [ ]

Articles 9.5, 9.6 in conjunction with Article 30. 5 sections (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 Meeting. 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 Meeting's Rules of Procedure.

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 the policy should be stable.

    Complies [ ] Complies partially [ ] 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 continuity and the maximisation of the economic value of the company.

    And in the pursuit of social 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 social 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]   Complies partially [ ]   Explain [ ]

13. The board of directors should be the necessary size to achieve an efficient and participatory operation, which makes it 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 it should:

    a) be concrete and verifiable.

    b) ensure 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]   Complies partially [ ]   Explain [ ]

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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 the number of female directors should account for at least 40% of the board members by the end of 2022 and thereafter, not being less than 30% prior thereto.

    Complies [X]   Complies partially [ ]   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 in which there is 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. The companies should publish the following information about their Directors on their website and keep this information 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 related.

    d) Date of their 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]   Complies partially [ ]   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 have been appointed have not been met.

Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

20. Proprietary directors should tender their resignation when the shareholder they represent transfers its entire shareholding. They should also present their resignation, in the corresponding number, when the said shareholder lowers his/her shares in the company to a level that requires a reduction in the number of his/her Proprietary Directors.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

21. The board of directors should not propose the removal of independent directors before the expiry of their office as mandated by the articles of association, except where just cause is found by the board, 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 incurs new obligations that prevent them from devoting the necessary time to the performance of the duties inherent to the post of director, fails to comply with the duties inherent to their post or incurs in any of the circumstances that cause them to lose their status as independent, in accordance with applicable legislation.

The removal of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate operations involving a change in 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 [ ]

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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, that could damage the credit and reputation of the company and, in particular, obliging them to inform the board of any criminal proceedings in which they are under investigation, as well as the procedural circumstances thereof.

And, having been informed of or otherwise having 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 their removal. And to report thereon in the annual corporate governance report, unless there are special circumstances that justify it, which must be recorded in the minutes. All without prejudice to the information to be disclosed by the company, if appropriate, when adopting the corresponding measures.

Complies [X]   Complies partially [ ]   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 when the board of directors adopts significant or reiterated decisions about which the director has expressed serious reservations, the director should draw the appropriate conclusions and, if they choose to resign, explain 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 they are not a director.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

24. When, either by resignation or by resolution of the general meeting, a director leaves office before the end of their term of office, they should sufficiently explain the reasons for their resignation or, in the case of non-executive directors, their views on the reasons for the removal by the board, in a letter to be sent to all members of the board of directors.

And, without prejudice to the disclosure of all this in the annual corporate governance report, insofar as it is relevant for investors, the company should publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

25. The appointments committee should ensure that non-executive directors have sufficient time available for the proper performance of their duties.

    And the board regulations should establish the maximum number of company boards on which its directors may sit.

    Complies [X] Complies partially [ ] Explain [ ]

26. The board of directors should meet with the necessary frequency to perform their duties effectively and at least eight times a year, following the schedule of dates and business established at the beginning of the year, with each director being able to propose other items on the agenda that were not initially envisaged.

    Complies [X] Complies partially [ ] Explain [ ]

27. Directors' absences should be kept to the bare minimum and quantified in the annual corporate governance report. And, when necessary, representation should be granted with instructions.

    Complies [X] Complies partially [ ] 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, they should, at the request of the person expressing them, be recorded in the minutes.

    Complies [X] Complies partially [ ] 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] Complies partially [ ] Explain [ ]

30. Regardless of the knowledge required of directors for the performance of their duties, companies should also offer directors refresher programmes when circumstances so advise.

    Complies [X] Explain [ ] Not applicable [ ]

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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 that are not on the agenda, the prior express consent of the majority of the directors present shall be required, which shall be duly recorded in the minutes.

    Complies [X] Complies partially [ ] 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] Complies partially [ ] Explain [ ]

33. As the person responsible for the smooth operation of the board of directors, and in addition to the duties assigned by law and the company's articles of association, the chairman 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 the management of the company; and be accountable for the management and effectiveness of its functioning; ensure that sufficient discussion time is devoted to strategic issues; and agree and review refresher programmes for each director, as circumstances dictate.

    Complies [X] Complies partially [ ] Explain [ ]

34. Where there is a lead director, the articles of association or board regulations should grant them the following powers in addition to those conferred by law: chair the board of directors in the absence of the chairman and vice-chairmen, if any; give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views in order to form an opinion on their concerns, particularly in relation to the company's corporate governance; and coordinate the chairman's succession plan.

    Complies [X] Complies partially [ ] 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 that are applicable to the company.

    Complies [X] Explain [ ]

36. The plenary session of the 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 of the functioning of the board of directors.

b) The functioning and composition of its committees.

c) Diversity in the composition and competences of 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 shall 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 shall be assisted in the evaluation by an external consultant, whose independence shall be verified by the appointments committee.

The business relationships that the consultant or any company in its group has with 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] Complies partially [ ] 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; and its secretary should be the secretary of the board of directors.

Complies [ ] Complies partially [ ] 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 [ ] Complies partially [ ] Explain [ ] Not applicable [X]

39. The members of the audit committee as a whole, and especially 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] Complies partially [ ] Explain [ ]

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40. Under the supervision of the audit committee, there should be an internal audit unit to ensure successful 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] Complies partially [ ] Explain [ ]

41. The head of the unit that assumes the internal audit function 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 at the end of each financial year.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

42. In addition to those provided for by law, the following functions should correspond to the audit committee:

1. In relation to information systems and internal control:

a) Supervise and assess 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, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit that assumes the internal audit function; 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) Establish and supervise 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 of any other nature, 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 in which communications can be made anonymously, respecting the rights of the whistle-blower and the reported party.

d) In general, ensure 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, examine the circumstances leading to the resignation.

b) Ensure that the external auditor's remuneration for their work does not compromise their quality or independence.

c) Supervise that the company notifies the CNMV of the change of auditor and accompanies it with a statement on the possible existence of disagreements with the outgoing auditor and, if any, their content.

d) Ensure that the external auditor holds an annual meeting with the plenary session of the board of directors to report to it on the work performed and on developments in the company's accounting and risk situation.

e) Ensure 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]   Complies partially [ ]   Explain [ ]

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43. The audit committee should be able to summon any employee or manager of the company, and even arrange for them to appear without the presence of any other manager.

Complies [X]   Complies partially [ ]   Explain [ ]

44. The audit committee should be informed of the structural and corporate modifications that the company plans to carry out for its analysis and prior report to the board of directors on their economic conditions and accounting impact and, in particular, on the proposed exchange ratio, where appropriate.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

45. The risk management and control policy should identify or determine at least:

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 the company.

d) The measures foreseen to mitigate the impact of the identified risks, should they materialise.

e) Internal control and information systems which shall be used to control and manage the foregoing risks, including the contingent liabilities or off-balance sheet risks.

Complies [X]   Complies partially [ ]   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 functions expressly attributed to it:

a) Ensure the smooth 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 participate in the development of risk strategy and major risk management decisions.

c) Ensure that risk management and control systems adequately mitigate risks within the framework of the policy defined by the board of directors.

Complies [X]   Complies partially [ ]   Explain [ ]

47. The members of the appointments and remunerations committee—or of the appointments committee and the remunerations committee, if they are separate—should be appointed with the knowledge, skills and experience appropriate to the duties they are called upon to perform, and the majority of such members should be independent directors.

Complies [X] Complies partially [ ] Explain [ ]

48. Large-cap companies should have a separate appointments committee and a separate remunerations 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 any director may request the appointments committee to consider potential candidates to fill vacancies on the board, if they consider them suitable.

Complies [X] Complies partially [ ] Explain [ ]

50. The remunerations committee should exercise its functions independently and, in addition to the functions attributed to it by law, the following functions should correspond to it:

a) Propose to the Board of Directors the basic terms and conditions of senior management contracts.

b) Verify compliance with the remuneration policy established by the company.

c) 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 of the company.

d) Ensure that any conflicts of interest do not impair the independence of the external advice given to the Commission.

e) Verify the information on directors' and senior management remuneration contained in the various corporate documents, including the annual report on directors' remuneration.

Complies [X] Complies partially [ ] Explain [ ]

51. The Remuneration Committee should consult the company's Chairman and chief executive, especially with regard to business concerning the Executive Directors and senior executives.

Complies [X] Complies partially [ ] Explain [ ]

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52. The rules for the composition and functioning of the supervisory and control committees should appear in the regulations of the board of directors and be consistent with those applicable to legally mandatory committees under the above recommendations, including:

a) They should be composed exclusively of non-executive directors, with a majority of independent directors.

b) Their chairpersons 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 plenary session of the board after their meetings and be accountable for the work performed.

d) The committees may seek external advice when they deem it necessary for the performance of their duties.

e) Minutes of their meetings shall be taken and made available to all directors.

Complies [X] Complies partially [ ] 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 specialised committee that the board of directors, in the exercise of its powers of self-organisation, has decided to set up. Such a committee should be composed solely of non-executive directors, with the majority being independent and the minimum functions set out in the following recommendation being specifically attributed.

Complies [X] Complies partially [ ] 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 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, so 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 fixed strategy and policy.

e) Monitoring and evaluation of stakeholder engagement processes.

Complies [X]   Complies partially [ ]   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 conduct

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 avoid manipulation of information and protect integrity and honour.

Complies [X]   Complies partially [ ]   Explain [ ]

56. Directors' remuneration should be sufficient to attract and retain directors of the desired length and to reward the dedication, qualification and responsibility that the post requires, but not so high as to compromise the independence of judgement of non-executive directors.

Complies [X]   Explain [ ]

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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 shares 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 confined to executive directors.

The delivery of shares as remuneration to non-executive directors may be contemplated when it is conditional upon their holding such shares until they cease to be directors. The foregoing shall not apply to shares which the director needs to dispose of, if any, in order to meet the costs related to their acquisition.

Complies [X]   Complies partially [ ]   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 the general progress of the markets or the company's sector of activity or other similar circumstances.

And, in particular, the variable components of remuneration should:

a) Be linked to performance criteria that are predetermined and measurable and these criteria should 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) Be 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 sufficient 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 [X]   Complies partially [ ]   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 it is planned 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.
As planned, the Long-Term Incentive Plan was amended in 2022 to include a non-financial criterion, namely an ESG indicator. In addition, the Incentive Plan was modified to configure a part of the short-term remuneration.

59. The payment of variable components of remuneration is subject to sufficient verification that the performance or other conditions set out above have actually been met. Entities shall include in the annual directors' remuneration report the criteria as to 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, an event occurs that makes it advisable to do so.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

In the modification made in the 2022 financial year to the Directors' Remuneration Policy, a "clawback" and "malus" clause was included, applicable to the variable share-based remuneration of the Executive Director.

60. The remuneration related to the company's results should take into account the possible exceptions included in the external auditor's report, which may reduce the said results.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

With the amendment of the Remuneration Policy approved in financial year 2022, it is established that as a necessary condition for the determination of the variable remuneration of the Executive Director, the report of the external auditors on the last calculation period, without qualifications, must be received.

61. That a relevant percentage of the variable remuneration of executive directors is linked to the delivery of shares or financial instruments referenced to their value.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

The Incentive Plan's regulations establish 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 these are isolated and duly justified cases:

- the Company does not have sufficient treasury shares to deliver Plan Shares to Participants under the Plan;
- in the event of liquidation 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 damaging for 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 applicable Spanish securities tender offer regulations, 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 Plan Shares due to such Participant under the Plan.

As a new development, a modification of the Remuneration Policy was approved in 2022 allowing for a maximum payment of EUR 30,000 in cash, and in the short term, which is deducted from the annual allocation of variable remuneration under the Long-Term Incentive Plan. This amount represents a small percentage (less than 15%) of the total annual variable remuneration of the Executive Director.

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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 shall 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 remunerations committee, to meet extraordinary situations that so require.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

Following the latest amendment to the Remuneration Policy, the delivery of the Incentive continues to be subject to a Standstill Period (both in shares and in cash), and in addition the Executive Director undertakes to maintain ownership of a number of shares, options or other financial instruments such that he maintains an economic exposure to share price changes equivalent to an amount of at least twice his annual fixed remuneration.

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 [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

Following the latest amendment to the Remunerations Policy approved in the 2022 financial year, the Board, at the proposal of the Appointments and Remunerations Committee, may approve the total or partial cancellation (malus) and/or recovery (clawback) of the Incentive, in the event that (i) the Company's financial statements are restated; (ii) the final Incentive had been calculated on the basis of data that subsequently proves to be inaccurate and results in a lower variable remuneration to be paid; (iii) for serious breach by the Executive Director of the internal regulations and policies; and (iv) if the Company suffers significant losses due to important failures in the risk management, to which wilful or grossly negligent conduct has contributed. Cancellation (malus) may be applied by the Board of Directors during the Deferral Period and clawback may be applied by the Board of Directors during the 12 months following the payment of the Scheme Shares.

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 their receipt.

    For the purposes of this recommendation, contractual termination or expiry payments should 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]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

Article 6.4.v of the remunerations 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)."

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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 more complete 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 nuance related to the previous sections of the report insofar as 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, the code shall be identified, together with the date of subscription. In particular, it shall mention whether it has subscribed to the Code of Good Tax Practices of 20 July 2010:

The company has an interest in raising its level of internal voluntary compliance. In 2022, there was an opportunity to enhance and improve the level of compliance with the recommendations and the development of corporate governance, especially by modifying the Directors' Remuneration Policy. It is the Company's wish to continue in this line of improvement and development over the coming years.

This Annual Corporate Governance Report has been adopted by the Board of Directors of the company in its session held on

27/03/2023

Indicate whether any directors voted against or abstained from voting on the approval of this report.

[ ] Yes
[√] No

A.IX. ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS

CNMV COMISIÓN NACIONAL DEL MERCADO DE VALORES

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

ISSUER IDENTIFICATION DATA

End date of the reporting period: 31/12/2022

Tax number (CIF): A05556733

Company name:

SOLTEC POWER HOLDINGS, S.A.

Registered office:

(MOLINA DE SEGURA MURCIA)

CNMV COMISIÓN NACIONAL DEL MERCADO DE VALORES

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

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.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, at least the following aspects must be reported, as a minimum:

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, transparency and proper 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 regulations of the board of directors, where the criterion of remuneration for the position of director is fixed.

The current Remunerations Policy was approved on 23 June 2022 by the General Shareholders Meeting of the Company, at the proposal of its Board of Directors, and following a report from the Appointments and Remunerations Committee. Following the amendment in financial year 2022 of the Directors' Remunerations Policy being approved by the General Shareholders Meeting in the aforementioned financial year, it will be applicable as of its approval, and in the following three financial years (2023, 2024 and 2025).

The Remuneration Policy has been prepared taking into account the significance of the Company, its economic situation, market standards for comparable companies and the dedication of the directors to the Company. The established remuneration is appropriately proportionate, contributes to the corporate strategy, to the social interests and promotes the long-term profitability and sustainability of the Company, and takes into account the conditions of remuneration and employment of the Company's employees. The Policy also incorporates 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 independence of the directors themselves.

In summary, the purpose of the Remunerations Policy is to define and control the remuneration practices of the Company in relation to its directors, contributing to the creation of value for its shareholders in a sustainable manner over the long term.

The Remunerations Policy, and its modification in the 2022 financial year, was drafted with the assistance of external advisors, specifically the law firm Uría Menéndez, who provided references on the usual practice of comparable companies.

In the exercise of its duties, the Appointments and Remuneration Committee may propose to the Board the application of temporary exceptions to the Remuneration Policy when this is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability.

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 risk and align it with the company's objectives, values and long-term interests, including, where appropriate, a reference to measures in place to ensure that the remuneration policy takes into account the long-term performance of the company, measures taken in relation to those categories of staff whose professional activities have a material impact on the risk profile of the institution and 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.

Directors' remuneration consists of two components, a fixed component and a variable component. The fixed component is determined on the basis of the responsibility, functions, and experience of each director. On the other hand, within the Board of Directors, only the Executive Director of the Company enjoys variable components in his remuneration. Their remuneration has taken into account the necessary balance between their fixed remuneration and its variable component consisting of their participation in the Long Term Incentive Plan ("LTIP").

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 component crystallised in the LTIP is based on the principles of the Remunerations 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 46% 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.

In the case of the variable remuneration of the Executive Director, the Board may approve the cancellation and/or total or partial recovery of the incentive (malus clause and clawback) in the event that (i) the Company's financial statements are restated; (ii) the Final Incentive has been calculated on the basis of data that subsequently proves to be inaccurate and results in a lower variable remuneration to be paid; (iii) for serious breach by the Executive Director of internal rules and policies; and (iv) if the Company suffers significant losses due to major failures in risk management, to which wilful or grossly negligent conduct has contributed.

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 339,000 euros.

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Until the General Shareholders Meeting determines otherwise, the maximum amount shall remain the same.

This limit does not include: (a) any salary, compensation of any nature or other payments 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 civil liability insurance taken out by the Company for its directors; and (c) any reimbursement of current expenses incurred by directors in attending meetings of the board of directors or any of its committees. However, the Company has not yet approved the Directors' per diem policy.

Since most meetings have not required travel for directors, on those occasions when travel has been necessary, the Company has directly arranged transport and accommodation for directors rather than pocketing the expense. The Board of Directors is expected to adopt its per diems policy in 2023.

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 (339,000 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.
i) Additional allowance for the secretariat of the Board of Directors: 30,000 euros.

309,000 is expected to accrue in 2023 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 or secretary of the Board).

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.

Without considering the possible modifications that may be approved by the Shareholders Meeting in the Remunerations Policy, the Executive Director shall earn the fixed amount of €190,038

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.

The only member of the Board of Directors who receives remuneration in kind is the Chief Executive Officer. The following amounts are expected to accrue in 2023 for the following items:

- Company car €20,530.44
- Life insurance 2,209.90 €
- Pension plan €7,905.46
- Health 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, an explanation of the extent to which such parameters relate to the performance of the director, the entity and its risk profile, and the methodology, timeframe and techniques for determining, at the end of the financial year, the actual 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 to verify that the performance or other conditions to which the accrual and vesting 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 Long-Term Incentive Plan (LTIP) is established as a variable remuneration system based on shares and cash which includes as beneficiaries certain executives of the Company and the Executive Director. The Incentive Plan comprises a short-term cash component and a long-term share-based component. For the collection of these variable components, it is necessary to verify the fulfilment of the individual objectives of the participant, on the one hand, and the general objectives of the LTIP, established for all the participants of the Plan, on the other. Both types of targets are set on an annual basis. Specifically, the general targets of the LTIP consist of: a target linked to consolidated EBITDA (25% weight), a target linked to shareholder return (50%) and a target linked to an ESG indicator (25%). The thresholds for each target are fixed annually.

Within the Board of Directors, only the Chief Executive Officer is a beneficiary of this plan.

The short-term component was included as a new element in the modification of the Remunerations Policy in 2022. In order to include a short-term remuneration component without increasing the total wage bill, it was decided to take a part of the total annual allocation from the Long-Term Incentive Plan and allow for its payment in cash and in the short term. Thus, the Executive Director, subject to the achievement of objectives, may receive up to a maximum of €30,000 annually and in cash, while the remaining amount of his annual allocation (€198,764) accrues as part of the long-term incentive and can only be paid in shares of the Company and within the terms established by the Plan.

In order to proceed with the payment of the short-term component, the Appointments and Remunerations Committee must monitor compliance with the individual and LTIP targets and, in the event of a favourable report, may submit to the Board the proposal to proceed with the payment of the short-term variable component, all of this once the annual accounts for the financial year 2023 have been closed and the external auditor's report has been received.
The characteristics of the scheme are set out in more detail in section B.

With regard to the long-term component, the second Vesting Period of the Plan starts in 2023, which includes the 2023 and 2024 Calculation Periods. Therefore, the executive director will not be able to vest in the long-term remuneration until the end of the vesting period at the end of 2024.
This vesting period is supplemented by an additional grace period of one year before payment. Thus, the amounts accrued in 2023 for the long-term equity component cannot be paid out until January 2026, once the verification process described above for the short-term component has been completed.

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
o Policyholder: Soltec Power Holdings
o Insured Party: CEO
o Duration: From 00:00 hours on 24/3/2021 until the death of the Insured or until the Policyholder decides to terminate the contract

o Risk and sums insured:
- 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.
- In the event of the death of the Insured Party, and provided that this occurs before the policyholder decides to terminate the contract, Allianz Seguros shall pay the designated Beneficiaries the

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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.
o 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.
o 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.
o Under the policy, the policy is not linked to the achievement of certain performance-related targets or parameters related to the director's performance in the short or long term.
o Total capital contributed by SPH during 2022: €7,905.46
o 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:

1)Minimum tenure commitment: 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 through the Spanish Stock Exchange Interconnection System (SIBE). In this respect, if the Executive Director terminates his Contract with the Company without just cause before the end of the minimum term of office, the Company shall be entitled to receive from him a compensation equivalent to the gross remuneration to which the Executive Director would have been entitled to receive during the remaining time of the minimum term of office.
In the event that before the end of the minimum term of office the Executive Director is removed as Chief Executive Officer of the Company or his contract is terminated by the Company, the Executive Director shall be entitled to receive compensation equivalent to the fixed gross remuneration that he would have been entitled to receive during the remaining term of office, 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.
2) Causes for termination and compensation: the CEO's contract may be terminated for the following reasons: (i) by mutual agreement; (ii) by unilateral decision of the Executive Director with three months' notice, under penalty of compensating the Company, in the event of non-compliance, with an amount equivalent to his fixed remuneration for the current year corresponding to the period of notice not given; (iii) at the free will of the Company for any reason, including those established in the Articles of Association, without it being related to a serious or culpable breach of the duties of the Executive Director; (iv) decision of the Company as a consequence of serious wilful and culpable conduct in the exercise of the Executive Director's duties; and (v) structural modification 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.

The contract of each director shall have the following specifications:
(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 190,828 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: The Chief Executive Officer shall be entitled to receive the following items as 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 an Executive Director terminates his or her Executive Director's employment with the Company without just cause before the end of the minimum term of office, the Company shall be entitled to receive from the Executive Director compensation equal to the gross fixed remuneration to which the Executive Director would have been entitled to receive for the remainder of the minimum term of office.
In the event that before the end of the minimum term of office the Executive Director is removed as Chief Executive Officer of the Company or his contract is terminated by the Company, the Executive Director shall be entitled to receive compensation equivalent to the fixed gross remuneration that he would have been entitled to receive during the remaining term of office, 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.
However, this exclusivity commitment shall not prevent the Chief Executive Officer from (a) continuing to serve as a non-executive director of Soltec Development, S.A.U., (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 to perform the relevant functions in those companies, provided that none of the foregoing (i) interferes with the Chief Executive Officer's responsibilities to the Company, nor (ii) involves a breach of the Chief Executive Officer's 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 Executive Director with three months' notice, under penalty of compensating the Company, in the event of non-compliance, with an amount equivalent to his fixed remuneration for the current year corresponding to the period of notice not given; (iii) at the free will of the Company for any reason, including those established in the Articles of Association, without it being related to a serious or culpable breach of the duties of the Executive Director; (iv) decision of the Company as a consequence of a serious wilful and culpable conduct in the exercise of the Executive Director's duties; and (v) structural modification 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).
(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 the Company.
(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.

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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.

The Ordinary Shareholders Meeting held in 2022 approved a modification to the Remunerations Policy which included the following changes:

-The objectives applicable to the Long-Term Remuneration Plan, of which the Chief Executive Officer is a beneficiary, were modified in order to include in his variable remuneration a non-financial criterion linked to the sustainability of the company. Specifically, the "Free Cash Flow" criterion was replaced by the "ESG Indicator" criterion, with a weight of 25%.
-Meanwhile, a short-term component was included, with a maximum amount equal to €30,000, payable annually in cash upon verification of the fulfilment of the Plan's individual and general objectives. This amount is deducted from the total amount allocated under the plan to each participant, so it is not an increase in the total remuneration, but a partial shift from the long term to the short term.
All these modifications were adopted in 2022 and have been applicable since then.

At the date of writing this report, the Board of Directors is considering a number of proposals for modification of the remuneration policy, but these have not yet been approved by the Board of Directors.

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/2022/05/14.-Politica-de-Remuneraciones-de-los-Consejeros-2022-2025.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, almost in its entirety, by 99.1795% of the votes cast by the shareholders.

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 sections 5 and 6 of the Remunerations Policy, which was approved by resolution of the Shareholders Meeting of 23 June 2022. In these articles, the amounts corresponding to the following remuneration items are established: board membership, committee membership, committee chairmanship, coordinating director and secretary of the Board, in addition to the fixed and variable components of the Executive Director. The fixed amounts in section C have been determined by direct application of sections 5 and 6 of the remuneration policy, with each Director being paid the amounts set out therein. In the case of fixed amounts, it has not been necessary for the NRC, the board or external advisors to be involved in their determination.
With regard to the variable amounts, and given that in 2022 the First Vesting Period of the Incentive Plan of which the Executive Director is the sole beneficiary director ended, it is necessary to proceed to the settlement and payment of the amounts due.
To this end, the first step is to monitor the achievement of the CEO's individual objectives and to evaluate his performance. Subsequently, the degree to which the LTIP's performance targets are met is monitored. This results in the amount to be paid: the short-term cash component has a grace period of 120 days, so it can be paid from the second day of

May 2023. With regard to the long-term amounts in shares, they may be paid out after a grace period of one year, on 2 January 2024.
As of the date of this report, it has been determined that the amount accrued by the Executive Director, based on the achievement of objectives, corresponds to 31.25% of his maximum allowance for the first vesting period, resulting in an aggregate amount of €142,977.50. Of this amount, the short-term component of €30,000 is to be paid in cash, after the 120-day grace period and following receipt of an unqualified external auditor's report.
The remaining amount of €112,977.50 is to be paid in shares at a price per share of €4.82, resulting in 24,439 shares, to be delivered after the vesting period on 2 January 2024.
All this control of compliance with objectives and settlement has been carried out in accordance with the provisions of the remuneration policy, firstly through a report prepared by the Chief Financial Officer, Director of Organisation and Director of Strategy, which is submitted to the Appointments and Remunerations Committee. Following a favourable report from the ARC, the control of compliance with objectives and the liquidation proposal is submitted to the Board of Directors for approval.

B.1.2 Explain any deviations from the established procedure for the application of the remuneration policy that occurred during the financial year.

As the Company is in the process of implementing the procedure, at the date of writing this report, there have been no deviations in the application of the Remunerations Policy.

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.

No temporary exception to the remunerations policy has been applied.

B.2. Explain the various 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 objectives, values and long-term interests, including a reference to the measures that have been taken to ensure that accrued remuneration has addressed the long-term performance of the company and achieved an appropriate balance between the 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 risk profile of the entity, and what measures have been taken to avoid conflicts of interest, if any.

The main measures taken by the Company in 2022 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 2022, the Board of Directors set the annual targets for 2022. 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 generate 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 in 2022 the Remunerations Policy was modified to include a non-financial criterion in the variable remuneration of the Executive Director, replacing the previous criterion of "Free Cash Flow". With this modification, the company aims to value not only its financial performance, but also its contribution to sustainability, in full compliance with its mission, vision and values.
A short-term remuneration component was also included as explained in previous sections, with the aim of contributing to a more balanced remuneration between short- and long-term components, as prior to the modification the Executive Director had no short-term variable remuneration components.

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.

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In addition, the rule is maintained whereby the only Director beneficiary of the Incentive Plan is the Executive Director, and the rest of the Directors do not include variable items in their remuneration.

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 Remunerations Policy, the Board of Directors has decided on the following amounts to be paid to its members as a fixed annual allowance:
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.
i) Additional allowance for the secretariat of the Board of Directors: 30,000 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 (LTIP). As explained in the previous section, only the executive director receives variable remuneration, based on the requirements explained in previous sections, and taking into account the ESG rating amendment that replaces the free cash flow requirement for 2021. On 2 January 2023, the first vesting period of the plan ended and the plan was wound up for all participants, including the executive director.
In 2021, the degree of compliance with the Total Shareholder Return, Adjusted Ebitda and Free Cash Flow targets was 0% for all of them.
In 2022, the following level of achievement has been reached:
-Objective profitability for shareholders: 0%
-EBITDA target: 192%
-ESG target indicator: 190%
Subsequently, the arithmetic average between the achievement rates of each objective in each year must be calculated, and the results obtained must be applied to an allocation rate defined in the Incentive Plan.
These operations must then be applied to the following formula:
Overall Allocation Rate = (50% x "Total Shareholder Return Allocation Rate") + (25% x "Adjusted EBITDA Allocation Rate") + (25% x "ESG Rating Allocation Rate")
After the corresponding calculations, the following result is obtained:
(50% x 0% +25% x 75% + 25% x 50%)= 0 + 18.75% + 12.5% = 31.25% = Overall Allocation Rate
The flat-rate allocation rate should be applied to the maximum amount to be received by each participant during the two-year vesting period.

In the case of the Executive Director, this calculation gives the result as explained in section B1.1 above.
As can be seen, the non-achievement of targets in 2021 has considerably reduced the remuneration to be received by the Executive Director and other company personnel beneficiary of the plan. This reduction has been partially offset by the good results in 2022, as well as by meeting ESG targets.

The modifications made to the remuneration policy in 2022 allow for a better balance between short- and long-term variable remuneration of the Executive Director, favouring positive results in the short term but also contributing to value creation in the long term, all of this derived from the varied remuneration mix of the Executive Director. The inclusion of a non-financial criterion also contributes to the company's sustainable growth and long-term value creation.

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	67,577,004	73.95

	Number	% of issued
Votes against	554,473	0.82
Votes for	67,022,531	99.18
Blank votes		0.00
Abstentions		0.00

Observations

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.

Thus, in application of the above, the salaries accrued and consolidated by the executive director during the 2022 financial year amounted to 190,828 euros in concept of fixed salary, 7,905.46 euros in concept of pension plan contribution, 2,209.90 euros in concept of life insurance premium, 666.96 euros for health insurance and 20,530.44 euros for the company car.

With regard to the variable amounts, and given that in 2022 the First Vesting Period of the Incentive Plan of which the Executive Director is the sole beneficiary director ended, it is necessary to proceed to the settlement and payment of the amounts due.
To this end, the first step is to monitor the achievement of the CEO's individual objectives and to evaluate his performance. Subsequently, the degree to which the LTIP's performance targets are met is monitored. This results in the amount to be paid: the short-term cash component has a grace period of 120 days and can therefore be paid from 2 May 2023. With regard to the long-term amounts in shares, they may be paid out after a grace period of one year, on 2 January 2024.
As of the date of this report, it has been determined that the amount accrued by the Executive Director, based on the achievement of objectives, corresponds to 31.25% of his maximum allowance for the first vesting period, resulting in an aggregate amount of €142,977.50. Of this amount, the short-term component of €30,000 is to be paid in cash, after the 120-day grace period and following receipt of an unqualified external auditor's report.
The remaining amount of €112,977.50 is to be paid in shares at a price per share of €4.82, resulting in 24,439 shares, to be delivered after the vesting period on 2 January 2024.
All this control of compliance with objectives and settlement has been carried out in accordance with the provisions of the remuneration policy, firstly through a report prepared by the Chief Financial Officer, Director of Organisation and Director of Strategy, which is submitted to the Board of Directors

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Appointments and Remunerations Committee. Following a favourable report from the NRC, the control of compliance with objectives and the liquidation proposal is submitted to the Board of Directors for approval.

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:

New in 2022, the remuneration policy introduced a short-term incentive for the Executive Director under the LTIP.
Only the CEO receives variable components in his/her remuneration. The short-term variable remuneration of the Executive Director will be paid in cash, based on professional performance and the achievement of pre-determined objectives in a manner that assesses the creation of value for the Company.
In order to incentivise the achievement of the financial objectives and the alignment of long-term interests of the Executive Director, senior management and key employees of the Company, the Executive Director is allowed to participate as a beneficiary in the long-term incentive plans implemented by the Company. Variable remuneration is based on the principles of the Remunerations Policy and will take into account the elements described below.

In particular, the Executive Director may participate in the Company's Long-Term Incentive Plan (hereinafter the "Incentive Plan"), the purpose of which is to retain, compensate and motivate participants and enable them to be part of the Company's value creation through the possibility of receiving, where applicable, a cash amount and a number of Soltec Power shares (the "Plan Shares"), subject to the achievement of certain objectives and to the beneficiary remaining with the Company.
The Board of Directors approved the allocation of a maximum total financial amount of the Incentive for the entire Incentive Plan (the "Incentive"), which takes the form of an annual allocation for each year of validity. In this respect, the CEO is entitled to receive a cash amount and a number of shares in the Company under the Incentive Plan. The number of shares will be calculated on the basis of converting the reference cash amount into ordinary shares of the Company at the price of the subscription offer prior to the admission to trading of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges in October 2020. This price was 4.82 euros per share.

The maximum incentive that could accrue to the Executive Director during the entire Incentive Plan will amount to 915,056 euros (four annuities of 228,764 euros), of which up to a maximum of 30% of this amount (with a ceiling of 30,000 euros per year) could be received in cash annually, constituting the short-term variable.

The Incentive Scheme came into force on 1 January 2021 and will run for four years. Three Vesting Periods are established:
•The first Vesting Period will begin on 1 January 2021 and finalise on 2 January 2023. The Incentive that may be granted to the Executive Director at the end of this Vesting Period shall not exceed 42.5% of the Incentive to which he is entitled (with the proportion of the Short-Term Incentive settled in cash not exceeding 7.5% of the Incentive and not exceeding €30,000).
•The second Vesting Period shall begin on 3 January 2023 and end on 4 January 2024. The Incentive that may be granted to the CEO at the end of this Vesting Period, which shall be settled entirely in cash, shall not exceed 7.5% of the Incentive to which he/she is entitled, and with a cap of 30,000 euros.
•The third Vesting Period shall begin on 3 January 2023 and will end on 4 January 2025. The Incentive that may be granted to the CEO at the end of this Vesting Period shall not exceed 42.5% of the Incentive to which he/she is entitled (with the proportion of the Incentive settled in cash not exceeding 7.5% of the Incentive and not exceeding EUR 30,000).
The Incentive shall only vest when the vesting conditions and criteria are met at the expiration of each Vesting Period, which shall be (i) the participant's condition of continued employment, and (ii)
performance conditions: (a) the Executive Director achieves a minimum rating of 3.5 in the performance appraisal conducted in each Performance Period (the "Performance Appraisal"); (b)
the Executive Director achieves 75% of the annual individual and area targets set for each Vesting Period under the "Target-Based Appraisal"; and (c)
the annual achievement of three performance criteria: "Total Shareholder Return", "Adjusted EBITDA" and the "ESG Indicator".
The final Incentive to be paid to the Executive Director at the end of each Vesting Period shall be:
•Zero if he/she does not pass the Performance Appraisal or the Target-Based Appraisal;
•Equal to the maximum allocation that may be granted during such Vesting Period, multiplied by an Overall Allocation Rate, equal to the weighted average of the "Total Shareholder Return Allocation Rate" (50%), the "Adjusted EBITDA Allocation Rate" (25%) and the "ESG Allocation Rate" (25%), the definition of which is drawn up in the Incentive Plan, and calculated annually on the basis of Total Shareholder Return, Adjusted EBITDA, and the ESG Indicator fixed by the Board of Directors, respectively. The Incentive Plan establishes for each indicator, a minimum threshold of 85% below which the Incentive Plan will not vest in respect of that criterion, a level corresponding to a performance of 85 to 95% (not included), 95 to 100% (not included), 100 to 110% (not included), and a level corresponding to a maximum performance equal to or greater than 110%. For the ESG Indicator, performance is consolidated at a level of 85 to 100% (not included).

Rules concerning variable cash remuneration
In each Vesting Period, a maximum of 7.5% of the Incentive may be accrued with a cap of 30,000 euros as annual variable remuneration to be paid in cash (the "Cash Incentive"). For the purpose of
clarification, the amount of the Incentive which, where applicable, exceeds said ceiling of 30,000 up to 7.5% of the Incentive will form part of the Incentive to be delivered in Plan Shares at the end of the corresponding Vesting Period. The Cash Incentive Grace Period shall be 120 days from the end of each Vesting Period.

Explain the long-term variable components of remuneration systems:

Only the CEO receives variable components in his remuneration. The variable remuneration of the CEO will be paid partly in cash (annual variable) or through the delivery of shares (multi-year variable), depending on professional performance and the achievement of pre-set targets in order to assess the creation of value for the Company.
In order to incentivise the achievement of the financial objectives and the alignment of long-term interests of the Executive Director, senior management and key employees of the Company, the Executive Director is allowed to participate as a beneficiary in the long-term incentive plans implemented by the Company. Variable remuneration is based on the principles of the Remuneration Policy described above and will take into account the elements described below.
In particular, the Executive Director may participate in the Company's Long-Term Incentive Plan (hereinafter the "Incentive Plan"), the purpose of which is to retain, compensate and motivate participants and enable them to be part of the Company's value creation through the possibility of receiving, where applicable, a cash amount and a number of Soltec Power shares (the "Plan Shares"), subject to the achievement of certain objectives and to the beneficiary remaining with the Company.
The Board of Directors approved the allocation of a maximum total financial amount of the Incentive for the entire Incentive Plan (the "Incentive"), which takes the form of an annual allocation for each year of validity. In this respect, the CEO is entitled to receive a cash amount and a number of shares in the Company under the Incentive Plan. The number of shares will be calculated on the basis of converting the reference cash amount into ordinary shares of the Company at the price of the subscription offer prior to the admission to trading of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges in October 2020. This price was 4.82 euros per share.
The maximum Incentive that may accrue to the CEO during the entire Incentive Plan will amount to 915,056 euros (four annual payments of 228,764 euros), of which up to a maximum of 30% of said amount (with a ceiling of 30,000 per annum) may be received in cash and up to a maximum of not less than 70% of such amount (which may be increased by the portion of the cash amount in any of the three annual vesting periods in excess of such limit of 30,000 euros per annum) may be received in Soltec Power shares. In view of the foregoing, the Executive Director may receive a maximum of 120.35% of his total fixed remuneration during the term of the Incentive Plan as annual variable remuneration (in cash) and multi-year variable remuneration (in shares), assuming a market value for the Soltec Power shares delivered to the Executive Director equivalent to the price set in the public offer for subscription and sale prior to the IPO.

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The Incentive Scheme came into force on 1 January 2021 and will run for four years. Three Vesting Periods are established:
•The first Vesting Period shall begin on 1 January 2021 and end on 2 January 2023. The Incentive that may be granted to the CEO at the end of this Vesting Period shall not exceed 42.5% of the Incentive to which he/she is entitled (with the proportion of the Incentive settled in cash not exceeding 7.5% of the Incentive and not exceeding EUR 30,000).
•The second Vesting Period shall begin on 3 January 2023 and end on 4 January 2024. The Incentive that may be granted to the CEO at the end of this Vesting Period, which shall be settled entirely in cash, shall not exceed 7.5% of the Incentive to which he/she is entitled, and with a cap of 30,000 euros.
•The third Vesting Period shall begin on 3 January 2023 and will end on 4 January 2025. The Incentive that may be granted to the CEO at the end of this Vesting Period shall not exceed 42.5% of the Incentive to which he/she is entitled (with the proportion of the Incentive settled in cash not exceeding 7.5% of the Incentive and not exceeding EUR 30,000).
The Incentive shall only vest when the vesting conditions and criteria are met at the expiry of each Vesting Period, which shall be (i) the participant's employment tenure status, and (ii) the performance conditions: (a) the Executive Director achieves a minimum rating of 3.5 in the performance appraisal conducted in each Performance Period (the "Performance Appraisal"); (b) the Executive Director achieves 75% of the annual individual and area targets set in each Performance Period under the "Target-Based Appraisal"; and (c) the annual achievement of three performance criteria: "Total Shareholder Return", "Adjusted EBITDA" and "ESG Indicator".

The final Incentive to be paid to the Executive Director at the end of each Vesting Period shall be:
•Zero if he/she does not pass the Performance Appraisal or the Target-Based Appraisal;
•Equal to the maximum allocation that may be granted during such Vesting Period, multiplied by an Overall Allocation Rate, equal to the weighted average of the "Total Shareholder Return Allocation Rate" (50%), the "Adjusted EBITDA Allocation Rate" (25%) and the "ESG Allocation Rate" (25%), the definition of which is drawn up in the Incentive Plan, and calculated annually on the basis of Total Shareholder Return, Adjusted EBITDA, and the ESG Indicator fixed by the Board of Directors, respectively. The Incentive Plan establishes for each indicator, a minimum threshold of 85% below which the Incentive Plan will not vest in respect of that criterion, a level corresponding to a performance of 85 to 95% (not included), 95 to 100% (not included), 100 to 110% (not included), and a level corresponding to a maximum performance equal to or greater than 110%. For the ESG Indicator, performance is consolidated at a level of 85 to 100% (not included).
At the proposal of the Appointments and Remunerations Committee, the Board may also approve the total or partial cancellation (malus) and/or recovery (clawback) of the Incentive, in the event that (i) the Company's financial statements are restated; (ii) the final Incentive has been calculated on the basis of data that has subsequently proved to be inaccurate and the result is a lower variable remuneration due; (iii) for serious breach of internal rules and policies by the Executive Director; and (iv) if the Company suffers significant losses that are due to material failures in risk management, to which wilful or grossly negligent conduct has contributed. Cancellation (malus) may be applied by the Board of Directors during the Deferral Period and clawback may be applied by the Board of Directors during the 12 months following the payment of the Scheme Shares.

Rules on variable share-based remuneration
The maximum number of Incentive Shares that may be allocated to the CEO under the Incentive Plan will be 138,292 shares, of which 69,146 shares will vest in the First Vesting Period and 69,146 shares will vest in the Third Vesting Period. Such numbers of shares may be higher if they are to be converted into shares at the price of the offer for subscription and sale of shares prior to the IPO of Soltec Power and to settle in shares the excess of one or more annuities of the Cash Incentive over the limit of EUR 30,000 per annum eligible for cash settlement.
Delivery of the Final Incentive will generally occur 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 CEO undertakes to maintain ownership (directly or indirectly through subsidiaries) of a number of shares, options or other financial instruments corresponding to the remuneration systems such that he maintains an economic exposure to changes in the price of the Company's shares equivalent to at least twice his annual fixed remuneration.

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 schemes whose amount or equivalent annual cost is shown in the tables in Section C, including retirement and any other survivor's benefits, which are partly or wholly funded by the company, whether funded internally or externally, 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 their compatibility with any kind of compensation for early termination or expiry of the contractual relationship between the company and the director.

•Main features
o Policyholder: Soltec Power Holdings
o Insured Party: CEO
o Duration: From 00:00 hours on 24/3/2021 until the death of the Insured or until the Policyholder decides to terminate the contract

o Risk and sums insured:
- 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.
- In the event of the death of the Insured Party, and provided that this occurs before the policyholder decides to terminate the contract, Allianz Seguros will pay to 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 shares in the policy funds will be increased by €300.
o 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 coincide with 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 selected funds, without penalties.
o 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.
o Under the policy, the policy is not linked to the achievement of certain performance-related targets or parameters related to the director's performance in the short or long term.
o Total capital contributed by SPH during 2022: €7,905.46
o 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 at the will 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 terms of any new contracts signed with executive directors during the year, unless explained in section A.1.

Not anticipated.

B.12. Explain any additional remuneration accrued to directors in consideration for services rendered other than those inherent to their position.

Not anticipated.

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.

Not anticipated.

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 2022 for the following items:

- Company car €20,530.44
- Life insurance €2,209.90
- Pension plan €7,905.46
- Health 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 anticipated.

B.16. Explain and detail 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 anticipated.

C. DETAILS OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH DIRECTOR

Name	Type	Vesting period 2022
Mr FERNANDO CABALLERO DE LA SEN	Coordinating Director	From 01/01/2022 to 31/12/2022
Mr JOSÉ FRANCISCO MORALES TORRES	Proprietary Director	From 01/01/2022 to 31/12/2022
Mr MARCOS SÁEZ NICOLÁS	Proprietary Director	From 01/01/2022 to 31/12/2022
Ms MARÍA SICILIA SALVADORES	Independent Director	From 01/01/2022 to 31/12/2022
Ms MARINA MORENO DÓLERA	Proprietary Director	From 01/01/2022 to 31/12/2022
Ms NURIA ALIÑO PÉREZ	Independent Director	From 01/01/2022 to 31/12/2022
Mr RAÚL MORALES TORRES	Executive Director	From 01/01/2022 to 31/12/2022

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 2022	Total financial year 2021
Mr FERNANDO CABALLERO DE LA SEN	40		40						80	80
Mr JOSÉ FRANCISCO MORALES TORRES	30		5						35	35
Mr MARCOS SÁEZ NICOLÁS	30								30	30
Ms MARÍA SICILIA SALVADORES	30		38						68	68
Ms MARINA MORENO DÓLERA	30		3						33	33

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 2022	Total financial year 2021
Ms NURIA ALIÑO PÉREZ	30		33						63	63
Mr RAÚL MORALES TORRES				191	30				221	190

Observations

The amounts indicated in the short and long-term variable remuneration of the Executive Director are estimates and have not yet been paid and have not yet been subject to the relevant checks and approvals at the date of preparation of this report.

ii) Table of movements of share-based remuneration schemes and gross benefits from consolidated shares or financial instruments.

Name	Name of Plan	Financial instruments at start of year 2022		Financial instruments granted during year 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2022	
		No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. Equivalent shares
Mr FERNANDO CABALLERO DE LA SEN	Plan							0.00				
Mr JOSÉ FRANCISCO MORALES TORRES	Plan	8,298						0.00			21,948	
Mr MARCOS SÁEZ NICOLÁS	Plan	4,149						0.00			4,149	
Ms MARÍA SICILIA SALVADORES	Plan							0.00				
Ms MARINA MORENO DÓLERA	Plan							0.00				

Name	Name of Plan	Financial instruments at start of year 2022		Financial instruments granted during year 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2022	
		No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. Equivalent shares
Ms NURIA ALIÑO PÉREZ	Plan							0.00				
Mr RAÚL MORALES TORRES	LTIP	17,903,520				23,439	23,439	4.27	100		18,054,959	23,439

Observations

In the case of the Executive Director's share-based remuneration, the data we provide includes the shares vested during the 2022 financial year. However, as the delivery of the shares is subject to a one-year grace period, the actual delivery will not take place until January 2024. The price per share shown in this section corresponds to the market price on the vesting date; however, the actual delivery of the shares is based on the IPO price of €4.82/share.

iii) Long-term savings schemes.

Name	Remuneration from vesting of rights to savings schemes
Mr FERNANDO CABALLERO DE LA SEN	
Mr JOSÉ FRANCISCO MORALES TORRES	
Mr MARCOS SÁEZ NICOLÁS	
Ms MARÍA SICILIA SALVADORES	
Ms MARINA MORENO DÓLERA	
Ms NURIA ALIÑO PÉREZ	

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Name	Remuneration from vesting of rights to savings schemes
Mr RAÚL MORALES TORRES	8

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	Financial year 2022	2021	Financial year 2022	2021	Financial year 2022	2021	Financial year 2022	2021
Mr FERNANDO CABALLERO DE LA SEN								
Mr JOSÉ FRANCISCO MORALES TORRES								
Mr MARCOS SÁEZ NICOLÁS								
Ms MARÍA SICILIA SALVADORES								
Ms MARINA MORENO DÓLERA								
Ms NURIA ALIÑO PÉREZ								
Mr RAÚL MORALES TORRES			8	7			15	7

Observations

iv) Details of other items

Name	Concept	Amount of remuneration
Mr FERNANDO CABALLERO DE LA SEN	Concept	
Mr JOSÉ FRANCISCO MORALES TORRES	Concept	
Mr MARCOS SÁEZ NICOLÁS	Concept	
Ms MARÍA SICILIA SALVADORES	Concept	
Ms MARINA MORENO DÓLERA	Concept	
Ms NURIA ALIÑO PÉREZ	Concept	
Mr RAÚL MORALES TORRES	Company car, life insurance and medical insurance	23

Observations

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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 2022	Total financial year 2021
Mr FERNANDO CABALLERO DE LA SEN										
Mr JOSÉ FRANCISCO MORALES TORRES										
Mr MARCOS SÁEZ NICOLÁS										

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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 2022	Total financial year 2021
Ms MARÍA SICILIA SALVADORES										
Ms MARINA MORENO DÓLERA										
Ms NURIA ALIÑO PÉREZ										
Mr RAÚL MORALES TORRES										

Observations

[ ]

ii) Table of movements of share-based remuneration schemes and gross benefits from consolidated shares or financial instruments.

Name	Name of Plan	Financial instruments at start of year 2022		Financial instruments granted during year 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2022	
		No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. Equivalent shares
Mr FERNANDO CABALLERO DE LA SEN	Plan							0.00				

Name	Name of Plan	Financial instruments at start of year 2022		Financial instruments granted during year 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year 2022	
		No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. Equivalent shares
Mr JOSÉ FRANCISCO MORALES TORRES	Plan							0.00				
Mr MARCOS SÁEZ NICOLÁS	Plan							0.00				
Ms MARÍA SICILIA SALVADORES	Plan							0.00				
Ms MARINA MORENO DÓLERA	Plan							0.00				
Ms NURIA ALIÑO PÉREZ	Plan							0.00				
Mr RAÚL MORALES TORRES	Plan							0.00				

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iii) Long-term savings schemes.

Name	Remuneration from vesting of rights to savings schemes
Mr FERNANDO CABALLERO DE LA SEN	
Mr JOSÉ FRANCISCO MORALES TORRES	
Mr MARCOS SÁEZ NICOLÁS	
Ms MARÍA SICILIA SALVADORES	
Ms MARINA MORENO DÓLERA	
Ms NURIA ALIÑO PÉREZ	
Mr RAÚL MORALES TORRES	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	Financial year 2022	2021	Financial year 2022	2021	Financial year 2022	2021	Financial year 2022	2021
Mr FERNANDO CABALLERO DE LA SEN								
Mr JOSÉ FRANCISCO MORALES TORRES								
Mr MARCOS SÁEZ NICOLÁS								
Ms MARÍA SICILIA SALVADORES								
Ms MARINA MORENO DÓLERA								

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	Financial year 2022	2021	Financial year 2022	2021	Financial year 2022	2021	Financial year 2022	2021
Ms NURIA ALIÑO PÉREZ								
Mr RAÚL MORALES TORRES								

Observations

iv) Details of other items

Name	Concept	Amount of remuneration
Mr FERNANDO CABALLERO DE LA SEN	Concept	
Mr JOSÉ FRANCISCO MORALES TORRES	Concept	
Mr MARCOS SÁEZ NICOLÁS	Concept	
Ms MARÍA SICILIA SALVADORES	Concept	
Ms MARINA MORENO DÓLERA	Concept	
Ms NURIA ALIÑO PÉREZ	Concept	
Mr RAÚL MORALES TORRES	Concept	

CNMV COMISIÓN NACIONAL DEL MERCADO DE VALORES
ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

Observations

c) Summary of remuneration (thousands of euros):
This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					
	Total Cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2022, company	Total Cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2022, group	Total in year 2022, company+group
Mr FERNANDO CABALLERO DE LA SEN	80				80						80
Mr JOSÉ FRANCISCO MORALES TORRES	35				35						35
Mr MARCOS SÁEZ NICOLÁS	30				30						30
Ms MARÍA SICILIA SALVADORES	68				68						68
Ms MARINA MORENO DÓLERA	33				33						33
Ms NURIA ALIÑO PÉREZ	63				63						63

Name	Remuneration accruing in the Company: Total Cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2022, company	Remuneration accruing in group companies: Total Cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year 2022, group	Total in year 2022, company+group
Mr RAÚL MORALES TORRES	221	100	8	23	352						352
TOTAL	530	100	8	23	661						661

Observations

The amounts indicated for the Executive Director include the estimated variable remuneration accrued in the financial year 2022. This is only an estimate subject to possible changes, as at the date of writing of the report, the checks and authorisations to be issued by the Appointments and Remunerations Committee and the Board of Directors have not yet been carried out.

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 variation: Financial year 2022	% Variation 2022/2021	2021	% Change 2021/2020	2020	% Change 2020/2019	Financial year 2019	% Change 2019/2018	Financial year 2018
Executive directors									
Mr RAÚL MORALES TORRES	365	67.43	218	19.13	183	0.00	183	-	0
External directors									

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

	Total amounts accrued and % annual variation: Financial year 2022	% Variation 2022/2021	2021	% Change 2021/2020	2020	% Change 2020/2019	Financial year 2019	% Change 2019/2018	Financial year 2018
Mr FERNANDO CABALLERO DE LA SEN	80,000	0.00	80,000	344.44	18,000	-	0	-	0
Mr JOSÉ FRANCISCO MORALES TORRES	35,000	0.00	35,000	337.50	8,000	-	0	-	0
Mr MARCOS SÁEZ NICOLÁS	30,000	0.00	30,000	328.57	7,000	-	0	-	0
Ms MARÍA SICILIA SALVADORES	68,000	0.00	68,000	353.33	15,000	-	0	-	0
Ms MARINA MORENO DÓLERA	33,000	0.00	33,000	371.43	7,000	-	0	-	0
Ms NURIA ALIÑO PÉREZ	63,000	0.00	63,000	350.00	14,000	-	0	-	0
Average remuneration of employees									
	16,495	-18.54	20,250	-	0	-	0	-	0

Observations

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. Average employee remuneration data includes the consolidated average remuneration at the global level, including all foreign subsidiaries.

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.

This annual remuneration report was approved by the board of directors of the company at its meeting held on this date:

27/03/2023

Indicate whether any directors voted against or abstained from voting on the approval of this report.

[ ] Yes
[√] No

A.X. VERIFICATION REPORT

EY
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INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

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

To the Shareholders of Soltec Power Holdings, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended December 31, 2022, of Soltec Power Holdings, S.A. and subsidiaries (hereinafter, the Group), which is part of the accompanying Consolidated Management Report the Group.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in table "VI. Índice de contenidos requeridos por la Ley 11/2018, de 28 de diciembre, en materia de información no financiera y diversidad" of the accompanying NFS.

Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Management Report of the Group its content is the responsibility of the Board of Directors of Soltec Power Holdings, S.A. The NFS was prepared in accordance with the content required by current commercial regulation and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in table "VI. Índice de contenidos requeridos por la Ley 11/2018, de 28 de diciembre, en materia de información no financiera y diversidad" from the accompanying Management Report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine as necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality management

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of integrity, professional objectivity, competence and diligence, confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

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Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our review has been performed in accordance with the requirements established in the current International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the 2022 NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- Meetings with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analysis of the scope, relevance and integrity of the content included in the NFS for the year 2022 based on the materiality analysis made by the Group and described in section "Análisis de materialidad", considering the content required by prevailing mercantile regulations.
- Analysis of the processes for gathering and validating the data included in the 2022 Non-Financial Statement.
- Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2022 NFS.
- Check, through tests, based on a selection of a sample, the information related to the content of the 2022 NFS and its correct compilation from the data provided by the information sources.
- Obtaining a representation letter from the Board of Directors and Management.

Paragraph of emphasis

Regulation (EU) 2020/852 of the European Parliament and the Council, June 18 2020, on the establishment of a framework to facilitate sustainable investments settles the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered aligned in relation to climate change mitigation and adaptation objectives for the first time for the financial year 2022, additionally to the information related to eligible activities required in financial year 2021. Consequently, comparative information about alignment has not been included in the accompanying NFS. Additionally, information has been included, for which the Board of Directors of Soltec Power Holdings, S.A. have chosen to apply the criteria that, in their opinion, best enables compliance with the new obligation and which are defined within the "Taxonomía finanzas sostenibles" chapter of the accompanying NFS. Our conclusion has not been modified in relation to this matter.

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Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended December 31, 2022 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the table "VI. Índice de contenidos requeridos por la ley 11/2018, de 28 de diciembre, en materia de información no financiera y diversidad" of the Consolidated Management Report.

Use and distribution

This report has been prepared as required by current commercial regulation in Spain, thus it may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

31 de marzo de 2023

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AUDITOR´S REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

To the Board of Directors of SOLTEC POWER HOLDINGS, S.A.:

In accordance with the request from the Board of Directors of SOLTEC POWER HOLDINGS, S.A. (hereinafter the Entity) and our engagement letter dated February 28, 2023, we have performed certain procedures on the "ICFR related information" attached of SOLTEC POWER HOLDINGS, S.A., which summarizes the internal control procedures of the Entity in relation to the annual financial information.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system as well as developing improvements to that system and preparing and establishing the content of the accompanying ICFR related information attached.

It should be noted that irrespective of the quality of the design and operability of the internal control system adopted by the Entity in relation to its annual financial information, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our audit work on the financial statements and pursuant to the Technical Auditing Standards, the sole purpose of our assessment of the entity´s internal control was to enable us to establish the nature, timing and extent of the audit procedures to be applied to the Entity´s financial statements. Therefore, our assessment of the internal control performed for the purposes of the audit of the financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively performed the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of these procedures was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to Entity's annual financial information for 2022 described in the ICFR related information attached. Consequently, had we performed additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters might have come to our attention that would have been reported to you.

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Likewise, since this special engagement does not constitute an audit of the financial statements in accordance with prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for therein.

The procedures performed were as follows:

1. Read and understand the information prepared by the Entity in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).

2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented and in use by the Entity.

3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by the Internal Audit Department, senior management, and other internal and external experts providing support to the Audit and Compliance Committee.

4. Compare the information described in point 1 above with our knowledge of Entity's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the financial statements.

5. Read the minutes of the meetings held by the Board of Directors, Audit and Compliance Committee and other Entity committees in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.

6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

As a result of the procedures performed, no inconsistencies or issues were observed that might have an impact on ICFR related information.

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This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(Signed in the original version in Spanish)

Richard van Vliet

March 31, 2023

A member firm of Ernst & Young Global Limited

CONSOLIDATED FINANCIAL STATEMENTS

INDICE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

ASSESTS	Notes (1)	Thousands of euros 31.12.2022	Thousands of euros 31.12.2021
NON-CURRENT ASSETS			
Intangible assets	6	28,349	19,448
Development		4,540	4,492
Other intangible assets		23,809	14,956
Property, plant and equipment	7	160,041	92,176
Land and buildings		3,424	3,620
Plant and other property, plant and equipment-		80,994	5,204
PPE in progress		75,623	83,352
Right of use	8	16,249	16,740
Long-term investments in Group and associated companies	9	41,371	26,030
Investments registered on the accounts on a proportional basis		38,766	23,297
Amounts owed to companies accounted for using the equity method		2,605	2,733
Non-current financial assets	10	14,134	7,707
Deferred tax assets	14	22,303	21,959
Total non-current assets		282,447	184,060
CURRENT ASSETS			
Inventories	11	38,757	70,853
Receivables and other current assets	10	181,036	155,380
Customer receivables for sales and services		180,618	154,611
Sundry debtors		418	769
Credits with public administrations	14	19,649	17,081
Current tax assets		675	790
Other credits with public agencies		18,974	16,291
Shot-term investments in group companies & associates	9	2,805	1,034
Current financial assets	10	7,346	6,337
Other current assets		4,769	6,026
Cash and cash equivalents	10	19,001	36,180
Total current assets		273,363	292,891
TOTAL ASSESTS		555,810	476,951

(1) Notes 1 to 19, together with Appendix I, II and III, form an integral part of the consolidated statement of financial position as of 31 December 2022.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022 (Cont.)

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes (1)	Thousands of euros 31.12.2022	Thousands of euros 31.12.2021
EQUITY	12		
Capital and reserves			
Share capital		22,847	22,847
Share premium		143,472	143,472
Reserves		(9,782)	(6,646)
(Own shares)		(4,895)	(4,632)
Exchange rate differences		(2,020)	(6,884)
Loss attributed to the Parent Comp.		13,088	(1,125)
Shareholders' equity attributed to the Parent Comp.		162,710	147,032
Non-controlling interests		(44)	(52)
Total equity		162,666	146,980
NON-CURRENT LIABILITIES			
Non-current financial liabilities	10	75,540	16,158
Non-current payables to credit institutions		48,762	-
Other non-current financial liabilities		26,778	16,158
Non-current provisions	13	2,571	2,884
Deferred tax liabilities	14	1,513	1,269
Total non-current liabilities		79,624	20,311
CURRENT LIABILITIES			
Current financial liabilities	10	101,697	98,285
Amounts owed to current credit institutions		96,965	92,781
Other current financial liabilities		4,359	3,744
Derivatives		373	1,760
Trade and other accounts payable	10	200,602	205,015
Suppliers		155,910	159,621
Other payables		44,692	45,394
Debts with public administrations	14	8,018	4,809
Current tax liabilities		2,258	104
Other debts with public administrations		5,760	4,705
Current provisions	13	3,203	1,551
Total current liabilities		313,520	309,660
TOTAL EQUITY AND LIABILITIES		555,810	476,951

(1) Notes 1 to 19, together with Appendix I, II and III, form an integral part of the consolidated statement of financial position as of 31 December 2022.

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes (1)	Thousands of euros	Thousands of euros
		2022	2021
Net turnover	**16**	**568,196**	**346,514**
Changes in inventories of finished and semi-finished products		**(4,552)**	**7,118**
Other operating income	**16**	**3,166**	**3,398**
Works performed by the Group for its assets	**6 and 7**	**50,825**	**72,173**
Supplies	**16**	**(375,075)**	**(298,747)**
Personnel expenses	**16**	**(68,756)**	**(50,129)**
Other operating expenses	**16**	**(151,278)**	**(105,827)**
Depreciation and amortisation of fixed assets	**6, 7, 8**	**(4,382)**	**(3,724)**
Losses on disposals of fixed assets and others		**(2,111)**	**(52)**
Result due to loss of control over SPVs	**5.5**	**8,138**	**17,801**
Other profit/loss		**(1,465)**	**(1,947)**
OPERATING LOSS		**22,706**	**(13,422)**
Financial income	**16**	**995**	**246**
Financial expenses	**16**	**(10,190)**	**(5,132)**
Changes in fair value of financial instruments	**9.1 and 10.3**	**(3,591)**	**17,076**
Net exchange rate differences	**3.4.2**	**7,605**	**(4,770)**
Loss of net monetary position	**2.4**	**456**	**454**
FINANCIAL PROFIT		**(4,725)**	**7,874**
Share in profits (losses) of companies accounted for using the equity method	**9**	**98**	**42**
LOSS BEFORE TAX		**18,079**	**(5,506)**
Income tax	**14**	(5,016)	4,339
CONSOLIDATED LOSS FOR THE YEAR		**13,063**	**(1,167)**
Loss attributed to the Parent Comp.		13,088	(1,125)
Loss attributed to non-controlling interests		(25)	(42)
Profit/loss per share (in euros):	**18**		
Basic (in euros)		0.144	(0.012)
Diluted (in euros)		0.144	(0.012)

(1) Notes 1 to 19, together with Appendix I, II and III, form an integral part of the consolidated income statement for the year ended 31 December 2022.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes (1)	Thousands of euros	Thousands of euros
		2022	2021
CONSOLIDATED LOSS FOR THE YEAR (I)		**13,063**	**(1,167)**
Items that can be reclassified into profit/loss for the financial year		**4,864**	**5,232**
- Translation differences	12.5	4,864	5,232
OTHER CONSOLIDATED COMPREHENSIVE INCOME/LOSS (II)		**4,864**	**5,232**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME/LOSS (I+II)		**17,927**	**4,065**
Total comprehensive income/loss attributed to the Parent Comp.		17,952	4,107
Total comprehensive loss attributed to non-controlling interests		(25)	(42)

(1) Notes 1 to 19, together with Appendix I, II and III, form an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2022.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Thousands of euros							
	Share capital name	Share premium	Reserves	Own shares	Loss attributed to the Parent Comp.	Exchange rate differences	Non-controlling interests	TOTAL
2021 INITIAL 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)**
Capital increase (note 12.1)	—	—	(25)	(4,632)	—	—	—	(4,657)
Other transactions with shareholders or owners (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**
2022 INITIAL BALANCE	**22,847**	**143,472**	**(6,646)**	**(4,632)**	**(1,125)**	**(6,884)**	**(52)**	**146,980**
Total consolidated comprehensive income/loss for the period	**—**	**—**	**—**	**—**	**13,088**	**4,864**	**(25)**	**17,927**
Transactions with shareholders or owners	**—**	**—**	**(1,953)**	**—**	**—**	**—**	**—**	**(1,953)**
Transactions with shares of the parent company (note 12.3)	—	—	—	—	—	—	—	—
Recognition of share-based payments (note 17.2)	—	—	(1,953)	—	—	—	—	(1,953)
Other changes in equity	**—**	**—**	**(915)**	**(263)**	**1,125**	**—**	**33**	**(20)**
Distribution of attributed loss	—	—	(1,125)	—	1,125	—	—	—
Other changes	—	—	(58)	(263)	—	—	33	(269)
2022 FINAL BALANCE	**22,847**	**143,472**	**(9,782)**	**(4,895)**	**13,088**	**(2,020)**	**(44)**	**162,666**

(1) Notes 1 to 19, together with Appendix I, II and III, form an integral part of the consolidated statement of changes in equity for the year ended 31 December 2022.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR FINANCIAL YEAR ENDING 31 DECEMBER 2022

	Notes (1)	Thousands of euros 2022	Thousands of euros 2021
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**20,728**	**17,124**
Loss for the year before tax		**18,079**	**(5,506)**
Adjustments to profit/loss		**14,289**	**(14,171)**
Depreciation and amortisation of fixed assets	**6, 7 y 8**	4,382	3,724
Losses, impairment and changes in provisions for commercial operations		3,815	52
Losses on disposals of fixed assets and others	**6**	—	184
Financial income		(995)	(246)
Financial expenses	**16**	10,190	5,132
Exchange rate differences		(8,061)	(2,310)
Changes in the fair value of financial instruments	**9.1 and 10.3**	3,591	(17,076)
Other income and expenses		1,465	(3,589)
Share of losses of companies accounted for using the equity method, net of dividends		(98)	(42)
Changes in working capital		**(4,015)**	**39,140**
Inventories	11	30,471	(48,756)
Trade and other receivables		(30,477)	(92,756)
Trade and other payables		(7,312)	166,731
Other assets and liabilities	10, 12.4 **and** 14	3,303	13,921
Other cash flows from operating activities		**(7,625)**	**(2,339)**
Interest paid	16	(9,306)	(3,389)
Interest collected	16	995	246
Income tax received/(paid)		686	804
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(99,157)**	**(101,197)**
Payments for investments		**(108,493)**	**(111,200)**
Property, plant and equipment and intangible assets	**6 and 7**	(80,458)	(95,537)
Associates		(11,054)	(6,693)
Other financial assets		(16,981)	(8,970)
Proceeds from disposals		**9,336**	**10,003**
Property, plant and equipment and intangible assets	**6 and 7**	7,221	5,675
Associates		1,034	143
Other financial assets		1,081	4,185

	Notes (1)	Thousands of euros 2022	Thousands of euros 2021
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**64,022**	**(5,891)**
Proceeds from and (payments) on equity instruments		**(263)**	**(4,657)**
Acquisition of own equity instruments	**12.3**	(263)	(4,657)
Proceeds from and (payments) on financial liability instruments		**64,285**	**(1,234)**
Issuance of bank and other debts	**5, 6 and 10.2**	70,555	11,407
Repayment and amortisation		(6,270)	(12,641)
EFFECT OF EXCHANGE RATE VARIATIONS (IV)		**(2,772)**	**396**
NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS (I+II+III+IV)		**(17,179)**	**(89,568)**
Cash and cash equivalents at start of period		**36,180**	**125,748**
Cash and cash equivalents at end of period		**19,001**	**36,180**

(1) Notes 1 to 19, together with Annexes I, II and III, form an integral part of the consolidated statement of cash flows for the year ended 31 December 2022.

CONSOLIDATED ANNUAL REPORT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

SECTION 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 conducts business in facilities located mainly in Chile, United States, Brazil, Peru, Mexico, Argentina, Australia, India, Italy, France, Colombia, Portugal, Denmark, Romania and United Arab Emirates.

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

a) The execution of all kinds of activities, works and services inherent to or 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 within the scope of collective investment as defined in the appropriate legislation.

At 31 December 2022, the Group consists of two subgroups whose parent companies, Soltec Energías Renovables, S.L.U. and Soltec Development, S.A.U. (formerly Powertis, S.A.U.) (see note 4), have corporate subsidiaries that 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, which accompany these consolidated financial statements. During the financial year 2022, the Group's parent company has incorporated three companies, Enviroscale S.L., Soltec Cap S.L.U. and Soltec Asset Management S.L.U. (see note 19), the latter of which will be the head of the new asset management business division.

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.

SECTION 2: SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of presentation

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

- 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.

In addition, the following regulatory frameworks apply to the various geographical areas:

- For the subsidiary located in the United States, United States General Accepted Accounting Principles (USA GAAP).
- For subsidiaries located in Brazil, Pronouncements of the CFC Conselho Federal de Contabilidade (Federal Accounting Council) harmonised with International Financial Reporting Standards (IFRS).
- For subsidiaries located in Italy, Principi italiani di contabilità elaborati dall'OIC (Organismo Italiano di Contabilità, costituito nel 2001).
- For the subsidiary located in Portugal, Portuguese Accounting and Financial Reporting Standards (Normas Contabilísticas e de Relato Financeiro) harmonised with International Financial Reporting Standards (IFRS).

The most significant accounting policies and measurement bases applied in the preparation of these consolidated annual accounts are summarised in note 2.7. These consolidated financial statements are presented in thousands of euros, except where otherwise indicated. All subsidiaries included in the consolidated annual accounts close their financial year on 31 December.

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 company's directors at their meeting on 27 March 2023. They will also be submitted for approval by the general meeting of shareholders, and it is expected that they will be approved without any changes.

The consolidated financial statements of the Group for the financial year 2021 were authorised for issue by the directors of the Parent Company on 22 March 2022. These consolidated annual accounts were approved by the general meeting of the Parent Company on 16 June 2022.

The individual financial statements of the other companies comprising the Group for 2021, prepared by their corresponding directors, were approved by the corresponding General Shareholders' Meetings within the deadlines established by the applicable legislation.

As at 31 December 2022 the group had a negative working capital of EUR 40,157 thousand (31 December 2021: EUR 16,769 thousand). However, the group's liquidity needs are guaranteed at all times through the various credit facilities. Accordingly, the directors of the parent company have prepared the consolidated financial statements on a going-concern basis.

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. Furthermore, the Group's directors have not made, and do not intend to make, any decisions that would materially alter the carrying amounts of assets and liabilities or the timing of the realisation of assets or settlement of liabilities (see note 3.3).

2.3. Implementation of new standars

***a)* Standards and interpretations adopted by the European Union applied for the first time in this financial year.**

The accounting policies used in the preparation of these consolidated financial statements are the same as those applied in the consolidated financial statements for the year ended 31 December 2021, as none of the standards, interpretations or amendments that are applicable for the first time in this financial year have had an impact on the Group's accounting policies.

***b)* Standards and interpretations issued by the IASB, but which are not applicable in this financial year.**

The Group intends to adopt the standards, interpretations and amendments to standards issued by the IASB, which are not mandatory in the European Union, when they become effective, where applicable. Although the Group is currently analysing its impact, based on the analyses carried out to date, the Group estimates that its initial application will not have a significant impact on its consolidated financial statements.

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 2.7.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 primarily 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 S.R.L., which joined the Group in 2018. The economic environment in Argentina, especially the cumulative inflation of the last three years which exceeds 100%, means that, retroactively from 1 January 2018, Argentina's economy was considered as hyper-inflationary on 1 July 2018. Consequently, the directors of the Parent Company have revised their policy for presenting the equity effects of the hyperinflationary situation by recording a gain of EUR 456 thousand in the consolidated income statement for the financial year 2022 under the heading "Loss from net monetary position" in the consolidated income statement (a gain of EUR 454 thousand in the financial year 2021). In this respect, this gain arises from the recording of a gain of EUR 275 thousand from the gain on the net monetary position of the items in the statement of financial position, as well as a positive amount of EUR 181 thousand as a result of the restatement of the income statement (gain of EUR 55 thousand and EUR 399 thousand in the financial year 2021 respectively). The coefficient applied to estimate the inflation adjustment for the year 2022 is 1.948 (1.509 for the year 2021). The coefficients are estimated with the evolution of the CPI, the source being the National Institute of Statistics and Censuses (INDEC).

2.5. Comparison of information

The information contained in the consolidated financial statements for 2021 is presented solely and exclusively for comparison with the information relating to the year ended 31 December 2022.

2.6. Significant estimates and judgments

In applying the Group's accounting policies, as described in note 2.6, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 principal judgements and estimates used by the directors in applying the Group's accounting policies are set out below:

- Determination of the transfer of control on the sale of SPVs (see note 2.6.a)
- Useful life of intangible assets and property, plant and equipment (see notes 2.6.).
- Evaluation of possible losses due to impairment of certain assets such as intangible assets, property, plant and equipment (see note 2.6.c).
- Lease period (see note 2.6.d).
- Calculation of impairment of trade receivables (see note 2.6.e).
- Recoverability of deferred tax assets (see note 2.6.f.).
- Measuring progress in revenue recognition (see note 2.6.g).
- Calculation of certain provisions: provision for warranties (see note 2.6.h).
- Business or asset consideration in acquisitions or sales of Special Purpose Vehicles (SPVs) (see note 2.6.i).
- The registration and valuation of share-based payment plans have been used (see note 2.6.j).
- The tax rate applicable to temporary differences (see note 2.6.k) (see note 14).
- Financial risk management and, in particular, liquidity risk (see note 2.6.l) (see note 3.3).
- Calculation of fair values, values in use and current values (see note 2.6.m).

2.6.a Determination of control transmission in the sale of SPVs

The loss of control of the SPVs sold is recognised under IFRS10, based on the standard in force at the date of formulation. (see note 2.7.p).

Therefore, under this standard, as detailed in note 2.6.a, the transfer of the SPV is not recorded until it loses power over the investee, ceases to be exposed to the variable returns of the investee, loses the ability to use its power over the investee to influence the amount of its own returns and, therefore, all the termination clauses that make it impossible to reverse the transaction or replace the SPV sold are fulfilled. At the time control is transferred, the revaluation of the investee at fair value, considered to be the sale price of the transaction, and the gain or loss associated with the loss of control are recognised.

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

As indicated in notes 2.7. 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.

2.6.c 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 FY2022 and FY2021, the Group has made a significant investment in certain projects located in Brazil which were initiated in FY2020 when intangible assets relating to permits, licences 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 of these assets that would have a negative effect on the Group's results.

2.6.d 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.

2.6.e The calculation of credit value impairment on commercial transactions

The Group estimates the impairment of trade receivables on the basis of the expected loss criterion, calculated mainly on the basis of historical experience by product segment and geography, adjusted where appropriate for expected future behaviour based on macroeconomic and sectoral circumstances.

2.6.f 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.

2.6.g Measuring progress in revenue recognition

Revenue from service contracts is recognised in accordance with IFRS 15. During the 2022 financial year, there has been a change of estimate in the measurement of the progression towards full compliance for performance obligations that are recognised over time, mainly installation services, EPC and BOP, from an output method to an input method. This change in the estimate is mainly due to the fact that the Group has implemented new procedures and controls on expected project costs in 2022, centralised through the management control department. Furthermore, the Parent's directors consider that the application of the resource-based method reflects the degree of progress in the transfer of services better than the product-based method.

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.

2.6.h Calculation of certain provisions: guarantee provision

As described in note 2.7 m, the Group records provisions of a different nature that require estimates by the directors. In this respect, these provisions mainly correspond to the provision for guarantees, decommissioning and other contingent liabilities associated with the execution of projects under contracts with customers.

The analysis of the guarantees granted in the supply and/or provision of goods and services, as well as the costs of decommissioning an inactive photovoltaic plant, 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.

2.6.i Business or asset consideration in acquisitions and sales 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 to the SPVs ability to generate some output. Otherwise, said acquisition is considered to be an asset purchase.

Regarding the consideration of sales of SPVs, the group is applying IFRS 10 in its recognition of sales of SPVs. As the sales transactions of the project development segment are not those of a single asset but rather a set of activities encapsulated in a company, a contradiction arises between paragraph 25 of IFRS 10 (which allows full recognition) and paragraph 28 of IAS 28 when it is not a business. Owing to this discrepancy in criteria, the Group has applied an accounting policy choice and is applying it consistently for all sales of SPVs. In addition, when the sale of SPVs with loss of control retains significant influence, a restatement of the retained interest to fair value is performed as there is nothing in IFRS 10 to prevent this.

Therefore, the recognition of the loss of control of the SPVs sold to ACEA and DISA, based on the standard in force at the date of formulation, has been recognised under IFRS 10 (recognising the income corresponding to the revaluation of the retained interests in the case of ACEA) as this reflects the true and fair view of the transaction and the reality of the Group.

2.6.j 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.

2.6.k 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 worldwide and subject to different jurisdictions. In this context, in order to calculate the temporary differences included under "Deferred tax assets", the Parent's directors apply estimates based on the tax rate at which these temporary differences will be recovered, taking into account the different jurisdictions in which it operates.

2.6.l 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 inflation and the recent Russian-Ukrainian armed conflict.

2.6.m Calculation of fair values, values in use and present values

The calculation of fair values, values in use and present values involves the calculation of future cash flows and making assumptions regarding the future values of cash flows and the discount rates applicable to those cash flows. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

2.7. Measurement bases

2.7.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. As of 31 December 2022, this is not the case for any of the Group's controlling interests (same situation as of 31 December 2021). 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. Furthermore, consolidation of a subsidiary is excluded on the date on which control over the subsidiary ceases and, likewise, all termination clauses in the sale and purchase agreement have been fulfilled in such a way that substantially all the risks and rewards associated with the sale and purchase agreement have been 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 assets or liabilities, income or expense items that were measured on a basis different from that applied in consolidation have been remeasured and the necessary adjustments have been made solely for consolidation purposes.

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

4. Elimination of equity investment. 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 entails 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. In addition, all results from internal operations are eliminated and deferred until they are realised vis-à-vis 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 listed 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. In addition, all amounts previously recognised in the consolidated statement of comprehensive income in relation to that associate are accounted for by the Group on the same basis as if the associate had disposed of the related assets or liabilities directly. 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 lists the subsidiaries that the Group has classified as associates at 31 December 2022 and 31 December 2021. In this respect, the Parent's directors consider that the Parent does not exercise control but has significant influence over the investees listed in the aforementioned appendix as a result of the events described in note 5.5.

2.7.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 2.7.d.

1. Development: An intangible asset arising from development (or from the development phase of an internal project) shall 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.
- The intention to complete the intangible asset in question to use or sell it.
- The 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 ownership or the right to use the various manifestations thereof, or for expenses incurred in connection with the registration of the Group's development. Industrial property is amortised on a straight-line basis over its useful life, which has been estimated at 10 years.
- **IT applications:** The Group records the costs incurred in the acquisition and development of computer software in this account. 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:

In-house developed PLCs

The intangible asset is recognised when it meets all the requirements indicated to recognise the aforementioned Development (see note 2.7.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.

PLCs purchased separately

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.

PLCs acquired as part of a business combination

The fair value of these intangible assets arises as a result of the cost that has been calculated by an independent expert through the Purchase Price Allocation process by discounting the future cash flows according to the business plan of each of the projects, considering an adjustment to these future cash flows according to the degree of development of the project at the time of the transfer.

In addition, the acquired SPVs have long-term Power Purchase Agreements (PPAs) 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.

2.7.c. Property, plant and equipament

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 2.7.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:

	Estimated years of useful
Buildings	33
Plant and other property, plant and equipment:	
Technical installations and machinery[1]	7-30
Tools, other fixtures and furniture	7-10
Other property, plant and equipment	4-6

[1] At the end of 2022, the Pedranópolis Photovoltaic Plant was included as a technical installation.

These years of useful life are applicable to items acquired after 1 January 2016 (date of first application of IFRS-EU in the consolidated annual accounts of Soltec Energías Renovables, S.L.U. and subsidiaries), for the remaining items the net book value at the time of first application of IFRS-EU was considered as deemed cost, being depreciated over the remaining useful life from the date of first application of IFRS-EU.

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.

In addition, in accordance with IAS 16 Property, Plant and Equipment, the costs of items of property, plant and equipment that have been incurred and that meet the criteria for capitalisation of property, plant and equipment are recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

2.7.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.

In addition, irrespective of whether there is any indication of impairment, the Group tests intangible assets with an indefinite useful life and intangible and tangible assets that are not yet available for use for impairment at least once a year. At 31 December 2022 the Group has no assets with indefinite useful lives (same situation as of 31 December 2021).

The Group identifies the projects carried out by the various subgroups as cash-generating units, as indicated in note 4 to these consolidated financial statements. In order to estimate the value in use, the Group distinguishes its CGUs by segments, on the one hand the industrial segment and on the other hand the asset development and management segment, whose fixed assets are associated with the projects: (i) PLCs under the heading "other intangible assets", (ii) photovoltaic plants in progress or completed as "assets in progress" and "technical installations", and (iii) land under the heading "rights of use".

Thus, different methodologies have been used to test assets for impairment.

- Industrial segment: Its non-current assets are considered as a single cash-generating unit.
- Development and asset management segment: each project in progress for the production of solar photovoltaic electricity is considered as a cash-generating unit. With regard to the impairment assessment of other non-current assets, specifically the retained interests of equity instruments measured at fair value, they are assessed as individualised assets. In the case of (i) PLCs, internal and external sources are used to update the status of projects in the pre-construction phase to assess their evolution until they reach the RTB phase and identify impairment risks; for (ii) photovoltaic plants in progress and (ii) the land on which "rights of use" are located, they are assessed as independent CGUs and have their own financial model. In addition, the cash flow forecast is considered based on the duration of the energy sales contract.

For the analysis relating to the impairment test of the Development segment's CGU, the sensitivity analysis associated with the duration of the contracts has not been considered insofar as there are long-term power supply contracts (hereinafter, Power Price Agreement or PPA) that guarantee the years of operation.

To estimate value in use, the Group prepares pre-tax cash flow forecasts based on the most recent budgets approved by the Parent Company'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. In assessing value in use, the estimated future cash flows are discounted to their present value using a risk-free market interest rate, adjusted for risks specific to the asset that are not taken into account in estimating future cash flows.

In addition, the calculation performed for the assessment of the possible impairment of fixed assets in progress and completed corresponding to photovoltaic solar plants is performed by means of 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 of these are the estimated 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 envisaged for its development, the energy sales price (if applicable for the non-regulated part through the long-term energy sales agreement) established based on the historical experience of the administrators and discounted at a discount rate of 10.60% (10.80% in the 2021 financial year).

Likewise, the directors consider, where appropriate, the sale price agreed with a third party after the balance sheet date as the appropriate benchmark for determining the recoverable amount at year-end.

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 2022 and 2021, the Group has not recognised any impairment losses on intangible assets or property, plant and equipment after performing the corresponding analysis.

2.7.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 whichever is lower, the lease term of 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 2.7.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.

2.7.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 above, the Group may make the following irrevocable choice on initial recognition of a financial asset:

- 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.

On derecognition of 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, on derecognition of an investment in a debt instrument measured at fair value through other comprehensive income, the gain or loss previously accumulated in equity valuation adjustments 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 trade and other payables under "Trade and other payables" under current liabilities in the accompanying consolidated statement of financial position as payables to suppliers included in *reverse factoring* financing contracts, as these are not past-due trade payables and therefore do not constitute a debt to financial institutions. At year-end 2022, the amount of trade payables to suppliers in payment management totals EUR 194 thousand (EUR 2,852 thousand at year-end 2021) (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 2022, the Group recognised EUR 28,027 thousand under "Trade and other payables - Other payables" in respect of liabilities for a contract of advances received from customers (31 December 2021: EUR 32,370 thousand).

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 terms are materially different if the present value of the discounted cash flows under the new terms, including any fees paid net of any fees received, and using the original effective interest rate as the discount rate, differs by at least 10% from the discounted present value of the cash flows remaining on the original financial liability. If the change 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 shall be recognised in profit or loss as a gain or loss on modification.

2.7.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 2022 and 2021, 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.

2.7.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 year-end 2022 the Group has recognised an impairment loss on inventories amounting to EUR 1,625 thousand (EUR 567 thousand at year-end 2021) (see note 11).

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 2022 in the opinion of the Parent's directors (same situation at 31 December 2021).

The Group also enters, under certain circumstances, into "*Bill and Hold*" transactions with certain customers where the transfer of control over the goods is perfected but where the Group retains physical possession of the goods. 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. As of 31 December 2022, the Group had accrued revenue of EUR 35,754 thousand under this arrangement (EUR 12,733 thousand as of 31 December 2021 of which the entire revenue is invoiced and collected during the year 2022).

2.7.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. he 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. he 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 based in Argentina has the corresponding hyperinflation adjustment 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 rate 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.

2.7.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 carry-forwards 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 carry-forwards or unused tax credits. For these purposes, a temporary difference is 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 provides for 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.

Differences between the consolidated value of an investee and its tax base are also taken into account at consolidated level. 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.

2.7.k. Recognition of revenue from contracts with customers

The Group applies a common revenue recognition policy adapted to IFRS 15 Revenue from Contracts with Customers.

On an accrual basis, revenue is recognised with the transfer of control, and expenses are recognised when they occur, irrespective of the date of collection or payment. The Group has three business segments (industrial, energy development and energy sales) that operate in the renewable energy sector, particularly in the photovoltaic sector.

2.7.k.1 Industrial segment

a) Performance obligations

Supply of trackers and installation

Contracts for the combined sale of trackers and installation services consist of two performance obligations because both trackers and installation services are sold separately and are distinct in the context of the contract. Installation services do not customise or significantly modify fire prevention equipment.

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. Consequently, the Group accounts for guarantees in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” (see note 2.7.m) and does not, as a general rule, consider them as a separate performance obligation in the contract.

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. Such services are recognised as a separate performance obligation because they may be available to the customer from other providers.

In addition, the Group considers that there are no other clauses in the contract that are separate performance obligations to which a portion of the transaction price has to be allocated.

Start-up, operation and maintenance services

The Group 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.

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.

b) Calculation of the transaction price

In determining the transaction price for the supply of trackers and installation, engineering, procurement and construction (EPC) and balance of plant (BOP) services, the Group considers the effects, if any, of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer.

c) Allocation of the transaction price to the perfomance obligations

The transaction price between Tracker Supply and Installation, Engineering, Procurement and Construction (EPC) and Balance of Plant (BOP) Services and Commissioning, Operation and Maintenance Services is allocated on the basis of the stand-alone selling price. As a general rule, customer contracts break down the price of the transaction between the different performance obligations it contains, which is aligned with its stand-alone selling price.

d) Revenue recognition

Tracker supply

Revenue from the sale of trackers is recognised when the control of the asset is transferred to the customer, generally upon delivery of the equipment to the customer’s location. Control is transferred at that point, as the physical transfer to the customer takes place, implicitly transferring acceptance and ownership and transferring risks and rewards.
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.

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

The Company recognises revenue from installation services over time because the customer simultaneously receives and simultaneously consumes the benefits provided.

Revenue from service contracts is recognised in accordance with IFRS 15. During the 2022 financial year, there has been a change of estimate in the measurement of the progression towards full compliance for performance obligations that are recognised over time, mainly installation services, EPC and BOP, from an output method to an input method. This change in the estimate is mainly due to the fact that the Group has implemented new procedures and controls on expected project costs in 2022, centralised through the management control department. Furthermore, the Parent’s directors consider that the application of the resource-based method reflects the degree of progress in the transfer of services better than the product-based method.

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.

Start-up, operation and maintenance services

Revenue related to the start-up is recognised at the time the services are rendered.

Revenues related to maintenance services are recognised on a straight-line basis over the service period, as the cost associated with these services is also on a straight-line basis, mostly corresponding to the labour of personnel assigned to the maintenance contract over the entire period. In addition, invoicing occurs simultaneously with the recognition of revenue on a straight-line basis, so no liabilities arise from this nature of contract.

e) Contract balances

e.1) Contract assets

Unconditional right to receive the consideration

When the group has an unconditional right to the consideration, irrespective of the transfer of control of the assets, a receivable (sub-items of "trade receivables for sales and services" or "trade, group companies and associates") is recognised under "trade and other payables" on current or non-current assets, as appropriate for its maturity in accordance with its normal operating cycle.

Entitlement to consideration for transfer of control

When control of a contract asset is transferred without an unconditional right to turnover, the Group records a right to the consideration for the transfer of control. This right to the consideration for transfer of control is extinguished when an unconditional right to receive the consideration arises. However, they are tested for impairment at year-end in the same way as unconditional rights.

These balances are presented, as are unconditional claims, under trade receivables. They are classified as current or non-current depending on its maturity.

e.2) Contract liabilities

Contractual obligations

If the customer pays the consideration, or has an unconditional right to receive the consideration, before the good or service is transferred to the customer, the Group recognises a contract liability when payment has been made or is due.

These contract liabilities are presented in customer advances under trade and other payables (current liabilities) or long-term accruals (non-current liabilities) depending on their maturity.

2.7.k.2 Development segment

Sale of projects under development (SPVs)

The sale of projects under development is made through the transfer of control, as described in note 2.7.a.i above, of the Group's interests 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.

Other services

The Group included under "other services" the revenues generated by Soltec Development, S.A.U. during the year, whose activity consists mainly of providing internal consultancy and project development services to SPVs, whether they are controlled by the Group, are in the process of being taken over by the Group 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.

2.7.k.3 Energy Sales Segment

Revenue is recognised when control is transferred. The Group applies the 5-step model in accordance with IFRS 15. Revenues are measured at the fair value of the consideration received or receivable, taking into account the terms defined in the contract and excluding indirect taxes and, where applicable, duties.

In particular, revenues from energy sales are recorded on the basis of the supply of the corresponding energy to customers, irrespective of the time of billing. At year-end, recognised unbilled revenues are classified as contract assets in accordance with IFRS 15. These unbilled revenues are estimated on the basis of information obtained from consumption meters applying the corresponding tariffs. On an accrual basis, revenue is recognised with the transfer of control, and expenses are recognised when they occur, irrespective of the date of collection or payment. The Group has three business segments (industrial, energy development and energy sales) that operate in the renewable energy sector, particularly in the photovoltaic sector.

2.7.k.1 Industrial segment

a) Performance obligations

Supply of trackers and installation

Contracts for the combined sale of trackers and installation services consist of two performance obligations because both trackers and installation services are sold separately and are distinct in the context of the contract. Installation services do not customise or significantly modify fire prevention equipment.

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 accounts for guarantees in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (see note 2.7.m) and does not, as a general rule, consider them as a separate performance obligation in the contract.

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. Such services are recognised as a separate performance obligation because they may be available to the customer from other providers.

In addition, the Group considers that there are no other clauses in the contract that are separate performance obligations to which a portion of the transaction price has to be allocated.

Start-up, operation and maintenance services

The Group 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.

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.

b) Calculation of the transaction price

In determining the transaction price for the supply of trackers and installation, engineering, procurement and construction (EPC) and balance of plant (BOP) services, the Group considers the effects, if any, of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer.

c) Allocation of the transaction price to the perfomance obligations

The transaction price between Tracker Supply and Installation, Engineering, Procurement and Construction (EPC) and Balance of Plant (BOP) Services and Commissioning, Operation and Maintenance Services is allocated on the basis of the stand-alone selling price. As a general rule, customer contracts break down the price of the transaction between the different performance obligations it contains, which is aligned with its stand-alone selling price.

d) Revenue recognition

Tracker supply

Revenue from the sale of trackers is recognised when the control of the asset is transferred to the customer, generally upon delivery of the equipment to the customer's location. Control is transferred at that point, as the physical transfer to the customer takes place, implicitly transferring acceptance and ownership and transferring risks and rewards.

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.

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

The Company recognises revenue from installation services over time because the customer simultaneously receives and simultaneously consumes the benefits provided.

Revenue from service contracts is recognised in accordance with IFRS 15. During the 2022 financial year, there has been a change of estimate in the measurement of the progression towards full compliance for performance obligations that are recognised over time, mainly installation services, EPC and BOP, from an output method to an input method. This change in the estimate is mainly due to the fact that the Group has implemented new procedures and controls on expected project costs in 2022, centralised through the management control department. Furthermore, the Parent's directors consider that the application of the resource-based method reflects the degree of progress in the transfer of services better than the product-based method.

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.

Start-up, operation and maintenance services

Revenue related to the start-up is recognised at the time the services are rendered.

Revenues related to maintenance services are recognised on a straight-line basis over the service period, as the cost associated with these services is also on a straight-line basis, mostly corresponding to the labour of personnel assigned to the maintenance contract over the entire period. In addition, invoicing occurs simultaneously with the recognition of revenue on a straight-line basis, so no liabilities arise from this nature of contract.

e) Contract balances

e.1) Contract assets

Unconditional right to receive the consideration

When the group has an unconditional right to the consideration, irrespective of the transfer of control of the assets, a receivable (sub-items of "trade receivables for sales and services" or "trade, group companies and associates") is recognised under "trade and other payables" on current or non-current assets, as appropriate for its maturity in accordance with its normal operating cycle.

Entitlement to consideration for transfer of control

When control of a contract asset is transferred without an unconditional right to turnover, the Group records a right to the consideration for the transfer of control. This right to the consideration for transfer of control is extinguished when an unconditional right to receive the consideration arises. However, they are tested for impairment at year-end in the same way as unconditional rights.

These balances are presented, as are unconditional claims, under trade receivables. They are classified as current or non-current depending on its maturity.

e.2) Contract liability

Contractual obligations

If the customer pays the consideration, or has an unconditional right to receive the consideration, before the good or service is transferred to the customer, the Group recognises a contract liability when payment has been made or is due.

These contract liabilities are presented in customer advances under trade and other payables (current liabilities) or long-term accruals (non-current liabilities) depending on their maturity.

2.7.k.2 Development segment

Sale of projects under development (SPVs)

The sale of projects under development is made through the transfer of control, as described in note 2.7.a.i above, of the Group's interests 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.

Other services

The Group included under "other services" the revenues generated by Soltec Development, S.A.U. during the year, whose activity consists mainly of providing internal consultancy and project development services to SPVs, whether they are controlled by the Group, are in the process of being taken over by the Group 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.

2.7.k.3 Asset management segment. Sale of energy

Revenue is recognised when control is transferred. The Group applies the 5-step model in accordance with IFRS 15. Revenues are measured at the fair value of the consideration received or receivable, taking into account the terms defined in the contract and excluding indirect taxes and, where applicable, tariffs.

In particular, revenues from energy sales are recorded on the basis of the supply of the corresponding energy to customers, irrespective of the time of billing. At year-end, recognised unbilled revenues are classified as contract assets in accordance with IFRS 15. These unbilled revenues are estimated on the basis of information obtained from consumption meters applying the corresponding tariffs.

2.7.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.a 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.

2.7.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 an ongoing range of possible outcomes and each point of the range has the same probability as the rest, the obligation is measured 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 offsetting will be taken into consideration to estimate the amount for which, if appropriate, the corresponding provision has to be made.

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).

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 2021).

2.7.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.

2.7.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.

In addition, transfer prices between Group companies, as well as with related parties outside the Group, are adequately supported, and therefore the Parent's directors consider that there are no significant risks in this respect that could give rise to significant liabilities in the future.

2.7.p. Treatment of assets or business with the acquisition or partial sale with transfer of control of the SPVs

The parent company's directors apply an "*accounting policy choice*" because of the contradiction between paragraph 25 of IFRS 10 and paragraph 28 of IAS 28 when it is not a business. When selling shares in SPVs with acquisition, what is being sold is not a simple asset in a corporate wrapper, but rather a set of activities, encapsulated in a company and maintaining significant influence.

The "account policy choice" is applied consistently. The timing of the transfer of the SPVs is assessed in accordance with IFRS 3 and the latest definition of a business, where Soltec Development has been the acquirer, the SPVs disposed of do not constitute a business as they do not qualify as a business (they do not generate outputs, and although they maintain developed core processes, the inputs do not include employees with the technical skills and experience necessary to be considered a business). Therefore, we are now faced with the **loss of control of a non-business**. The SPVs sold are a set of assets and activities which, while not meeting the current definition of a business, are not solely assets.

In this respect, it has been considered that this transaction should be recognised under IFRS 10, since:

- The SPVs were incorporated by Soltec Development, over which it retained control, and consolidated from incorporation in 2020 and recognised under IFRS 10, falling outside the scope of IFRS 15.
- Neither the SPVs, nor the PLCs, are considered as stocks/merchandisers for sale as part of their business model, which will be the operation of the solar parks themselves. In this regard, the consideration of IFRS 15 and revenue recognition would not fit, an aspect contemplated in the June 2020 IASB Staff Paper "Sale of a Subsidiary to a Customer", where the Staff concludes that under current standards, IFRS 10 is the standard that applies to the sale of an investee.
- Under IFRS 10, when control over a subsidiary is lost, the retained interest must be remeasured at fair value.
- The recognition of the transaction under IFRS 10 does not conflict with any other standard.

2.7.q. Business combinations

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.

2.7.r. 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. This valuation is not reviewed.

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 granted, determined on the grant date of the *equity-settled* share-based payments, is recognised as staff costs over the vesting period, with a simultaneous recognition of a reserve relating to the incentive plans for the same amount in equity, based on the estimate of the final number of equity instruments that will be vested as a result of the fulfilment of the necessary non-market conditions. Thus, the initially calculated value is adjusted according to the beneficiaries expected to remain at the company at the time of delivery of the equity instruments as well as according to the fulfilment of non-market performance conditions.

At year-end, the Group revises the estimate of the number of equity instruments it expects to grant based on developments in non-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.

Unlike equity-settled plans, for cash-settled share-based payments, the booked expense will be recognised against a liability for the goods or services acquired, initially measured at the fair value. At year-end, until the liability is settled and also at the settlement date, the fair value of the liability is re-estimated, with any change recorded against the consolidated income statement for the year.

2.7.s. Hyperinflation

Inflation in Argentina picked up significantly from the second quarter of 2018 and the figures show that cumulative inflation over the last three years has exceeded 100%, which is the quantitative benchmark set 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:

- Adjust the historical cost of non-monetary assets, liabilities and equity items from the date of acquisition or recognition in the consolidated statement of financial position to the end of the reporting period to reflect changes in the purchasing power of the currency due to inflation.
- Reflecting in the income statement the loss or gain corresponding to the impact of inflation for the year on the net monetary position.
- Adjust the various items in the income statement and cash flow statement by the inflationary index since their generation, with a balancing entry in financial results and a reconciling item in the cash flow statement, 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 2022 being 189.70 pesos per euro (116.73 pesos per euro at 31 December 2021).

2.7.t. 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.

In addition, translation 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.

SECTION 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 2023

On 24 February 2022, Russia invaded Ukraine, a conflict which at the date of these consolidated financial statements has not been concluded. The Russian-Ukrainian conflict has highlighted Europe's need to achieve energy independence, forcing it to accelerate its energy transition and bring forward by 15 years its plans to achieve 100% renewable energy by 2035, in line with the United States and the United Kingdom.

3.1. Operational risk

Based on management's assessment of the Group's business development in 2022, the Group has been able to maintain and even increase its backlog of budgeted projects. Likewise, no significant delays in operations or in the collection of trade receivables that could affect the Group's liquidity and its operating cycle have come to light. On the other hand, in the industrial segment, no significant delays have been noted in the process of supplying materials by suppliers, with all contracts in force continuing to go ahead on the basis of the previously established conditions.

In addition, the Group experienced significant improvements in the industrial segment, as a result of the business environment and the action plans implemented to mitigate the impact of raw material and transport cost increases.

On the development side, the operations planned for the year 2022 have been moved to the second half of the year and to the first half of 2023. This delay in transactions is mainly due to the complexity of the transactions, which take time to analyse and undergo exhaustive due diligence processes. The Group's management considers that there is no risk of business interruption for this segment.

Regarding the new business segment, asset management, in January 2023 the Group signed a EUR 100 million financing agreement with the credit fund advised by Incus Capital to finance its renewable asset management and operation business. This financing will enable the operations of this segment to run smoothly (see note 19).

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 31 December 2022, the Group has 98% of its receivables secured (90% at year-end 2021). Given this circumstance, the Parent's directors consider that it has not had and is not expected to have a material impact on the calculation of the expected loss (see note 10.1.2.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.

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.

On 11 February 2021, the Group finalised the refinancing process of the syndicated credit facility, which entailed an increase of the guarantee line by a maximum amount of up to EUR 110 million, financing limits of EUR 90 million (EUR 10 million of free drawdown and EUR 80 million of conditional delivery) and a modification of the financial ratios considered in the financing agreement (covenants of the syndicated loan) established as net financial debt over equity (see note 10.2).

Similarly, during 2022 the Group has closed the financing agreement for the Araxá and Pedranópolis projects granted by the Brazilian development bank, the amount granted totalling BRL 323,000 thousand (EUR 59,562 thousand at the exchange rate at 31 December 2022) (see note 10.2).

In addition, as previously mentioned in note 3.1, the Group has signed a EUR 100 million financing agreement with the credit fund advised by Incus Capital to finance the business segment of management and operation of renewable assets in January 2023 (see note 19).

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. Ingterest 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, Romania, Brazil, Chile, the United States of America, Mexico, Argentina, Colombia, China, Australia, the United Arab Emirates and India, and is therefore exposed to foreign exchange risk on currency transactions (mainly concentrated in purchases of supplies and sales in US dollars and Brazilian reals).

During 2022 and 2021, there were fluctuations in the currency markets, most notably the depreciation of the BRL (Brazilian real), which generated a significant change in translation differences and an impact on the Group's consolidated income statement. These oscillations stabilised at the end of 2022 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 breakdown of the most significant balances and transactions in foreign currency corresponding to 2022 and 2021, measured at the closing exchange rate and the average exchange rate, respectively, is as follows:

2022	Thousands of euros								
	Fixed assets (*)	Other financial assets	Accounts receivable	Other financial liabilities (**)	Accounts payable	Treasury	Sales	Purchases	Other expenses
US dollars	145	318	52,089	—	2,669	1,602	354,569	179,196	45,509
Brazilian reals	164,250	12,534	17,723	5,842	3,837	3,466	131,180	85,921	20,163
Chilean pesos	963	58	—	410	4,255	964	2,496	17,595	20,056
Peruvian nuevos soles	—	—	—	28	1,611	427	—	206	1,765
Mexican pesos	—	—	—	—	6	179	—	126	1,572
Australian dollar	—	—	—	—	—	—	—	2,079	542
Argentinean peso	—	—	—	—	—	—	—	18	62
Colombian pesos	228	—	6,270	—	3,099	2,738	—	20,056	13,982

(*) 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.

2021	Thousands of euros								
	Fixed assets (*)	Other financial assets	Accounts receivable	Other financial liabilities (**)	Accounts payable	Treasury	Sales	Purchases	Other expenses
US 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 nuevos soles	100	—	52	—	178	146	169	15	82
Mexican pesos	270	30	3,532	15	523	21	599	125	1,271
Australian dollar	1	13	—	—	81	14	—	—	877
Argentinean peso	—	—	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.

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 2022 and 2021 results, by financial instrument class, is as follows:

	Thousands of euros					
	2022			2021		
	For transactions settled during the year	For outstanding balances due	Total	For transactions settled during the year	For outstanding balances due	Total
Foreign Exchange Gains	25,167	17,808	42,975	6,688	5,933	12,621
Negative exchange differences	(23,466)	(11,904)	(35,371)	(15,245)	(2,146)	(17,391)
Net exchange differences	**1,701**	**5,904**	**7,605**	**(8,557)**	**3,787**	**(4,770)**

Furthermore, the breakdown of this amount according to the foreign currency giving rise to the exchange differences in 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
US dollars	(2,690)	618
Brazilian reals	10,826	(5,849)
Chilean pesos	1	3
Australian dollar	67	(22)
Argentinean peso	—	293
Other	(599)	187
Total	**7,605**	**(4,770)**

Exchange rate sensitivity analysis

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 outlined 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 2022 and 2021 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:

2022

Currency	Variation	Thousands of euros	
		Impact on consolidated results	Impact on consolidated equity
US Dollars / Euros	10%	52,661	(5,166)
Brazilian real / Euros	10%	21,570	(15,655)
US Dollars / Euros	-10%	(64,364)	4,180
Brazilian real / Euros	-10%	(26,363)	19,134

2021

Currency	Variation	Thousands of euros	
		Impact on consolidated results	Impact on consolidated equity
US Dollars / Euros	10%	(1,997)	(1,361)
Brazilian real / Euros	10%	(46)	(25,396)
US Dollars / Euros	-10%	2,440	1,664
Brazilian real / Euros	-10%	56	31,039

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. In addition, the industrial segment's activity is affected by transport costs to fulfil its activity of marketing, distribution and supply of solar trackers.

The reactivation of the markets after the pandemic in 2022, which has led to an increase in the volume of goods movements worldwide; however, there is still uncertainty in the market regarding the logistics of raw materials as a result of the Russian-Ukrainian war described.

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 conduct its business, which would limit its capacity to be able to contract and execute projects.

As at 31 December 2022, the Group has a bank guarantee facility of up to a maximum amount of EUR 110 million, which allows it to face the execution of its business plan on a firm footing. 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 believe that the fact that the majority of its receivables are insured, together with the fact that most of its customers are in the power sector, which is considered a resilient sector to global and essential economic shocks, means that, based on the information currently available, no significant impact on the Group's credit risk or revenue recognition is expected.

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). Furthermore, they do not expect this to have a significant impact on the Group's lease contracts which, in accordance with IFRS 16, are recorded under the heading "Right of use".

3.7. Risk of changes in the Group's profitability

As of 31 December 2022, the Group has a profit of EUR 13,063 thousand, compared to a loss of EUR 1,167 thousand at year-end 2021.

This margin improvement is mainly due to the measures taken by the Group's management and the price regulation in the market.

The Group's management and directors keep the measures in place under constant review and evaluation and consider that the circumstances that arose in the financial year 2021 and part of 2022 were of a transitory nature insofar as:

i) the assumption of extraordinary costs is of an exceptional nature and is not foreseeable in the future on a recurrent basis and always considering the exceptional nature of the Russian-Ukrainian military conflict, and;

ii) ethe increase in transport, personnel and, to a lesser extent, raw material costs reduces the margin of projects in progress, but it is not expected to alter the margin of future projects as the Group has worked on mitigating factors, such as the expansion of the forwarder portfolio, transport in warehouses and improvements in negotiations with customers on the incoterms to be applied. In addition, these cost increases can also be passed on to the end customer in the price setting process.

The 2023 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.

Finally, it should be noted that the Group's directors and management are constantly monitoring developments in order to successfully deal with any financial and non-financial impacts that may arise as a result of the Russian-Ukrainian military conflict.

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.

The Group is also committed to the fight against climate change, aiming to be a greenhouse gas (GHG) neutral company in the long term, with a progressive reduction of emissions 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 sustainability paradigm, the Group is committed to progressively reducing its electricity consumption, carrying out control and awareness campaigns, changing equipment for more efficient ones, with the replacement of the less efficient ones planned in the medium term, etc. On the other hand, the Group in Spain has implemented a plan to reduce its carbon footprint, in which it continuously monitors its emissions and undertakes to reduce them year by 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.

The Group is currently identifying the relevant activities and metrics linked to the scope of emissions corresponding to other indirect emissions, among which are being evaluated, among other aspects, work trips by external means, the transport of raw materials and products carried out 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, based on ISO-14001:2015, is monitored periodically.

In addition, in order to carry out the strategic planning of the environmental management system, the Group's Environment, Health and Safety (hereinafter EHS) department 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. In addition, regular internal audits are carried out by the health, safety and environment department, covering both the headquarters and subsidiaries as well as the design, manufacturing and installation projects of the 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.

SECTION 4: SEGMENT INFORMATION

4.1. Main segments and segmentation criteria

From the financial year 2022 onwards, the Group divides its business into three main lines of business:

- 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 purchase, sale, transfer and/or acquisition of shares and/or holdings in SPVs for its own account, whether or not they have legal personality, as well as the administration, management and management of such holdings (Development and subsidiaries).

- And a new division for asset management, under the name of Soltec Asset Management, whose functions are (i) the acquisition of projects that have obtained the necessary licences to start construction, (ii) the contracting of the construction company that will carry out the construction of the acquired projects of projects that have obtained the necessary licences to start construction, (iii) the underwriting and structuring of the debt under the "Project Finance" modality, (iv) the investment in the operational projects to obtain long-term profitability, and (v) the management of the projects during the operational phase to maximise the profitability of the projects.

The Group's highest decision-making authority, i.e. the Parent's Board of Directors, assesses performance individually by these 3 segments and for management purposes.

This evaluation is conducted 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 2022, 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. The most significant data by segment are as follows:

Concept	Thousands of euros				
	2022				Group Total
	Industrial segment	Development segment	SAM segment	Others (*)	
Net turnover	586,716	—	11,190	(29,710)	568,196
Changes in inventories of finished goods and work in progress	(4,552)	—	—	—	(4,552)
Other operating income	1,958	1,733	—	(525)	3,166
Works performed by the Group for its assets	889	7,002	14,107	28,827	50,825
Supplies	(361,515)	—	(13,878)	318	(375,075)
Personnel expenses	(65,046)	(2,898)	—	(812)	(68,756)
Other operating expenses	(135,401)	(11,950)	(7,263)	3,336	(151,278)
Depreciation and amortisation of fixed assets	(3,987)	(30)	(359)	(6)	(4,382)
Provision surplus	2,286	—	—	(2,286)	—
Losses on disposals of fixed assets and others	(179)	—	(1,932)	—	(2,111)
Result from loss of control over SPVs	—	8,138	—	—	8,138
Other profit/loss	(2,203)	888	(2)	(148)	(1,465)
OPERATING LOSS	**18,966**	**2,883**	**1,863**	**(1,006)**	**22,706**
Financial income	878	239	25	(147)	995
Financial expenses	(5,513)	(1,169)	(3,508)	—	(10,190)
Changes in fair value of financial instruments	(10,584)	6,994	—	(1)	(3,591)
Exchange rate differences	6,579	1,017	9	—	7,605
Loss of net monetary position	456	—	—	—	456
FINANCIAL PROFIT	**(8,184)**	**7,081**	**(3,474)**	**(148)**	**(4,725)**
Share of profit/(loss) of companies accounted for using the equity method	—	98	—	—	98
LOSS BEFORE TAX	**10,782**	**10,062**	**(1,611)**	**(1,153)**	**18,079**
Income tax	(4,864)	(90)	(9)	(53)	(5,016)
TOTAL COMPREHENSIVE INCOME/LOSS FOR THE YEAR	**5,918**	**9,972**	**(1,620)**	**(1,206)**	**13,063**

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

Concept	Thousands of euros			
	2021			Group Total
	Industrial segment	Development segment	Others (*)	
Net turnover	411,836	—	(65,322)	346,514
Changes in inventories of finished goods and work in progress	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
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.

2022

Concept	Segments at 31/12/2022 (Thousands of euros)				
	Industrial segment	Development segment	Segmento SAM	Others (*)	Total at 31/12/2022
Segment assets	379,592	83,045	162,024	-68,851	555,810
Segment liabilities	311,675	30,623	110,942	(60,096)	393,144

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

2021

Concept	Segments at 31/12/2021 (Thousands of euros)			
	Industrial segment	Development segment	Others (*)	Total at 31/12/2021
Segment assets	382,910	166,764	(72,723)	476,951
Segment liabilities	321,234	75,153	(66,416)	329,971

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

2022

Concept	Segments at 31/12/2022 (Thousands of euros)				
	Industrial segment	Development segment	Segmento SAM	Others (*)	Total at 31/12/2022
Net cash flows from operating activities					
- Operating	2,464	2,081	16,320	(137)	22,876
- Investing	(26,231)	(16,652)	(56,724)	450	(99,157)
- Financing	903	10,550	52,910	(341)	61,874
- Exchange rate variations	6,289	(2,203)	(6,858)	—	(2,772)

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

2021

Concept	Segments at 31/12/2021 (Thousands of euros)			
	Industrial segment	Development segment	Others (*)	Total at 31/12/2021
Net cash flows from operating activities				
- Operating	(46,557)	7,779	55,902	17,124
- Investing	(7,389)	(44,748)	(49,060)	(101,197)
- Financing	16,356	(12,825)	(9,422)	(5,891)
- Exchange rate variations	406	(985)	975	396

(*) 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. Non-current assets in the geographical area do not include deferred tax assets, deferred tax liabilities (see note 14.3 and 14.4) or financial instruments.

The distribution of the Group's main non-current assets (Intangible fixed assets, PPE and Rights of Use) by geographical area at 31 December 2022 and 31 December 2021 is as follows:

	Thousands of euros							
	Spain	Brazil	North America (*)	Rest of South America (*)	APAC (*)	Italy	Other	Total 31/12/-2022
Intangible assets	11,382	10,577	—	227	—	6,162	—	28,349
Property, plant and equipment	5,792	151,980	145	2,086	—	38	—	160,041
Right of use	12,383	3,459	—	407	—	—	—	16,249
Total	**29,556**	**166,017**	**145**	**2,721**	**—**	**6,200**	**—**	**204,639**

(*) Norte América: Estados Unidos de América y México. Resto Sudamérica: Argentina, Chile, Colombia y Perú. APAC: Australia, India y Tailandia. Otros: Regiones no indicadas previamente.

	Thousands of euros							
	Spain	Brazil	North America (*)	Rest of South America (*)	APAC (*)	Italy	Other	Total 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
Total	**26,810**	**97,624**	**469**	**1,171**	**15**	**2,230**	**45**	**128,364**

(*) Norte América: Estados Unidos de América y México. Resto Sudamérica: Argentina, Chile, Colombia y Perú. APAC: Australia, India y Tailandia. Otros: Regiones no indicadas previamente.

The net turnover for the financial years 2022 and 2021 is derived from turnover to the following geographical areas:

Revenue	Thousands of euros	
	2022	2021
Spain	58,733	96,262
Brazil	99,686	81,655
North America (*)	146,573	73,071
Rest of South America (*)	223,630	83,626
APAC (*)	11,982	250
European Union	24,206	8,832
Other	3,386	2,818
Total	**568,196**	**346,514**

(*) 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: Egypt, Israel, Jordan, Kenya and Namibia.

4.3. Other segment information

The types of products and services provided by the Group are detailed in note 16 of these explanatory notes.

On the other hand, the weight of the main customers for the Group varies over time depending, to a large extent, on the projects executed in the period. The Group's most representative customers for 2022 were Enel Green Power, AES and Moss Solar, representing 31%, 16% and 5% of net revenues, respectively. Transactions with each of these customers accounted for 23.8%, 14.6% and 9.1%, respectively, of revenue in 2021.

SECTION 5: CHANGES IN THE SCOPE OF CONSOLIDATION

5.1. Incorporation of entities

In 2022 and 2021, 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, during the financial year 2021, certain partial demergers of the Italian company Powertis, S.r.l. were carried out in favour of new beneficiary SPVs to facilitate the transfer of the projects developed in that geography. Details of the new subsidiaries included in the scope of consolidation as a result of these demergers 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

2022

During the period ended 31 December 2022, there have been no additions to the scope of consolidation due to the acquisition of companies.

2021

i. Entry into the scope of consolidation of Fotovoltaico Arrayanes, S.A.S.

On 28 September 2021, the company Soltec Development, S.A.U. signed a share purchase agreement with the company TW Solar, S.A.S., owner of 100% of the shares of Fotovoltaico Arrayanes, S.A.S., which, at the date of signing the agreement, was developing a project for the generation of electricity from photovoltaic energy sources called "Parque Solar Fotovoltaico Manglares", located in the municipality of Turbo (Department of Antioquia) with a capacity of 99.9 MW AC. The contract stipulates that Soltec Development, S.A.U. acquires 65% of the transferred company in order to jointly participate in auctions of long-term renewable energy contracts. The purchase and sale amounted to EUR 206 thousand. At the same date, control of the SPV corresponding to this project was effectively transferred to the Group, as the Group took over management of the subsidiary's administrative body.

This acquisition was not considered a business combination in accordance with the IFRS 3 definition of a business as described above, and was treated as a purchase of assets.

The assets and liabilities acquired from the balance sheet of the target company at the time of the acquisition were not material as it was a dormant company which, at the time of the acquisition, mainly held a long-term power purchase agreement (PPA) with contractual periods of several years.

5.3. Other acquisitions not involving the transfer of control

i. Transaction between Soltec Development, S.A.U. and SER Sistemas de Energía Renovável LTDA (hereinafter SER) in the framework of the sale and purchase of Engady (GRAVIOLA project)

In October 2019, Soltec Development together with Engady Solar Energia SPE LTDA (Engady), agreed to bid, 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 through various special purpose entities, with Soltec Development and Engady participating in the auctions. On 13 January 2020, four entities (Graviola I-IV), 99.99% owned by Soltec Development and 0.01% owned by Engady, were set up and awarded the bid. In addition, on 11 February 2020, SER and Soltec Development agreed to purchase and sell 100% of Engady's shares for a total purchase price of BRL 24 million, which amounted to approximately EUR 3.8 million at the exchange rate on 31 December 2020. 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 shares to Soltec Development (20% of Engady shares acquired at 31 December 2020) was formalised, resulting in a cash outflow during 2021 of EUR 578 thousand (31 December 2020: EUR 812 thousand). At year-end 2021, Soltec Development's interest in Engady was 35% (20% at year-end 2020). 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 licences agreed was transferred to Graviola SPVs and, consequently, the associated payment milestone accrued. These connection licences are evidence of the technical feasibility of the project and, in accordance with the standard, these licences will be capitalised in 2021 by reclassifying the payments initially recorded as "Prepayments for equity instruments - Non-current financial investments (see note 10.1.1.ii) to "PLCs - Intangible assets". As of 31 December 2022, the project is in the same situation. (see Note 6).

5.4. Business combination

During the period ended 31 December 2022 there have been no business combinations in accordance with the definition of a business in 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, Soltec Development, S.A.U. reached an agreement with Total Solar SAS whereby Soltec Development, S.A.U. 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, Soltec Development, S.A.U. will be required to transfer to Total Solar SAS 65% of the shares it holds in each of the SPVs that Total Solar SAS requires. This agreement involved a sale transaction that materialised in March 2021.

In March 2021, the transfer of 65% of the shares of Luminora Solar Cinco, S.L. was formalised. As a result, on 31 December 2021, the Group lost its control over these SPVs. This transaction resulted in a positive operating profit of EUR 1,953 thousand arising from the loss of control in the item "Result from loss of control SPVs" and a financial gain of EUR 964 thousand from the valuation at fair value of equity in the item "Change in fair value of financial instruments".

As of 31 December 2022, the Group had not closed any transaction involving the transfer of a controlling stake to Total Solar SAS.

These investments (together with those indicated in transaction 5.5.ii and 5.5.iv), 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. Operation to sell Italian SPVs to Aquila

On 24 December 2020 Soltec Development S.A.U. signed a Framework Agreement (Framework Agreement, hereinafter "FA") with Albatros Project XXIV S.à.r.l., a company owned by the Aquila Group (hereinafter Aquila) to jointly develop, finance, construct and operate a portfolio of up to 754 Mw-DC of solar projects associated with SPVs on the Italian territory until 31 December 2023.

Within this "FA" and on the same date, an agreement was signed to purchase and sell 51% of the shares of ten Italian SPVs containing solar projects with an estimated capacity of 249 MW-DC, without considering that the risks and benefits of the operation had been substantially transferred.

The Group received an amount of EUR 3,174 thousand which was recognised under "Financial liabilities" in the consolidated statement of financial position as of 31 December 2020.

In March 2021 Development and Aquila concluded an *Addendum* to the initial December 2020 FA with the following amendments:

- The purpose of the agreement is the development of projects of up to *1,109 Mw-DC* compared to the 754 Mw-DC of the December 2020 "FA".
- The *sales price* was set according to sales packages in thousands of euros per Mw-DC of the delivered project, the distribution being as follows:
  - Phase 1: 10 SPVs with sales agreement made in 2020 for 249 Mw-DC
  - Initial Projects: 17 SPVs for a total of 505 Mw-DC
  - New Projects: 355 (expandable to 470Mw-DC) Mw-DC replacement projects

The payment of 100% of the price is made only at the time of the transfer of the shares and is not adjustable for any reason.

- In addition, it is established that, if projects reach the RTB phase, a *Performance Based Earnt-Out* would be satisfied for all "Phase 1" and "Initial Projects".
- An additional bonus mechanism - "*Global Success Fee*" - is also established based on the overall success of the entire Mw portfolio of Phase 1 and Initial Projects once they reach RTB status.

Under the new terms of the *Amendment*, whereby the risks and rewards are transferred at the time of the transfer of the shares in exchange for the sale price (which is unalterable and irrevocable), the transfer of control of the following packages of Italian SPVs was completed:

- 10 SPVs transferred in 2020 with accrual in March 2021. —*"Phase 1"*—.
- 12 SPVs transferred with accrual in June 2021 —"*Initial Projects*"—.
- 1 SPV transferred with accrual in July 2021 —"*Initial Projects*"—.
- 3 SPVs transferred with accrual in September 2021 —"*Initial Projects*"—.
- 1 SPV transferred with accrual in October 2021 —"*Initial Projects*"—.

These operations resulted in the recording of a positive operating result of EUR 5,134 thousand derived from the loss of control under the heading "Result from loss of control SPVs" and a financial gain of EUR 4,878 thousand from the valuation at fair value of participation under the heading "Change in fair value of financial instruments" of the consolidated profit and loss account for the financial year 2021. As a result of the accrual of the transaction, the proceeds received in 2020 and recognised as of 31 December 2020 as "Non-current financial liabilities" and "Current financial liabilities" were realised as operating income.

In December 2021, Soltec Development, S.A.U. and Aquila signed a new SPV on a package of projects associated with Italian SPVs, which are at a more advanced stage of development. Taking advantage of the *"FA"* of December 2020 and the subsequent *Amendment* of March 2021 signed between the parties, they included this new block of projects within the framework agreement and signed a new *"FA"* dated 21 December 2021, which would become the new and only framework agreement under which all the projects already transmitted to Aquila and the projects pending transmission at the date of signature of this agreement are regulated.

The new "FA" of December 2021 included the last clauses of the *Amendment* of March 2021 and included the following clauses:

- The portfolio to be developed is extended to a maximum of *1840 MW* of solar projects associated with SPVs in the Italian territory until *31 December 2024*.

- The set of packets already transmitted is renamed and the *new packets* are included:

  — *First Closing Projects (formerly called "Phase 1")*: 10 SPVs with sales agreement made in 2020 for 249 Mw-DC.

  — *First Pipeline Projects (formerly "Initial Projects"):* 17 SPVs for a total of 505 Mw-DC.

  — *First Pipeline Additional Projects(formerly "New Projects"):* replacement projects for 355 Mw-DC (expandable to 470 Mw-DC).

  — *Second Pipeline Projects (new package of projects included in the December 2021 FA):* 15 SPVs for a total of 420 Mw-DC.

  — *Second Pipeline Additional Projects (new package of projects included in the December 2021 FA):* Replacement projects for 355 Mw-DC (expandable to 420 Mw-DC).

- *Second Pipeline Projects* are subject to *Earnt-Out.*

- *Second Pipeline Projects* and *Second Pipeline Additional Projects* are not subject to the *Global Success Fee* mechanismz*Second Pipeline Projects* and *Second Pipeline Additional Projects* are not subject to the *Global Success Fee* mechanism.

In addition, in connection with this novation, the Group materialised the substantial transfer of the risks and rewards and consequent accrual of the disposal of 15 Italian SPVs in December 2021. This transaction resulted in a positive operating profit of EUR 9,578 thousand derived from the loss of control under the heading "Result from loss of control SPVs" and a financial gain of EUR 9,179 thousand from the valuation at fair value of equity under the heading "Change in fair value of financial instruments".

During the financial year 2022, the group has not materialised any substantial transfer of risks and rewards and consequent accrual of the disposal of Italian SPVs to Aquila within the signed framework contract.

iii. Sale of Brazilian SPVs - Leo Silveira Project

On 23 September 2020, Soltec Development, 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 formalised, 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 BRL 55 million for Block A and BRL 40 million 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 necessary administrative procedures for the change of ownership of all permits, licences 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 termination of the agreement at the buyer's sole discretion in the event of non-payment or by the buyer exercising the right to sell the shares by returning them to Soltec Development. 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 context, given that the directors consider that the carrying amount of these SPVs would be recovered through the described sale transaction with a third party 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 shareholdings 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 in the amount of EUR 8,577 thousand at the collection exchange rate. This transaction resulted in the recording of a positive operating result of EUR 696 thousand arising from the loss of control in the item "Result from loss of control SPVs".

The buyer notified the fulfilment of all the conditions of the Block B agreement, having made the payment of the agreed amount during the month of July 2021. During these months, there was an increase in the net assets of the SPVs associated with Block B, which led to the recording of EUR 14 thousand derived from the loss of control in the item "Result from loss of control SPVs" and EUR 426 thousand corresponding to non-input taxes passed on to the end customer.

iv. Sale transaction of Italian SPVs to ACEA

On 28 July 2022, Soltec Development, S.A.U. signed an agreement with Acea Solar, S.r.l. for the transfer of a 51% stake in 22 Italian SPVs. At year-end 2022, the transfer of control of 17 of the 22 SPVs has been completed; the remaining 5 SPVs are expected to be transferred in the course of 2023.

In addition to the sales price, the contract provides for two payments conditional on the success of the projects. The "First Earnt-Out" shall accrue upon obtaining the VIA; and the "Second Earnt-Out" shall accrue 120 days after obtaining the Single Authorisation free of challenges. At year-end 2022, none of these have accrued and therefore the impact has not been reflected in the Group's consolidated financial statements.

This transaction resulted in the recording of a positive operating profit of EUR 7,284 thousand derived from the loss of control under the heading "Profit/loss of control SPVs" and a financial gain of EUR 6,994 thousand from the valuation at fair value of the investment under the heading "Change in fair value of financial instruments" in the consolidated income statement for the year 2022.

The following table shows the main figures of the assets and liabilities of the SPVs deregistered at the time of their transfer:

		29 July 2022
		Thousands of euros
Intangible assets		3,692
PLCs		3,692
Other non-current assets	A	471
Advances to suppliers		22
Trade and other receivables	B	590
Other receivables from public authorities		590
Cash and cash equivalents		56
TOTAL ASSETS		**4,831**
Share capital		170
Reserves		2
Profit for the year		-7
TOTAL EQUITY		**165**
Other current liabilities		—
Short-term payables to group and associates companies		3,091
Trade and other payables	C	1,575
Suppliers	D	203
Suppliers, group companies and associates		1,371
Other payables to public authorities		—
TOTAL LIABILITIES		**4,666**

The most significant items correspond to:

A. Intangible assets (PLCs): assets generated internally as a result of the capitalisation of expenses associated with the development of solar projects for which the Parent Company's technical management considers that all the requirements for capitalisation have been met based on the status of the projects.

B. Other non-current assets: deposits associated with preliminary land contracts for the projects.

C. Long-term payables to Group companies and associates: cash transfers to finance their activities.

D. Suppliers, Group companies and associates: payables to Group companies and associates resulting from development services received.

The following table shows the main figures of the assets and liabilities of the SPVs derecognised at 31 December 2022:

31 December 2022 Thousands of euros		
Intangible assets		4,473
PLCs		4,473
Other non-current assets		**524**
Advances to suppliers	A	**12**
Trade and other receivables		**789**
Sundry accounts receivable	B	**16**
Other receivables from public administrations		**762**
Debts with Group companies		**11**
Cash and cash equivalents		**666**
TOTAL ASSETS		**6,475**
Trade and other payables		**109**
Suppliers		97
Suppliers, group companies and associates	C	10
Other payables to public authorities		2
TOTAL LIABILITIES		**109**

The most significant items relate to:

A. Intangible assets (PLCs): assets generated internally as a result of the capitalisation of expenses associated with the development of solar projects for which the Parent Company's technical management considers that all the requirements for capitalisation have been met based on the status of the projects.

B. Other non-current assets: deposits associated with preliminary land contracts for the projects.

C. Suppliers, Group companies and associates: balances payable to Group companies and associates resulting from development services received.

v. Sale of Spanish SPVs to DISA

On 31 December 2022, Soltec Development, S.A.U. entered into an agreement with Disa Energía Renovable, S.L. for the transfer of 100% ownership of four Spanish SPVs.

Without prejudice to the sale price for the transfer of the shares, the parties have agreed on a system of additional remuneration or bonus for the achievement of certain development milestones by Soltec Development in respect of each of the projects, which is distributed as follows:

- *First Development Milestone:* will be accrued upon obtaining the Favourable Environmental Impact Report or the Environmental Impact Assessment Report for the Amber Solar Power Once, S.L. and Amber Solar Power Trece, S.L. projects.
- *Second Development Milestone:* will accrue when projects reach RTB.
- *Final Development Milestone:* will accrue on the date of Commercial Operation of the Project.

This operation resulted in the recording of a positive operating result of EUR 854 thousand derived from the loss of control in the item "Result loss of control SPVs".

As of 31 December 2022, the amount for the transfer of SPVs to DISA is pending collection under "Trade receivables for sales and services" in the Group's consolidated balance sheet.

The following table shows the main figures of the assets and liabilities of the SPVs deregistered at the time of their transfer:

31 December 2022 Thousands of euros		
Intangible assets		875
PLCs		875
Trade and other accounts receivable		70
Other receivables from public administrations	A	70
Deferred tax assets		35
Accruals and deferrals		5
Cash and cash equivalents		1
TOTAL ASSETS		**986**
Share capital		12
Reserves		951
Profit for the year		—
TOTAL EQUITY		**963**
Trade and other accounts payable		23
Suppliers		23
TOTAL LIABILITIES		**23**

The most significant items relate to:

A. Intangible assets (PLCs): assets generated internally as a result of the capitalisation of expenses associated with the development of solar projects for which the technical management of the Parent Company considers that all the requirements for capitalisation have been met based on the status of the projects.

SECTION 6: INTANGIBLE ASSETS

The following table shows details of and movements in the items included under "Intangible assets" at 31 December 2022 and 2021:

2022

	Thousands of euros					
	Opening balance 01/01/2022	Additions (note 5.2)	Exits from the scope (note 5.5)	Transfers (note 10.1.1.ii)	Exchange rate differences	Final balance 31/12/2022
Cost:						
Development	6,926	854	—	—	—	7,780
Other intangible assets-						—
Industrial property	153	—	—	—	—	153
Computer software	632	704	—	—	—	1,336
PLCs	14,685	12,461	(4,567)	—	508	23,087
Total cost	**22,396**	**14,019**	**(4,567)**	**—**	**508**	**32,356**
Accumulated depreciation:						
Development	(2,434)	(806)	—	—	—	(3,240)
Other intangible assets-						—
Industrial property	(122)	(12)	—	—	—	(134)
Computer software	(392)	(241)	—	—	—	(633)
Total accumulated depreciation	**(2,948)**	**(1,059)**	**—**	**—**	**—**	**(4,007)**
Total intangible assets	**19,448**	**12,960**	**(4,567)**	**—**	**508**	**28,349**

2021

	Thousands of euros					
	Opening balance 01/01/2021	Additions (note 5.2)	Exits from the scope (note 5.5)	Transfers (note 10.1.1.ii)	Exchange rate differences	Final balance 31/12/2021
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 depreciation:						
Development	(1,884)	(550)	—	—	—	(2,434)
Other intangible assets-						—
Industrial property	(105)	(17)	—	—	—	(122)
Computer software	(340)	(52)	—	—	—	(392)
Total accumulated depreciation	**(2,329)**	**(619)**	**—**	**—**	**—**	**(2,948)**
Total intangible assets	**13,393**	**10,439**	**(5,675)**	**1,294**	**(3)**	**19,448**

Additions

The main additions in 2022 relate to internally generated assets under "PLCs" amounting to EUR 12,461 thousand (31 December 2021: EUR 8,779 thousand), which were generated through work performed by the Group and recognised accordingly under "Work performed by the Group on 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, in the financial year 2022, no activations have been made as a result of payments made for the Engady-Graviola project. EUR 1,294 thousand initially classified as "Prepayments for equity instruments - Non-current financial investments" (see note 10.1.1) were recognised in 2021 (see note 10.1.1ii).

In addition, there are additions from internally generated assets under "Development" amounting to EUR 854 thousand (EUR 2,242 thousand as of 31 December 2021). 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, licences 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.

PLC impairment test

The Group has performed the corresponding impairment test based on IAS 36. The methodology used is based on internal and external sources in order to assess the status of the projects and their progress prior to the RTB phase and to identify impairment risks.

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

Other

In 2022, no acquisitions related to intangible assets from related companies were carried out (same situation in 2021).

At year-end 2022, there are no firm purchase or sale commitments in respect of intangible assets outstanding at the date of preparation of these consolidated financial statements.

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

SECTION 7: PROPERTY, PLANT AND EQUIPMENT

The breakdown and movements in this heading in the consolidated statements of financial position at 31 December 2022 and 2021 are shown below:

2022

	Thousands of euros					
	Opening balance 01/01/-2022	Additions	Disposals	Transfers	Exchange rate differ-ences	Final balance 31/12/-2022
Cost:						
Land and buildings						
Buildings	4,513	65	—		22	4,600
	4,513	65	—		22	4,600
Plant and other property, plant and equipment-						
Plant and machinery	3,910	6,194	(2,508)	76,262	(3,952)	79,906
Tools, other fixtures and furniture	4,920	785	(364)	—	41	5,382
Other property, plant and equipment	1,298	893	(506)	—	152	1,837
Property, plant and equipment in progress	83,352	58,502	—	(76,262)	10,031	75,623
	93,480	66,374	(3,378)		6,272	162,748
Total cost	**97,993**	**66,439**	**(3,378)**		**6,294**	**167,348**
Accumulated depreciation:						
Land and buildings						
Buildings	(893)	(263)	—	—	(20)	(1,176)
	(893)	(263)	—	—	(20)	(1,176)
Plant and other property, plant and equipment-						
Plant and machinery	(1,954)	(636)	297	—	(11)	(2,304)
Tools, other fixtures and furniture	(2,388)	(745)	42	—	(52)	(3,143)
Other property, plant and equipment	(582)	(399)	385	—	(88)	(684)
	(4,924)	(1,780)	724	—	(151)	(6,131)
Total accumulated depreciation	**(5,817)**	**(2,043)**	**724**	—	**(171)**	**(7,307)**
Total	**92,176**	**64,396**	**(2,654)**	—	**6,123**	**160,041**

2021

	Thousands of euros				
	Opening balance 01/01/-2021	Additions	Disposals	Exchange rate differ-ences	Final balance 31/12/-2021
Cost:					
Land and buildings	4,033	453	—	4,513	
Buildings	4,033	453	—	4,513	4,600
					4,600
Plant and other property, plant and equipment-					
Plant and machinery	3,150	930	(121)	3,910	79,906
Tools, other fixtures and furniture	3,828	1,195	(84)	4,920	5,382
Other property, plant and equipment	1,118	210	(27)	1,298	1,837
Property, plant and equipment in progress	640	81,736	—	83,352	75,623
	8,736	84,071	(232)	93,480	162,748
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**

The carrying amount of "Property, plant and equipment" at 31 December 2022 and 2021 was as follows:

	Thousands of euros	
	31/12/2022	31/12/2021
Land and buildings:		
Buildings	3,424	3,620
	3,424	3,620
Plant and other property, plant and equipment:		
Plant and machinery	77,602	1,956
Tools, other fixtures and furniture	2,239	2,532
Other property, plant and equipment	1,153	716
	80,994	**5,204**
Non-current assets in progress:	**75,623**	**83,352**
	75,623	**83,352**
Total property, plant and equipment	**160,041**	**92,176**

Movements

The additions recorded under "Property, plant and equipment under construction and advances" are entirely due to the construction of the solar farm in Brazil for the Araxá asset management segment project, which is expected to be completed and commissioned during the first quarter of 2023. The Araxá project consists of two photovoltaic plants located in the municipality of Araxá (State of Minas Gerais) with a capacity of 45 Mw (56.2 Mwp) each.

At the end of the financial year 2022, the Pedranópolis project has reached its COD point and is already generating energy, and has therefore been transferred to *technical installations and machinery*. It consists of three photovoltaic plants located in the municipality of Pedranópolis (State of Sao Paulo) with a capacity of 30 Mw (37.5 Mwp) each.

These projects have financing of BRL 299,253 thousand - EUR 53,072 thousand (see note 10.2)

On the other hand, there are additions from internally generated assets under "Assets under construction" amounting to EUR 55,575 thousand (EUR 64,029 thousand at 31 December 2021) for the Araxá and Pedranópolis projects, the main impact of which is recorded under "Work carried out by the Group on its assets" in the condensed consolidated income statement.

Impairment test on property, plant and equipment

The Group has performed the corresponding impairment test in accordance with IAS 36.

Specifically, for the Araxá and Pedranópolis projects, the calculation to assess the possible impairment of assets, corresponding to the heading "Property, Plant and Equipment", associated with these projects, was performed using financial projections for each of the projects (see note 2.7.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 30 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 10.6% (10,8% for the year 2021) associated with Brazil in 2022 (see note 2.7.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 2023. The aforementioned flows have envisaged 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.

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 assets would not cause the carrying amount of the asset to exceed its recoverable amount.

Guarantees

As of 31 December 2022 the photovoltaic plants of projects Araxá (plant in progress) and Pedranópolis (plant reclassified during 2022 as a technical facility) have been pledged as collateral for financing drawn down during the year. As of 31 December 2021 there were no collateralised financing granted to the Group.

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 2022, in the opinion of the Parent's directors (same situation at 31 December 2021).

Other

In 2022, no impairment losses of a significant amount were recognised under "Property, plant and equipment" (same situation in 2021), nor were there any acquisitions relating to "Property, plant and equipment" made from related companies (same situation in 2021).

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 in 2021).

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

SECTION 8: LEASES

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 breakdown and movements in this heading in the consolidated statement of financial position at 31 December 2022 and 2021 are shown below:

2022

	Thousands of euros				
	Opening balance 01/01/2022	Additions	Disposals	Exchange rate differences	Final balance 31/12/2022
Cost:					
Land and buildings	19,819	538	(1,203)	498	19,652
Other fixed assets	654	—	(474)	25	204
Total cost	**20,473**	**538**	**(1,677)**	**523**	**19,857**
Accumulated depreciation:					
Land and buildings	(3,393)	(1,216)	1,171	(99)	(3,537)
Other fixed assets	(340)	(65)	354	(20)	(71)
Total accumulated depreciation	**(3,733)**	**(1,281)**	**1,525**	**(119)**	**(3,608)**
Total right of use	**16,740**	**(743)**	**(152)**	**404**	**16,249**

2021

	Thousands of euros				
	Opening balance 01/01/2021	Additions	Disposals	Exchange rate differences	Final balance 31/12/2021
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

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

During the financial year 2021, it recorded a new lease contract in the development segment in the amount of EUR 1,337 thousand, corresponding to the land lease contract for the Pedranópolis project, as the existing lease option has been converted into a lease when the project has reached the "*Ready to Build*" stage. No additions have been made in the financial year 2022.

In addition, as in the 2021 financial year, contracts that ended in the 2022 or 2021 financial year were also taken into account as retirements for the year.

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 2021), except for certain warehouse contracts, which is ten years (same duration in 2021), 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 breakdown by maturity of lease liabilities without discounting the financial effect at 31 December 2022 and 2021 was as follows:

2022

	Thousands of euros					
	2023	2024	2025	2026	2027 and following	Total
Undiscounted lease liabilities	764	898	774	700	13,579	16,715

2021

	Thousands of euros					
	2022	2023	2024	2025	2026 and following	Total
Undiscounted lease liabilities	1,753	1,528	1,399	1,373	23,367	29,420

The financial expense recognised for the contracts subject to IFRS 16 amounted to EUR 884 thousand in 2022 (EUR 843 thousand in 2021).

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 2.7.e, the Group has availed itself of the short-term contract exemptions, with the expense recognised in the consolidated income statement for short-term contracts amounting to EUR 24,034 thousand in 2022 (EUR 9,427 thousand in 2021) (see note 16.5).

As of 31 December 2022, there are no significant lease contracts subject to variable rent and there are no sublease transactions to third parties outside the Group (same situation as of 31 December 2021). In the financial year 2022, the Group signed a sale & leaseback contract for machinery for an amount of 92 thousands of euros and a duration of 4 years.

In 2022, the average discount rate applied was 3.5% for Spain, 9.1% in LATAM and 8.1% in the rest (same percentages in 2021). 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 Soltec Development, 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 conducts research to ensure a future lease of up to 35 years in its case. These agreements last between two and five years and generally consist of a low initial payment. In that space of time, the landowner is free to continue with their economic activity on said land. During this period, Soltec Development is also free to terminate the contract without penalty. Only if Soltec Development finally decides within this period to proceed with the construction (depending on the outcome of the technical and economic feasibility studies) will a corresponding lease contract be established.

In this regard, in line with the criterion mentioned in the previous paragraph, no additions were made during the 2022 financial year. In 2021, the rights of use associated with the land on which the Pedranópolis project is being developed were registered.

The total amount of cash outflows from leases amounts to EUR 25,742 thousand in 2022 (EUR 11,539 thousand in 2021)

SECTION 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 2022 and 2021 were as follows:

2022

	Thousands of euros					
	Opening balance 01/01/-2022	Cost maintained	Revaluation (note 5.5)	Share of results of investments accounted for using the equity method	Other contri-butions	Final balance 31/12/-2022
Spanish SPVs (12 partner companies)	5,143	—	—	254	—	5,397
Italian SPVs (59 associated companies)	18,154	83	6,994	(156)	8,294	33,369
Total investments accounted for using the equity method	**23,297**	**83**	**6,994**	**98**	**8,294**	**38,766**

2021

	Thousands of euros					
	Opening balance 01/01/-2022	Cost maintained	Revaluation (note 5.5)	Share of results of investments accounted for using the equity method	Other contri-butions	Final balance 31/12/-2022
Spanish SPVs (12 partner companies)	4,101	60	964	18	—	5,143
Italian SPVs (42 associated companies)	—	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**

In the year 2022, 17 Italian SPVs lost control as a result of the transactions 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 EUR 6,994 thousand, as a result of the measurement at fair value based on the sale price of the retained interest (EUR 15,021 thousand in 2021).

The share in the result of investments accounted for using the equity method in the year since the loss of control results in gains of EUR 98 thousand (gains in the amount of EUR 42 thousand in 2021).

The "Other contributions" column mainly reflects Soltec Development's contributions to the equity of the Italian SPVs over which it has significant influence in order to increase the financial and equity strength of these SPVs.

The main aggregates of these Group associates are shown in Appendix II, and there are no significant aggregates or financial debt in 2022 and 2021, as they are financed in their initial stage by the capital of the participating shareholders.

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 EUR 2,650 thousand at 31 December 2022 and EUR 1,564 thousand, respectively (EUR 2,733 thousand and EUR 1,034 thousand at 31 December 2021). These loans have generated financial income of EUR 101 thousand in 2022 (EUR 85 thousand at year-end 2021).

SECTION 10: FINANCIAL INSTRUMENTS

10.1. Financial assets

The detail of the financial assets at 31 December 2022 and 31 December 2021 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).

2022

	Thousands of euros			
	Amortised cost	Fair value through other com-prehensive income	Fair value through profit and loss	Balance at 31/12/2022
Non-current financial assets (note 10.1.1):				
Equity instruments	—	81	—	81
Other financial assets	14,053	—	—	14,053
Total non-current financial assets	**14,053**	**81**	**—**	**14,134**
Current financial assets:				
Customer receivables for sales and other accounts receivable (note 10.1.2.i)	180,530	—	—	180,530
Sundry debtors (note 10.1.2.i)	88	—	—	88
Other financial assets (note 10.1.2.i)	418	—	—	418
Other financial assets (note 10.1.2.ii)	4,387	—	—	4,387
Derivatives (note 10.3)	—	—	2,959	2,959
Other current assets	4,768	—	—	4,769
Total current financial assets	**190,191**	**—**	**2,959**	**193,151**
Total financial assets	**204,244**	**81**	**2,959**	**207,285**

2021

	Thousands of euros			
	Amortised cost	Fair value through other com-prehensive income	Fair value through profit and 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
Sundry debtors (note 10.1.2.i)	3,636	—	—	3,636
Other financial assets (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	**166,316**	**—**	**1,427**	**167,743**
Total financial assets	**173,942**	**81**	**1,427**	**175,450**

Classification of financial assets by maturity

At 31 December 2022 and 2021 the maturity classification of financial assets is as follows:

2022

	Thousands of euros			
	Maturity less than one year	Maturity between 1 and 5 years	Indeterminate	Balance at 31/12/2022
Non-current financial assets (note 10.1.1):				
Equity instruments	—	—	81	81
Other financial assets	—	13,443	610	14,053
Total non-current financial assets	**—**	**13,443**	**691**	**14,134**
Current financial assets:				
Customer receivables for sales and other accounts receivable (note 10.1.2.i)	180,530	—	—	180,530
Sundry debtors (note 10.1.2.i)	88	—	—	88
Other financial assets (note 10.1.2.i)	418	—	—	418
Other financial assets (note 10.1.2.ii)	4,387	—	—	4,387
Derivatives (note 10.3)	2,959	—	—	2,959
Other current assets	4,769	—	—	4,769
Total current financial assets	**193,151**	**—**	**—**	**193,151**
Total financial assets	**193,151**	**13,443**	**691**	**207,285**

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
Sundry debtors (note 10.1.2.i)	3,636	—	—	3,636
Other financial assets (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**

The most significant changes in financial assets in 2022 and 2021 are explained below.

10.1.1. Non-current financial assets

The movements in 2022 and 2021 under non-current financial assets were as follows:

2022

	Thousands of euros					
	Opening balance 01/01/-2022	Addi-tions	Collec-tions	Exchange rate diffe-rences	Transfers	Final balance 31/12/-2022
Equity instruments	81	—	—	—	—	81
Other financial assets-						
Long-term time deposits	908	—	—	—	—	908
Long-term recoverable tax balances	6,076	13,775	(1,007)	(7,033)	724	12,535
Long-term deposits and guarantees	642	—	(37)	5	—	610
Total	**7,707**	**13,775**	**(1,044)**	**(7,028)**	**724**	**14,134**

2021

	Thousands of euros					
	Opening balance 01/01/-2021	Addi-tions	Collec-tions	Exchange rate diffe-rences	Transfers	Final balance 31/12/-2021
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 deposits and guarantees	639	4	(5)	4	—	642
Total	**5,128**	**4,104**	**(8)**	**29**	**(1,546)**	**7,707**

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

The Group considers as recoverable tax balances those balances due to the Brazilian tax authorities in relation to IPI and PIS/COFINS taxes in 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 2022 and 2021 was as follows:

2022

	Thousands of euros					
	Opening balance 01/01/-2022	Addi-tions	Dispos-als	Trans-fers	Ex-change rate dif-ferences	Final balance 31/12/-2022
Other financial assets - Long-term tax recoverable balances	6,076	13,775	(1,007)	(7,033)	724	12,535
Other receivables from public administrations (note 14.1)	6,558	17,470	(27,104)	7,033	781	4,738
Total	**12,634**	**31,245**	**(28,111)**	**—**	**1,505**	**17,273**

2021

	Thousands of euros				
	Opening balance 01/01/-2021	Addi-tions	Collec-tions	Ex-change rate dif-ferences	Final 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
Total	**6,634**	**8,915**	**(2,982)**	**67**	**12,634**

ii. Prepayments for equity instruments

The Group records as other long-term financial assets with third parties those amounts paid as part of the acquisition process of certain Brazilian SPVs for which at year-end the acquisition had not yet taken place. As of 31 December 2022 and 31 December 2021 there are no outstanding balances. (see Note 5).

iii. Long-term guarantees and deposits provided

The Group records under "Long-term deposits and guarantees" at 31 December 2022 in the amount of EUR 610 thousand (EUR 642 thousand at 31 December 2021) the payments made in respect of deposits for the formalised 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 2022 and 2021 was as follows:

	Thousands of euros	
	Balance at 31/12/2022	Balance at 31/12/2021
Customer receivables for sales and services	180,530	150,975
Customer receivables companies accounted for using the equity method	88	3,636
Sundry debtors	198	5
Personnel advances	220	764
Total	**181,036**	**155,380**

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

	Thousands of euros			
	Initial balance	Additions	Applications	Final balance
2022	3,553	511	(208)	3,856
2021	3,038	553	(38)	3,553

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, representing 0.15% of "Net sales" at 31 December 2022 (0.16% at 31 December 2021 excluding the one-off provision below).

In 2022, EUR 511 thousand 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 EUR 553 thousand in 2021).

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:

Term	Thousands of euros			
	Unmatured customers	Matured customers		
		0 to 90 days	90 to 180 days	More than 180 days
Balance at 31/12/2022	162,767	16,151	806	893
Balance at 31/12/2021	106,582	47,799	—	230

Regarding the balances due at 31 December 2022, 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 EUR 69,355 thousand at 2022 year-end (EUR 37,115 thousand at 31 December 2021). At the date of preparation of these consolidated financial statements, this amount is invoiced in EUR 22,388 thousand (EUR 16,646 thousand at year-end 2021 fully invoiced at the date of preparation of these financial statements).

Personnel advances

In addition, the Group has paid EUR 220 thousand in advances to personnel, which are recognised under "Personnel" above (EUR 764 thousand at year-end 2021).

ii. Other current financial assets

The changes in current financial assets during 2022 and 2021 were as follows:

2022

	Thousands of euros				
	Initial balance	Additions	Disposals	Transfers	Final balance
Loans to third parties	2	—	—	—	2
Other financial assets-					
Short-term time deposits	4,908	332	(1,785)	900	4,355
Short-term guarantees	—	82	(52)	—	30
Total	**4,910**	**414**	**(1,837)**	**900**	**4,387**

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	56	—	(56)	—
Total	**116**	**4,910**	**116**	**4,910**

Short-term time deposits

As of 31 December 2022, the balance recorded for short-term deposits and guarantees, amounting to EUR 4,355 thousand (31 December 2021: EUR 4,908 thousand), is mainly due to fixed-term deposits for the realisation of projects by the development segment mainly linked to the Manglares project in Colombia. These deposits are expected to be recovered in the second half of 2023 and are included in "Other current financial assets" under "Current financial assets" in the accompanying condensed consolidated statement of financial position.

Cash and cash equivalents

At 31 December 2022, the balance of "Cash and cash equivalents" corresponds almost entirely to the available liquid balances of the current accounts held by the Group with reputable financial institutions. EUR 13,539 thousand of these liquid balances relate to currencies other than the euro, mainly US dollars and Brazilian reals.

10.2. Financial liabilities

The detail of financial liabilities at 31 December 2022 and 31 December 2021 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).

2022

	Thousands of euros		
	Amortised cost	Fair value through profit and loss	Balance at 31/12/2022
Non-current financial liabilities			
Bank borrowing (note 10.2.1)	48,762	—	48,762
Lease liabilities (note 8)	16,006	—	16,006
Other financial liabilities (note 10.2.1)	10,772	—	10,772
Total non-current financial liabilities:	**75,540**	**—**	**75,540**
Current financial liabilities:			
Bank borrowing (note 10.2.1)	96,965	—	96,965
Lease liabilities (note 8)	1,715	—	1,715
Other financial liabilities (note 10.2.1)	2,644	—	2,644
Trade and other accounts payable (note 10.2.2)	200,602	—	200,602
Derivatives (note 10.3)	—	373	373
Total current financial liabilities	**301,926**	**373**	**302,299**
Total financial liabilities	**377,466**	**373**	**377,839**

2021

	Thousands of euros		
	Amortised cost	Fair value through profit and 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.i.1)	92,781	—	92,781
Lease liabilities (note 8)	1,708	—	1,708
Other financial liabilities (note 10.2.1)	2,036	—	2,036
Trade and other payables (note 10.2.2.)	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**

Changes in liabilities from financing activities

As at 31 December 2022 and 2021, changes in financial liabilities from financing activities are as follows:

2022

	Thousands of euros					
	Opening balance 01/01/2022	Cash flows	Additions	Disposals	Changes in fair value	Closing balance 31/12/2022
Amounts owed to credit institutions (note 10.2.1.iii)						
Syndicated credit facilities	88,336	—	717	—	—	89,053
Loans to SPV projects	—	(4,148)	57,284	—	—	53,136
ICO loans	3,582	(1,048)	—	—	—	2,534
Other credits and loans	863	—	141	—	—	1,004
Revolving shareholder loan (note 10.2.1.ii)	—	—	10,550	—	—	10,550
Financial lease liabilities (note 8)	17,589	(1,028)	1,106	—	—	17,721
Other financial liabilities -						
CDTI loans (note 10.2.1.i)	346	—	78	—	—	424
Other liabilities	—	—	579	—	—	579
Derivatives (note 10.3)	1,760	—	—	—	(1,387)	373
	112,476	**(6,224)**	**70,509**	**—**	**(1,387)**	**175,374**

2021

	Thousands of euros					
	Opening balance 01/01/2021	Cash flows	Additions	Disposals	Changes in fair value	Closing balance 31/12/2021
Amounts owed to credit institutions (note 10.2.1.iii)-						
Syndicated credit facilities	78,377	—	9,959	—	—	88,336
ICO loans	6,600	(3,018)	—	—	—	3,582
Other credits and loans	905	(42)	—	—	—	863
Finance lease liabilities (note 8)	17,101	(1,205)	1,693	—	—	17,589
Other financial liabilities -						
CDTI loans (note 10.2.2.1.iii)	388	(42)	—	—	—	346
Derivatives (note 10.3)	358	—	—	—	1,402	1,760
	103,729	**(4,307)**	**11,652**	**—**	**1,402**	**112,476**

10.2.1. Non-current financial liabilities

At 31 December 2022 and 31 December 2021, the balance recorded under "Non-current financial liabilities" in the accompanying consolidated statement of financial position is as follows:

	Note	Thousands of euros	
		31/12/2022	31/12/2021
Liabilities to credit institutions	10.2.1.ii	48,762	—
Lease liabilities	8	16,006	15,881
Other non-current financial liabilities-			
CDTI loans	10.2.1	222	277
Revolving shareholder loans	10.2.1	10,550	—
Total		**75,540**	**16,158**

i. CDTI loans

The Group has two loans granted by the Spanish Centre for the Development of Industrial Technology (CDTI) with repayment periods between 2022 and 2027. EUR 202 thousand (69 thousand euros for the year 2021) have been classified under "Other current financial liabilities" for the instalments to be amortised in 2023.

ii. Revolving loan with shareholders

On 27 January 2022 Soltec Development, S.A.U. and Grupo Corporativo Sefrán, S.L. (hereinafter, Grupo Sefrán) signed a revolving loan agreement to meet the ordinary expenses of the development segment activity.

This revolving loan agreement is a credit line of up to EUR 10,550 thousand, bearing interest at 10% p.a. and maturing on 31 December 2023. During the year 2022, drawdowns of the 100% loan were made for a total amount of 10,550 thousand euros and interest of 700 thousand euros accrued (see note 15.2).

iii. Payables to credit institutions

At the end of the financial years 2022 and 2021, the balance of the headings “Current payables to credit institutions and Non-current payables to credit institutions” had the following breakdown:

	Thousands of euros					
	31/12/2022			31/12/2021		
	Limit	Long term	Short-term	Limit	Long term	Short-term
Development segment loans						
Lending SPV projects	—	48,762	4,374	—	—	—
ICO loans	—	—	2,534	—	—	3,582
Other credit policies	1.000	—	981	1,000	—	863
Industrial segment loans						
Syndicated credit facilities	90.000	—	89,053	90,000	—	88,336
Other credit policies	—	—	23	—	—	—
Total		**48,762**	**96,965**		**—**	**92,781**

On 11 February 2021, Soltec Energías Renovables, S.L.U. and subsidiaries formalised the amendment novation of the syndicated credit facility and initial guarantee line formalised in 2018, the global amount of which was EUR 100 million and maturing in 2021, in order to finance its specific supply and installation projects, as well as to adapt the terms of its debt to the conditions of the market in which it operates. Therefore, during the financial year 2021 and as a consequence of the maturity of the syndicated loan, the Group proceeded to renew it, considering that it corresponded to a new debt which led to the capitalisation of financial expenses in the amount of EUR 2,266 thousand, which were recorded in accordance with the effective interest rate of the debt. At the date of formulation, the group’s financial management is in discussions with financial institutions for the novation of the syndicated loan.

The novation of the credit policy formalised in the year 2021 with a syndicate of financial institutions was structured in two parts:

A. Unrestricted tranche for a maximum amount of EUR 10 million to be used to finance the working capital needs of Soltec Energías Renovables, S.L. 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 line contracted.

B. EUR 80 million conditional drawdown tranche. This tranche is drawn down on the basis of the approval by the syndicate of financial institutions of the supply and installation contracts entered into by Soltec Energías Renovables, S.L. and subsidiaries (hereinafter, the financeable contracts), and its repayment is conditional on the collections received as a result of these contracts, with the maturity date of the syndicated credit facility as the maximum date. 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.

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

The maturity date of this novated credit facility was set at 11 February 2024. However, the managers’ best estimate is that the drawdowns to be made will be amortised in less than twelve months in accordance with the implementation schedules of the projects on which the drawdowns are made. For this reason, the presentation of bank borrowings is recorded under the heading “Current bank borrowings”. It is also secured by the Group’s subsidiaries that meet certain contractual requirements, their current accounts and future receivables pledged for repayment of the tranches drawn down.

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%. In the 2022 financial year, the syndicated credit facility has accrued an average interest rate of 4.14% (2.56% for the 2021 financial year) and has resulted in a financial expense of EUR 3,690 thousand (EUR 1,503 thousand in the 2021 financial year) recognised under “Finance costs” in the accompanying condensed consolidated income statement for the year.

In accordance with the terms of the syndicated credit facility, the credit tranches drawn down will become immediately due and payable in the event of the occurrence of certain circumstances, including the non-fulfilment of a financial ratio, calculated as the ratio between net financial debt and equity (DFN/Equity) for the group formed by Soltec Energías Renovables, S.L. and subsidiaries. This ratio is set at a maximum of 1.5 for the entire duration of the contract. In addition, the syndicated credit facility agreement contains a number of obligations to be fulfilled. As at 31 December 2022, the financial ratio is fulfilled. In addition, based on the budgets approved by the Board of Directors for the financial year 2023, the covenant is expected to be met by the end of the financial year 2023.

On 25 March 2022, the asset management segment closed the final financing amounts for the Araxá and Pedranópolis projects with Brazilian development banks, which together amount to BRL 323,000 thousand (EUR 57,284 thousand at the exchange rate at 31 December 2022). The drawdown of this loan is conditional upon the Group obtaining the necessary bank guarantees to counter-guarantee the operation. These bank guarantees were received when the Group made a disbursement of 30% of the construction costs to be incurred. The costs for the constitution of the loan amount to EUR 2,365 thousand, these financial expenses have been capitalised as they were recorded at the effective interest rate of the debt. At 31 December 2022, the Group had drawn down a total of BRL 299,253 thousand (EUR 53,072 thousand at the December 2022 exchange rate) and maintained a balance of EUR 48,762 thousand and EUR 4,374 thousand respectively under “Non-current bank borrowings” and “Current bank borrowings”.

In addition, given the stage of development of the Graviola project (with financing granted on similar terms in the amount of BRL 520,000 thousand - EUR 92,221 thousand at the exchange rate as at 31 December 2022), the requirements for the release of such guarantees have not been met for the project and, therefore, the Group has not drawn down such financing as of 31 December 2022.

The average interest rate accrued on financial debt held by the Group in the year ended 31 December 2022 amounted to approximately 5.90%. (2.95% by 2021).

10.2.2. Current financial liabilities other than derivatives

A 31 de diciembre de 2022 y a 31 de diciembre de 2021, el saldo registrado en el epígrafe “Pasivos financieros corrientes” del estado de situación financiera consolidado adjunto, presenta el siguiente:

	Note	Thousands of euros	
		31/12/2022	31/12/2021
Current bank borrowings	10.2.1.iii	96,965	92,781
Lease liabilities	8	1,715	1,708
Other current financial liabilities			
CDTI loans	10.2.1.i	202	69
Deferred payments for the purchase of SPVs	10.2.2.i	1,863	1,967
Other liabilities		579	—
Creditors and other accounts payable	10.2.2.ii	200,602	205,015
Total		**301,926**	**301,540**

i. Liabilities for deferred payments for SPV purchases

The movement in deferred payments for SPV purchases, both long and short term, for the financial years 2022 and 2021 is as follows:

	Thousands of euros						
	Initial	Additions	Transfers	Disbursements	Reductio	Updating	Final
2022	1,967	—	—	(279)	—	175	1,863
2021	8,011	—	—	(6,234)	—	190	1,967

For transactions occurring in 2022 (see note 5) the deferred payment has been measured at present value discounting future payments at an interest rate of 8.86% (same interest rate for 2021).

At 31 December 2022 these foreign currency liabilities have been restated by the Group at the closing exchange rate and a negative result in the amount of EUR 175 thousand has been recognised under "Net exchange rate differences" in the consolidated income statement for the year 2022 (a positive result in the amount of EUR 364 thousand in the year 2021).

As a result, at the balance sheet date the Group had a liability of Euros 1,863 thousand (Euros 1,967 thousand at year-end 2021), of which the entire balance is expected to fall due within the next twelve months.

ii. Trade and other accounts payable

Creditors in payment management (confirming)

At year-end 2022 and 2021, the detail of the amounts of trade receivables from suppliers sent to financial institutions for management was as follows:

	Thousands of euros			
	Limit	Amount in payment processing	Advance amount	Balance available
Amounts at 31/12/2022	21,036	194	8,037	12,805
Amounts at 31/12/2021	17,000	2,852	8,804	5,344

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 "Trade and other payables" as they relate to trade payables not yet due and therefore not classified as payable to financial institutions.

This amount is recorded under "Trade and other payables".

At 31 December 2022, the Group's reverse factoring facilities had indefinite maturities.

10.3. Instrumentos financieros derivados

The breakdown of the fair value of derivative financial instruments at 31 December 2022 and 31 December 2021 is as follows:

	Thousands of euros	
	31/12/2022	31/12/2021
Derivative financial assets:		
Derivatives classified as hedging instruments carried at fair value-		
Forward contracts in foreign currencies	2.959	1.427
Derivative financial liabilities:		
Derivatives classified as hedging instruments carried at fair value-		
Forward contracts in foreign currencies	(373)	(1.760)
	2.586	**(333)**

At 31 December 2022, the Group has contracted various exchange rate hedges for a nominal amount of USD 9,021 thousand (EUR 8,457 thousand at the exchange rate at 31 December 2022) and EUR 69,253 thousand. The net fair value of these in the financial year 2022 amounts to a positive value of EUR 2,586 thousand, which is broken down under the item "Derivatives" in the line "Current financial assets" in the amount of EUR 2,959 thousand and under the item "Derivatives" in the line "Current financial liabilities" in the amount of EUR 373 thousand.

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 2021 financial year).

In this regard, the Group recognised a profit as a result of the year-end change in fair value amounting to EUR 2,918 thousand and a loss on derivatives settled during the year amounting to EUR 13,503 thousand (at 31 December 2021, the loss associated with the valuation of derivatives amounted to EUR 2,014 thousand and the gain on settled derivatives amounted to EUR 4,069 thousand) and are recognised under "Change in fair value of financial instruments" in the consolidated income statement for the year 2022 (see note 16.7).

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:

Sale currency	Purchase currency	Thousands of euros	
		Impact 31/12/2022	Impact 31/12/2021
BRL	EUR	107	(4,978)
USD	EUR	3,732	406
USD	CLP	—	—
EUR	USD	(725)	1,761
BRL	USD	(197)	—
EUR	BRL	—	221
USD	BRL	—	(321)
CLP	USD	—	698
CLP	EUR	—	199
		2,918	**(2,014)**

SECTION 11: INVENTORIES

The breakdown of the heading "Inventories" at 31 December 2022 and 2021 is shown below:

	Thousands of euros	
	31/12/2022	31/12/2021
Raw materials	28,203	56,445
Inventory in progress	5,724	10,276
Impairment	(2,758)	(1,133)
Advance payments to suppliers	7,588	5,265
Total	**38,757**	**70,853**

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. As a result, at 31 December 2022 the Parent's directors have recognised an impairment charge of EUR 1,625 thousand for inventories under "Procurements" in the accompanying condensed consolidated income statement (EUR 567 thousand at 31 December 2021). At 31 December 2022, the Group also holds goods at warehouse locations amounting to EUR 4,444 thousand (EUR 8,337 thousand for the year to 31 December 2021) over which it continues to have control. The Group has no inventories pledged as collateral for contracts.

At the end of 2022 and 2021 the Group, based on firm sales agreements with customers, had inventories in transit pending delivery, which have been received by the corresponding customers at the date of preparation of these consolidated financial statements, as follows

Customer's country	Thousands of euros	
	31/12/2022	31/12/2021
Spain	2,836	1,312
United States	2,375	29,418
Brazil	208	5,596

At 31 December 2022, the Group has no significant inventory purchase commitments other than those disclosed under "Advances to suppliers" included under "Inventories" in the consolidated statement of financial position, corresponding to payments on account made to certain suppliers of raw materials used in the production and sale of the Group's final product (same situation at 31 December 2021).

At the date of preparation of these consolidated financial statements, the Group has no inventories pledged as security for contracts or inventories held under *bill and hold*.

The Group takes out insurance policies to cover possible risks. At year-end 2022, in the opinion of the directors, there is no hedging deficit related to these risks (same situation at year-end 2021).

SECTION 12: EQUITY

12.1. Share capital and share premium

Soltec Power Holdings, S.A. was incorporated in Murcia (Spain) on 2 December 2019, with a share capital of 60,000 euros, 60,000 shares at a par value of 1 euro. Subsequently, on 23 December 2019, by agreement between the shareholders of the Company, Soltec Energías Renovables, S.L.U. (Grupo Sefrán and Valueteam) and the shareholders of Soltec Development, S.A.U. (Grupo Sefrán, Valueteam and an individual) a non-monetary contribution was made to Soltec Power Holdings, S. A. corresponding to 100% of the shares of Soltec Energías Renovables, S.L.U. and 100% of the shares of Soltec Development, S.A.U. This contribution was filed with the companies registry on 31 December 2019.

The non-monetary contribution entailed a capital increase of EUR 296 million.

The directors decided to use the "pooling of interest" method (as described in Chapter 10 "Common control business combinations" of the Ernst & Young IFRS Handbook) for the consolidated accounting of this capital increase, whereby the values at which the net assets contributed will be recorded, namely the securities of the Group's subsidiaries:

- Consolidated Soltec Energías Renovables in IFRS as at 31.12.18
- Soltec Development figures as at 31 December 2018.

With respect to Development, due to the insignificance of its operations at 1 January 2019, as it was in its early stages of activities, and consequently, because they do not prepare consolidated annual accounts, the contribution will be made at the value that this company had in the individual annual accounts for 2018.

The difference between the transaction price (EUR 296 million) and the amount at which the net assets are recorded did not generate any goodwill, but was accounted for as a reserve item.

The contributions were accounted for as if there had been a combination of the profit and loss account of both companies, i.e. the effectiveness of the transactions will be made retroactive to 1 January 2019. In other words, the contribution made retroactively to previous years will not be considered.

On 27 October 2020, the resolution adopted on 13 October 2020 by the General Shareholders Meeting to increase share capital by EUR 150 million 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 amounts to EUR 7,786,679 thousand and the share premium is increased by EUR 143,472 thousand. All the shares were fully paid up.

In addition, the majority shareholder exercised its right to sell or *green shoe* the shares it held by placing an additional 3,115 thousand shares on the market, equivalent to 3.41% of the total volume of the company's 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 EUR 8,086 thousand.

At 31 December 2022, the share capital of the Company amounts to EUR 22,847 thousand, represented by 91,387 thousand shares of EUR 0.25 par value each, fully subscribed (same situation at year-end 2021).

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 2022 and the average share price of the last financial years amounted to 4.128 and 4.623 euros per share, respectively.

At 31 December 2022, and according to information obtained from the CNMV, in accordance with Royal Decree 1362/2007 of 19 October and Circular 2/2007 of 19 December, the shareholders holding significant direct and indirect interests in the share capital of Soltec Power Holding, S.A. of more than 3% of the share capital are as follows, according to public information:

	Actions			% of capital
	Direct	Indirect	Total	
Morales Torres, Raul	— %	19.58 %	19.58 %	19.58 %
Moreno Riquelme, José Francisco	— %	42.28 %	42.28 %	42.28 %
Franklin Templeton Investment Corp	— %	3.10 %	3.10 %	3.10 %
FIT-Templeton Global Climate Change Fund	3.09 %	— %	3.09 %	3.09 %

12.2. Reserves

At 31 December 2022 and 31 December 2021, the composition of the heading "Reserves" is as follows:

	Thousands of euros	
	31/12/2022	31/12/2021
Other reserves	(4,913)	(6,696)
Negative result of previous years	(2,210)	(582)
Total reserves Parent company	**(7,123)**	**(7,278)**
Reserves in fully consolidated companies	883	564
Reserves at companies accounted for using the equity method	(3)	(39)
Total consolidated reserves	**880**	**525**
Other shareholder contributions	**(3,540)**	**108**
Total reserves	**(9,782)**	**(6,646)**

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.

As of 31 December 2022, the Parent Company did not maintain the legal reserve fully constituted (same situation as of 31 December 2021).

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. As a result, and from the subsidiary Soltec Energías Renovables, S.L.U., at year-end 2022 the balance of "Reserves" was unavailable in the amount of EUR 1,643 thousand (same amount at year-end 2021). Similarly, Soltec Innovations, S.L.U. maintains as unavailable all of its reserves in the amount of EUR 6,807 thousand (EUR 1,517 thousand in 2021).

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 EUR 660 thousand, EUR 326 thousand and EUR 193 thousand, 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.

Similarly, the subsidiary Soltec Brasil Industria, Comercio e Serviços de Energías Renovaveis, LTDA. is considered a manufacturing company that produces electronic products and therefore enjoys a regime of exemption from indirect state tax (ICMS). It also has a tax incentive applicable to income tax for carrying out an industrial activity located in an incentive zone consisting of a reduction in the tax rate on the result of the manufacturing activity located in the state of Bahia. This exemption, in accordance with local Brazilian regulations, is considered as a restricted reserve in the amount of 2,808 thousand euros in 2022 for a period of 10 years (same amount in 2021).

In short, at 31 December 2022, the subsidiaries hold unavailable reserves, including the legal reserve and other reserves not mentioned above, amounting to EUR 13,800 thousand (EUR 7,497 thousand at 31 December 2021).

12.3. Shares of the Parent

During 2022, the Parent Company has purchased 99,612 treasury shares, which means that at 31 December 2022, the Parent Company holds treasury shares amounting to EUR 4,895 thousand.

The movement over the 2022 and 2021 financial year was as follows:

2022

	Number of shares	% of capital	Thousands of euros
Balance at 31 December 2021	438,656	0.48 %	4,632
Additions	108,770	0.04 %	263
Balance at 31 December 2022	**547,426**	**0.52 %**	**4,895**

2021

	Number of shares	% of capital	Thousands of euros
Balance at 31 December 2020			
Additions	438,656	0.48 %	4,632
Balance at 31 December 2021	**438,656**	**0.48 %**	**4,632**

The Group has a liquidity contract for securities listed on the Madrid and Bilbao stock exchanges and included in the Spanish Stock Exchange Interconnection System, with net purchases of 108,462 shares at 31 December 2022.

12.4. Loss attributed to the Parent Company

Contribution of Group companies to profit attributable to the parent company

The contribution of each company belonging to the scope of consolidation to the consolidated results for 2022 and 2021, attributable to the Parent, is as follows:

Company	Thousands of euros	
	2022	2021
Soltec Power Holdings, S.A.	(1,206)	(1,627)
Soltec Renewable Energy, S.L.	5,826	(13,155)
Soltec Development, S.A.U.	16,201	25,612
Soltec Energie Rinnovabili S.r.L.	(211)	8
Soltec America L.L.C.	1,853	895
Soltec Chile S.p.A.	(3,734)	(9,480)
Soltec Brasil Industria, Comercio e Servicos de Energías Renovaveis LTDA	(706)	(2,625)
Soltec Energías Renovables, S.A.C.	(372)	165
Seguidores Solares Soltec SA de CV	(846)	(188)
Soltec Australia, PTY LTD.	(383)	50
Soltec Argentina, S.R.L.	(459)	(231)
Soltec Innovations, S.L.	5,275	5,290
Soltec Trackers PVT LTD.	10	30
Soltec France, S.L.	(20)	111
Soltec Trackers Colombia SAS	(323)	64
Soltec Commercial Consulting Co. Ltd	26	40
Seguidores Solares Portugal, Unipessoal Lda	7	—
SPVs – Spain	(544)	(1,381)
SPVs – Brazil	(5,857)	(4,075)
SPVs – Colombia	(635)	(237)
SPVs – Mexico	(823)	(285)
SPVs – Italy	(89)	(148)
Share in profits (losses) of companies accounted for by the equity method	**98**	**42**
	13,088	**(1,125)**

12.5. Exchange rate differences

The movement in the heading "Translation differences" in the accompanying balance sheet is detailed in the consolidated statement of comprehensive income that forms part of these financial statements. In addition, the breakdown of the heading "Translation differences" at 31 December 2022 and 31 December 2021 is as follows:

	Thousands of euros			
	Opening balance 01/01/2022	Increases	Decreases	Final balance 31/12/2022
Industrial segment -				
Soltec América L.L.C	74	—	(257)	(183)
Soltec Chile S.p.A.	1,337	—	(523)	814
Soltec Brasil Industria, Comercio e Servicos de Energias Renovaveis LTDA (Soltec Brasil)	(7,188)	1,372	—	(5,816)
Soltec Energías Renovables, S.A.C.	(31)	22	—	(9)
Seguidores Solares Soltec SA de CV	8	—	(176)	(168)
Soltec Trackers PVT LTD.	(72)	—	(44)	(116)
Soltec Australia, PTY LTD.	91	—	(31)	60
Soltec Trackers Colombia SAS	(15)	342	—	327
Soltec Commercial Consulting Co. Ltd	15		(7)	8
Soltec Argentina, S.R.L.	(56)	318	—	262
Development segment -				
PLCs acquired in a business combination	(1,163)	382	—	(781)
SPVs – Brazil	115	3,385	—	3,500
SPVs – Colombia	10	104	—	114
SPVs – Mexico	(9)	—	(23)	(32)
	(6,884)	**5,925**	**(1,061)**	**(2,020)**

	Thousands of euros			
	Opening balance 01/01/2021	Increases	Decreases	Final balance 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)
Development segment -				
PLCs acquired in a business combination	(6,508)	5,345	—	(1,163)
SPVs – Brazil	432	—	(317)	115
SPVs – Colombia	—	10	—	10
SPVs – Mexico	—	—	(9)	(9)
	(12,116)	**6,046**	**(814)**	**(6,884)**

SECTION 13: CONTINGENT LIABILITIES AND ASSETS

13.1. Bank guarantees and other guarantees provided by insurance companies

The Group is subject to potential risks in the execution of its activities relating to the liability arising from the various contracts that constitute the activity of its business divisions. To cover this liability, the Group has bank guarantees and other guarantees provided by insurance companies following is a breakdown of the Group's committed guarantees as of 31 December 2022 and 31 December 2021:

Guarantees	Thousands of euros	
	31/12/2022	31/12/2021
Bankers	87,828	105,364
Surety	222,228	190,219
Endorsements and guarantees granted to other related companies	4,307	—
Total	**314,363**	**295,583**

Of the guarantees described in the table above, the industrial segment has received guarantees in the amount of EUR 193,870 thousand at year-end 2022 (EUR 111,572 thousand at year-end 2021). These guarantees are contracted with banks amounting to EUR 87,828 thousand and insurance companies amounting to EUR 106,042 thousand in order to ensure compliance with the obligations with customers during the process of installing, marketing and guaranteeing solar trackers.

In addition, the development segment received guarantees amounting to EUR 117,364 thousand at the close of financial year 2022, (EUR 137,753 thousand at the close of financial year 2021). These guarantees are obtained from banks amounting to EUR 1,178 thousand and insurance companies amounting to EUR 116,186 thousand. These guarantees are required by the different local authorities in the bidding process for the connection rights. In this respect, the reference shareholders Sefran and Valueteam act as guarantors vis-à-vis their third-party creditors in guarantees drawn down in the amount of EUR 20,768 thousand at year-end 2022 (EUR 20,697 thousand at year-end 2021).

The "Guarantees and sureties granted to other related companies" line includes the amount counter-guaranteed by the reference shareholders Sefrán and Valuteam corresponding to the capital pending repayment to date, as a result of the financing obtained with credit institutions in the financial year 2020 in the amount of 6,500 thousand euros by Soltec Development, S.A.U. As at 31 December 2022 the capital pending repayment amounts to 2,585 thousand euros (3,582 thousand euros as at 31 December 2021). In addition, on 6 September 2022, the SPVs over which significant influence is held following the transaction with Aquila entered into several loan agreements with Albatros Project XXIV S.á.L. in order to finance the development of the SPVs. Soltec Power Holding acts as guarantor on first demand for the obligations that may arise for the guaranteed debtors, up to the limit of the amount drawn down. As at 31 December 2022, the amount drawn down amounts to Euros 1,621 thousand. At the date of formulation, the company is no longer a guarantor for this transaction.

The interest rate settled during the financial year 2022 was 1.55% for the guarantee lines and 2.5% for the credit facilities (0.9% and 2.5%, respectively, for the financial year 2021), which resulted in the Group recording financial expenses of EUR 552 thousand (EUR 1,353 thousand in the financial year 2021) for this item in 2022 (see note 16.7).

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. Contingent liabilities Provision for contract guarantees and other provisions

The balance at 31 December 2022 and 2021 of long-term and short-term provisions and their movements between years are as follows:

2022

	Opening balance 01/01/2022	Additions	Applications	Final balance 31/12/2022
Non-current provisions				
Decommissioning provision	—	222	—	222
Provision for guarantee	2,884	—	(535)	2,349
Total	**2,884**	**222**	**(535)**	**2,571**
Current provisions				
Provision for completion of work	1,176	—	(1,176)	—
Provision for warranties	375	1,074	(674)	775
Other provisions	—	2,428	—	2,428
Total	**1,551**	**3,502**	**(1,850)**	**3,203**

2021

	Opening balance 01/01/2021	Additions	Applications	Final balance 31/12/2021
Non-current provisions				
Provision for guarantee	2,367	517	—	2,884
Total	**2,367**	**517**	**—**	**2,884**
Current provisions				
Provision for completion of work	1,382	—	(206)	1,176
Provision for warranties	735	567	(927)	375
Total	**2,117**	**567**	**(1,133)**	**1,551**

At 31 December 2022, the Group has a number of guarantees for the obligations incurred 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 guarantee, while structural components are guaranteed for ten years. In estimating the provision of guarantees, the Group only considers the guarantee of electrical components to the extent that possible structural damage arising from other materials is covered by insurance contracted with third parties, as well as by the counter-guarantee of the supplier that supplies these materials.

The obligation for guarantees starts to be recognised in the accounts at the initial recognition of the contract revenue, thus complying with the principle of accrual of revenues and expenses, and therefore including the commitment of guarantees in all ongoing projects. As soon as the PAC (Provisional acceptance of certification) is granted, the guarantee commitment comes into force. This date is used as the reference date for estimating the cumulative sales of outstanding collateral.

For the estimation of the warranty provision, a rate is initially estimated, based on actual historical warranty expenses. This rate is the result of the cumulative sales of the projects with warranty in force over the cumulative incurred warranty cost for the last 5 years. Once obtained, this rate is applied per project. The Group re-estimates this provision over the duration of the guarantee on a half-yearly basis and on the basis of the guarantee costs incurred.

In addition, an amount of EUR 2,428 thousand has been recognised in the current provisions account and EUR 222 thousand in the non-current provisions account at the end of December 2022. These provisions are associated firstly with the estimate of repairs expected to be carried out in 2023 due to events occurring in 2022 in the industrial segment, and secondly, the non-current provision relates to the asset management segment and corresponds to the estimated dismantling costs of the Pedranópolis photovoltaic plant.

The directors consider that, based on historical information, this liability reasonably reflects the costs to be incurred in respect of warranties given and repair arrangements that have been agreed outside the framework of the originally signed supply contract reached with its customers. There are no contingencies other than those mentioned here.

13.3. Pledged assets

In relation to the carrying amount of the pledged assets at 31 December 2022 and 2021, a detailed table is shown below:

Pledged assets	Thousands of euros	
	31/12/2022	31/12/2021
Receivables and other current assets-		
Trade receivables - sales and services	89,734	59,682
Current financial assets-		
Other current financial assets	7,350	7,236
Cash and cash equivalents	15,359	30,156
Total	**112,443**	**97,074**

At the end of December 2022, 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).

SECTION 14: TAX MATTERS

14.1. Current balances with public administrations

The breakdown of current balances with public administrations at 31 December 2022 and 31 December 2021 is as follows:

	Thousands of euros			
	Balance at 31/12/2022		Balance at 31/12/2021	
	Receivable balance	Payable balance	Receivable balance	Payable balance
Spanish inland revenue-				
VAT debtor	8,880	—	6,692	—
VAT payable	—	191	—	146
Creditor for withholdings	1,596	—	—	—
Creditor for withholdings	—	—	—	146
Foreign VAT debtor	3,314	—	2,789	—
Other receivables from general government IPI PIS/COFINS	4,738	—	6,558	—
Foreign VAT payable	—	1,142	—	2,563
Accrued social security taxes	—	3,035	—	1,280
Other receivables	446	1,392	252	—
Total	**18,974**	**5,760**	**16,291**	**4,705**

At year-end 2022, 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 2022 and 31 December 2021, the amount of current tax assets and liabilities is broken down as follows:

	Thousands of euros			
	Balance at 31/12/2022		Balance at 31/12/2021	
	Receivable balance	Payable balance	Receivable balance	Payable balance
Current tax assets	675	—	790	—
Current tax liabilities	—	2,258	—	104
Total	**675**	**2,258**	**790**	**104**

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 2022 and 2021, the tax base and the corporate income tax expense, is as follows:

	Thousands of euros	
	2022	2021
Accounting loss after tax	13,062	(1,167)
Corporate income tax	5,016	(4,339)
Permanent differences:		
Public offering subscription expenses recorded against equity	—	—
Result due to loss of control over SPVs	(7,863)	(13,281)
Variation in fair value of sales accounted for using the equity method	(7,089)	(15,021)
Result of companies accounted for using the equity method	113	(42)
Non-deductible procurement costs due to transfer pricing regulations in Brazil	9,384	—
Permanent differences due to non-deductible expenses Colombia and Mexico	2,484	895
Patent box reduction	(3,972)	(3,394)
Temporary differences originating in the year:		
Provision for warranties	(976)	(1,736)
Differences in tax/accounting revenue in Mexico	—	—
Employee compensation plan (MIP)	—	3,007
Limitation of financial expenses	(146)	1,783
Other temporary differences	(985)	191
Other temporary differences originating in previous years	—	167
Tax base	9,028	(32,937)
Applied tax losses	7,354	
Tax losses capitalised	(838)	19,381
Uncapitalised tax losses	3,507	13,058
Tax base	19,051	(498)
Tax rate (20%-30%)	4,284	(123)
Adjustments to current tax of prior years	388	214
Total current tax expense	4,672	91
Total deferred tax expense (income)	963	(5,525)
Adjustments to prior years' deferred tax	(619)	1,095
Total tax expense/(income) recognised in the consolidated income statement	**5,016**	**(4,339)**

Since 1 January 2020, 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 22% in 2022 (25% in 2021). The Group has settled tax losses in the current year amounting to EUR 7,354 thousand.

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 movement during the financial year 2022 and 2021 is as follows:

2022

	Thousands of euros						
	Opening balance 01/01/-2022	Addi-tions	Rever-sions	Exclu-sions from scope	Other changes	Exchange rate dif-ferences	Final balance 31/12/-2022
Impairment of loans and advances to Group companies	—	—	—	—	—	—	—
Provision for guarantees	433	—	(244)	—	—	—	189
Other deferred tax assets	244	—	—	—	—	—	244
Share-based incentive plan	752	346	(238)	—	—	—	860
R&D deductions	2,535	567	(369)	—	—	—	2,733
Other deferred tax assets	1,340	1,956	—	—	—	—	3,296
Credit for losses pending offset	16,655	1,923	(3,713)	—	—	116	14,981
Total	**21,959**	**4,792**	**(4,564)**	**—**	**—**	**116**	**22,303**

2021

	Thousands of euros						
	Opening balance 01/01/-2021	Addi-tions	Rever-sions	Exclu-sions from scope	Other changes	Exchange rate dif-ferences	Final balance 31/12/-2021
Impairment of loans and advances to Group companies	318	—	(318)	—	—	—	—
Provision for guarantees	867	244	(678)	—	—	—	433
Other deferred tax assets	244	—	—	—	—	—	244
Share-based incentive plan	—	752	—	—	—	—	752
R&D deductions	1,535	1,000	—	—	—	—	2,535
Other deferred tax assets	375	995	(30)	—	—	—	1,340
Credit for losses pending offset	10,449	5,615	(866)	(194)	1,798	(147)	16,655
Total	**13,788**	**8,606**	**(1,892)**	**(194)**	**1,798**	**(147)**	**21,959**

Similarly, the movements during 2022 and 2021 in tax loss carry-forwards are as follows:

2022

	Thousands of euros					
	Opening balance 01/01/-2022	Addi-tions	Rever-sions	Exclu-sions from scope	Ex-change rate	Final balance 31/12/-2022
Tax group Soltec Power Holdings	10,073	—	(493)	—	—	9,580
Soltec Innovations	—	—	—	—	—	—
Soltec Chile	647	—	—	—	(94)	553
Soltec Brazil	4,104	1,891	(1,606)	—	301	4,690
Soltec América	372	—	(372)	—	—	—
Other	1,266	—	(1,073)	—	(89)	104
Total	**16,655**	**1,923**	**(3,712)**	**—**	**115**	**14,981**

2021

	Thousands of euros					
	Opening balance 01/01/-2021	Additions	Reversions	Exclusions from scope	Net ex-change rate differences	Final balance 31/12/-2021
Tax group Soltec Power Holdings	6,395	3,678	—	—	—	10,073
Soltec Innovations	54	—	(54)	—	—	—
Soltec Chile	450	199	—	—	(2)	647
Soltec Brazil	1,859	506	1,798	—	(59)	4,104
Soltec América	713	—	(255)	—	(86)	372
SPV's Brazil	728	—	(534)	(194)	—	—
Soltec Colombia	—	193	—	—	—	193
Other	250	1,039	(23)	—	—	1,266
Total	**10,449**	**5,615**	**932**	**(194)**	**(147)**	**16,655**

During the year 2022, the directors capitalised an amount of EUR 567 thousand (EUR 1,000 thousand at year-end 2021) corresponding to R&D deductions, having obtained a reasoned report from a company approved by the public administration that supports this capitalisation. The Parent's Board of Directors expect to recover this capitalised amount by obtaining positive earnings before taxes.

Regarding the assessment of the recoverability of the loss carry-forwards 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 carry-forwards 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.

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 carry-forwards would not result in the carrying amount of the asset exceeding the recoverable amount.

It should also be noted that in 2022 the offsetting of tax loss carryforwards from those accumulated at 31 December 2021 has begun, so that the directors consider that the assumptions made in the 2021 recoverability test are being met.

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.

The most significant unused tax credits arising from tax loss carryforwards in 2022 and 2021 are as follows:

	Thousands of euros	
	2022	2021
Soltec Chile S.p.A.	947	2,500
Total	**947**	**2,500**

14.4. Deferred tax liabilities

The movement during the financial years 2022 and 2021 is as follows:

2022

	Thousands of euros				
	Opening balance 01/01/2022	Additions	Reversions	Translation differences (note 6)	Final balance 31/12/2022
Lease liabilities	24	—	—	—	24
Accelerated depreciation	145	—	—	—	145
Other differences in tax revenues	—	—	—	—	—
Identified intangible assets	1,068	244	—	—	1,312
Other deferred tax liabilities	32	—	—	—	32
Total	**1,269**	**244**	**—**	**—**	**1,513**

2021

	Thousands of euros				
	Opening balance 01/01/2021	Additions	Reversions	Translation differences (note 6)	Final balance 31/12/2022
Lease liabilities	24	—	—	—	24
Freedom from depreciation	148	—	(3)	—	145
Other differences in taxable income	364	—	(364)	—	—
Identified intangible assets	1,059	—	—	9	1,068
Other deferred tax liabilities	—	32	—	—	32
Total	**1,595**	**32**	**(367)**	**9**	**1,269**

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, which amounts to 5 years. At year-end 2022, no Group company is under audit or investigation.

The Group has unused tax loss carryforwards associated with accumulated losses in recent years, mainly from the Chilean subsidiary of Soltec Industrial, the amount of which, valued at the year-end exchange rate, would have resulted in a total accumulated deferred tax asset of Euros 3,447 thousand for the year 2022 (Euros 2,500 thousand for the year 2021). The Group has decided not to capitalise tax loss carryforwards as a credit due to the recurrence of losses in previous years. The offsetting of past tax losses depends on the particular conditions stipulated in the local legislation of the country in which they arise.

The detail of the income tax expense by geographical area is as follows:

	Thousands of euros			
	Profit before tax	Profit after tax	Taxes accrued	Taxes paid (collected)
Spain	21,718	20,014	1,703	969
Brazil	(5,217)	(6,439)	1,222	1,222
Mexico	(1,034)	(1,623)	589	196
Chile	(3,797)	(3,756)	(42)	—
Argentina	(483)	(483)	—	—
Peru	(396)	(374)	(22)	—
United States	3,134	1,853	1,281	357
Colombia	(639)	(951)	312	98
Italy	(870)	(428)	(442)	—
Other	5,663	5,249	414	564
Total	**18,078**	**13,062**	**5,016**	**3,406**

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.

SECTION 15: RELATED PARTIES

15.1. Transactions with related parties

The breakdown of related-party transactions in 2022 and 2021 is as follows:

	Thousands of euros				
	31/12/2022			31/12/2021	
	Reference shareholder (*) and related parties	Associated companies	Other related parties	Reference shareholder (*) and related companies	Other related parties
Net turnover	—	—	89	—	22
Services rendered	—	1,405	—	5	—
Services received	—	—	(1,563)	(987)	—
Financial expenses	(1,218)	—	(6)	—	—
Financial income	—	(116)	—	(823)	—
Financing received during the year	10,550	—	—	7,727	—
Financing repaid during the year	—	—	—	(8,930)	—

(*) 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 amount of the "Services received" account includes, among others, the expense recorded as a result of warehouse rental services provided by Alea Inversiones y Desarrollos, S.L., which is related to the majority shareholder of the Parent Company.

The amount of the "Services rendered" account corresponds to the income from the provision of development services by Soltec Development to the SPVs over which it has significant influence.

The amount of the account "Financial expenses" mainly arises from the accrual of interest on the loan granted by the majority shareholder in the financial year 2022.

Transactions with associates correspond to transactions since the loss of control with partially accounted-for SPVs disposed of by the equity method.

15.2. Balances with related parties

The breakdown of the balances with related parties at 31 December 2022 and 31 December 2021 was as follows:

31 December 2022

	Thousands of euros		
	Reference shareholder (*) and related companies	Associated companies	Other related parties
Receivables and other current assets	—	88	288
Long-term shareholder loan (note 10.2.1.ii)	(10,550)	—	—
Other non-current financial liabilities	—	—	—
Other current financial liabilities	—	—	—
Trade and other payables	(1,034)	—	(247)

(*) 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 2021

	Thousands of euros
	Reference shareholder (*) and related companies
Receivables and other current assets	335
Long-term shareholder loan (note 10.2.1.ii)	—
Other non-current financial liabilities	(9,439)
Other current financial liabilities	(690)
Trade and other payables	(565)

(*) 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 "Other non-current financial liabilities" and "Other current financial liabilities", mainly the amounts corresponding to the account payable as a result of the lease contract with the companies related to the reference shareholder, corresponding to the lease of certain warehouses located in Spain where the Parent Company carries out part of its activities (see note 8).

The amounts under "Long-term shareholder loans" refer to the revolving loan between Soltec Development, S.A.U. and Grupo Corporativo Sefrán, S.L. This revolving loan agreement is a credit line of up to EUR 10,550 thousand, bearing interest at an annual rate of 10% and maturing on 31 December 2023. During the year 2022, drawdowns of EUR 10,550 thousand were made on this loan and interest of EUR 700 thousand accrued. (see note 10.2.1.ii). In addition, the amount recorded under "Trade and other payables" corresponds to the interest accrued during the year pending payment at 31 December 2022.

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

Remuneration and other payments to the Board of Directors

In 2022 and 2021, 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	
	2022	2021
Fixed and variable remuneration	562	530
Share-based remuneration systems (see note 17.2)	(273)	508
Total	**289**	**1,038**

During the financial year 2022 there has been no change in the Parent Company's management body consisting of seven members, 3 women and 4 men, whose remuneration amounted to 164 and 398 respectively excluding share plans (164 thousand and 366 thousand as of 31 December 2021).

In addition, they have not accrued any amounts classified as income in kind in respect of their work as directors other than those indicated above in any of the periods. However, as of 31 December 2022, the remuneration indicated above contains as income in kind an amount of EUR 31 thousand from one of the directors in respect of his senior management duties.

With regard to the share-based remuneration system, at 31 December 2022, income was recognised for the partial reversal of the provision made for the year 2021, as the degree of compliance with the conditions entitling to receive the remuneration was lower than initially considered.

No directors were dismissed in 2022, nor were any termination benefits paid. No advances or loans were granted to the previous sole director or current directors of the Parent in 2022.

The Group has not assumed any obligations on behalf of the directors. Furthermore, at year-end 2022, the Group has no pension or life insurance premium obligations to the directors (same situation at year-end 2021).

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 EUR 93 thousand in 2022 (EUR 91 thousand in 2021).

With regard to guarantee or golden parachute clauses, in the event of a structural modification of the company or change of ownership entailing a change of control, in whatsoever form, the chief executive officer, if he/she chooses to leave his/her post, shall be entitled to receive compensation equal to twice the amount of the last total annual remuneration received, which shall include fixed remuneration, variable remuneration, long-term incentive plans and all the rights and benefits that may have been established.

Remuneration and other benefits to senior management

The remuneration of the members of Senior Management, excluding those who simultaneously hold the status of member of the Board of Directors (whose remuneration has been detailed above) during the financial years 2022 and 2021, and which has been paid both by the Parent Company and by any other subsidiary company, is summarised below:

	Thousands of euros	
	2022	2021
Salaries	1,018	655
Share-based remuneration systems (see note 17.2)	(679)	948
Total	**339**	**1,603**

In addition, they have not earned any amounts classified as income in kind in respect of their work as directors in addition to those indicated above in any of the periods.

At 31 December 2022, income has been recognised in the share-based remuneration system for the partial reversal of the provision made for the year 2021, as the degree of compliance with the conditions for entitlement to remuneration has been lower than initially considered.

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 2022 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.

SECTION 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 breakdown of income from ordinary activities in 2022 and 2021 was as follows:

	Thousands of euros	
	2022	2021
Tracker supply	405,828	301,461
Energy sales	11,190	—
Installation services	141,023	40,319
Operation and maintenance services	10,155	4,734
Total	**568,196**	**346,514**

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	
	2022	2021
Tracker supply	126,998	165,872
Installation services	3,412	15,868
Engineering services, EPC and BOP	121,230	68,757
Total	**251,640**	**250,497**

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 year-end 2022, the Group has contractual asset balances (revenues to be invoiced) amounting to EUR 69,355 thousand (31 December 2021: EUR 37,115 thousand). At the date of preparation of these consolidated financial statements, this amount is invoiced in EUR 33,854 thousand (EUR 16,646 thousand at year-end 2021 fully invoiced at the date of preparation of these financial statements).

16.2. Supplies

The balance of the heading “Supplies” for the years 2022 and 2021 presents the following composition:

	Thousands of euros	
	2022	2021
Goods purchased	300,866	318,737
Energy purchased	13,878	—
Variation of inventories	28,241	(40,615)
Work performed for other companies	30,465	20,058
Allowance for impairment of inventories (note 11)	1,625	567
Total	**375,075**	**298,747**

The distribution of merchandise purchases in 2022 and 2021, distributed by geographical area, is as follows:

	Thousands of euros	
	2022	2021
Spain and Portugal	87,965	91,965
China	104,756	148,065
Korea	15,786	19,933
Brazil	66,278	46,805
India	4,137	-
Others (*)	35,822	11,969
Total	**314,744**	**318,737**

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

16.3. Other operating income

The balance of “Other operating income” in 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Operating subsidies	567	1,000
Various services	2,599	2,398
Total	**3,166**	**3,398**

The balance of the headings “Miscellaneous services” and “Other” mainly includes the amount invoiced to third parties for services related to the maintenance, repairs and upkeep of solar farm installations owned by third parties, services invoiced to related parties for consultancy services.

In addition, “Operating subsidies” includes operating income related to the tax deductibility of R&D activities which reduce the income tax payable (see note 14.2), as well as operating subsidies granted by public bodies or independent third parties.

16.4. Other employee benefits

“Personnel expenses” in the accompanying 2022 and 2021 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	
	2022	2021
Wages and salaries	56,676	40,765
Employee benefits:		
Social Security payments by the company	10,512	9,171
Other social liabilities	1,568	193
Total	**68,756**	**50,129**

Owing to changes in the employee share-based payment arrangements during the year 2022, a positive adjustment of EUR 1,953 thousand (the expense provision amounted to EUR 3,007 thousand as of 31 December 2021) (see note 17.2) has been made (see note 17.2).

16.5. Other operating expenses

The breakdown of “Other operating expenses” in 2022 and 2021 was as follows:

	Thousands of euros	
	2022	2021
Outside services-		
Rent and Royalties	24,034	9,666
Repairs and maintenance	3,113	1,860
Independent professional services	28,189	20,570
Transport	61,535	57,425
Insurance premiums	4,680	2,540
Bank services and similar items	3,615	2,202
Advertising and publicity	2,384	1,301
Supplies	3,786	2,087
Other services	16,743	6,374
Tributes	1,228	979
Losses, impairment and changes in provisions for commercial operations	1,971	602
Other administrative expenses	—	221
Total	**151,278**	**105,827**

The amount included under “Leases and rentals” corresponds essentially to the lease expense recorded as a result of lease contracts that are excluded from lessee accounting under IFRS 16 because of their short duration (term of less than 12 months) or because the underlying asset is of low value; these are mainly short-term leases of machinery necessary for the provision of installation services and vehicles. Similarly, variable rental payments that are not index or rate dependent and are not included in the measurement of lease liabilities and right-of-use assets are included in this account. This item has increased significantly and is due mainly to the increased volume of business being executed such as installation services and operation, maintenance and other services.

The amount included under the heading “Independent professional services” relates mainly to expenses incurred for technical assistance on projects implemented and professional services incurred in the development segment for studies and licensing of solar projects.

In addition, the amount included under “Transport” mainly corresponds to the costs incurred in transporting inventories to their destination for the industrial segment. This item was reduced last year due to lower costs for logistics services compared to previous years.

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 year-end 2022, the amount of the item "Impairment losses, impairment and changes in trade provisions" relates mainly to the provision for impairment losses on trade receivables (see note 10.1.2) in the amount of 511 thousand euros (553 thousand euros in 2021). In addition, a reversal of the provision for guarantees in the amount of 135 thousand euros as well as a reversal of the repair provision (see note 13.2) in the amount of 1,176 thousand euros (provision of 157 thousand euros and reversal of 206 thousand euros respectively in the financial year 2021).

16.6. Other profit/loss

The amount included under this heading corresponds mainly to the execution of guarantees for completed projects that were in the maintenance phase.

16.7. Financial profit

The breakdown of the headings "Financial expenses" and "Change in fair value of financial instruments" in the accompanying consolidated income statement for 2022 and 2021 is as follows:

	Thousands of euros	
	2022	**2021**
Income from the reduction of liabilities from the purchase of SPVs	—	85
Other financial income	995	161
Total financial income	**995**	**246**
Interest on syndicated credit facility (note 10.2.1.iii)	(3,690)	(2,610)
Interest on guarantees	(524)	(772)
Other Financial Expenses	(5,976)	(1,750)
Total financial expenses	**(10,190)**	**(5,132)**
Revaluation of shares accounted for using the equity method (note 5.5)	6,994	15,021
Change in fair value of derivatives at year-end (note 10.3)	2,918	(2,014)
Change in fair value of settled derivatives (note 10.3)	(13,503)	4,069
Total changes in fair value of financial instruments	**(3,591)**	**17,076**

The item "Other financial expenses" includes interest on the financing obtained by the Group in 2022 for the Araxá and Pedranópolis projects in the amount of EUR 2,679 thousand, as well as interest on lease liabilities in the amount of EUR 884 thousand (EUR 843 thousand in 2021, see note 8). In addition, this item includes the financial expenses accrued as a result of the advance payment of trade receivables through reverse factoring offered by customers in the amount of EUR 1,697 thousand (EUR 449 thousand in 2021), as well as the financial costs payable to Sefran Group, as consideration for the loan granted (see note 10.2.1.ii). Finance costs payable to these shareholders in consideration for the guarantees provided by them in relation to the guarantee contracts and credit facilities held by Soltec Development, S.A.U. with its financial creditors are recorded under "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).

SECTION 17: OTHER INFORMATION

17.1. Personnel

The average number of people employed in FY 2022 and FY 2021, distributed by category, was as follows:

	Average number of employees	
	2022	**2021**
Department Director	43	39
Manager	621	388
Technician	563	375
Administrative staff	121	175
Operator	1,854	843
Total	**3,202**	**1,820**

The distribution by gender at the end of 2022 and 2021, by category, is as follows:

	Number of people employed at closing					
	31/12/2022			**31/12/2021**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Department Director	35	7	42	31	7	38
Manager	444	124	568	309	96	405
Technician	406	142	548	284	116	400
Administrative staff	43	59	102	74	97	171
Operator	1,261	157	1,418	1,329	152	1,481
Total	**2,189**	**489**	**2,678**	**2,027**	**468**	**2,495**

The number of people employed by the Group at 2022 year-end, with a disability greater than or equal to 33%, is 8 employees (10 employees in 2021).

17.2. Share-based payments

At year-end 2022, Soltec has three remuneration schemes in place, the beneficiaries of which are the Executive Director of Soltec Development and the members of senior management and executives of the Soltec Group, consisting of the delivery of shares linked to performance conditions.

On 14 October 2020, an agreement was entered into whereby Soltec Development, S.A.U. undertook to grant the Chief Executive Officer of the Company a number of shares in the Parent Company equivalent to 1% pre-money of the Parent Company at the date of the agreement upon the effective fulfilment of certain requirements.

This agreement was a substitution amending the agreement signed on 28 September 2018 whereby the CEO was granted the right to purchase 5% of shares on Development upon fulfilment of service obligations for 2 years and was valued at EUR 215 thousand. 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 EUR 53 thousand 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. For this purpose, the Group determined as of October 2020 the fair value of 5% of Soltec Development, S.A.U. and 1% pre-money of Soltec Power Holdings, S.A. based on analysts' and market valuations, valuing both at very 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.

The vesting of the shares is conditional upon the effective fulfilment of the following conditions:

- That the Beneficiary achieves a minimum % of the annual individual and area targets during the vesting period.
- Necessary condition of permanence in the participant's employment.

Necessary condition of permanence in the participant's employment. At the date of authorisation for issue of these consolidated financial statements, the directors consider that all requirements of the new share plan for vesting will be effectively met.

Similarly, as of 1 January 2021, following acceptance by the employees concerned, the long-term incentive plan for a maximum of 36 individuals, including the Parent's management and certain employees of Group companies, came into force. 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. During the financial year 2022 the incentive plan has undergone modifications, (i) The current number of persons in the plan at 31 December 2022 amounts to 19 individuals (ii) in 23 June 2022 the directors' remuneration plan is approved and the incentive plan of one of the employees is modified, it is established that part of the incentive for each accrual period must be settled in cash, and this settlement may not exceed the value of EUR 30,000 or 7.5% of the value of the incentive, the minimum qualification required in the performance evaluation is modified and additionally one of the performance conditions, Free Cash Flow by ESG index, is modified; (iii) on 16 May, a modification of the plan is approved for the rest of the beneficiaries, an addendum is made to the original plan in which one of the performance conditions, Free Cash Flow by ESG index, is changed. At the date of the addendum, the amendments included in the plans do not entail any variation in the value of the plan, based on a comparison of the fair value of the plan before and after the amendment (considering the degree of achievement of the conditions established in the plan). However, it is decided to consider such amendments in subsequent valuations as these changes are expected to benefit the employee, i.e. increase the value of the plan.

The main features of the plan at the end of 2022 are as follows:

- The plan consists of two tranches. Only tranche 1 is in force.
  - First accrual period: 1 January 2021 to 2 January 2023; and,
  - Second accrual period: 3 January 2023 to 4 January 2025; targets not yet set.
- The entry into force of the plan coincides with the grant dates for each employee, which are between 1 January 2021 and 20 May 2021.
- Vesting of the right to receive the shares is conditional upon compliance, during each of the vesting periods, with the following conditions:
  - Necessary condition of permanence in the participant's employment.;
  - That the Beneficiary achieves a minimum score in the performance assessment carried out in each vesting period.
  - That the Beneficiary achieves a minimum % of the annual individual and area targets during the vesting period.
  - Performance conditions. The number of shares to be delivered to each participant will be determined on the basis of the gradual achievement of certain Group performance ratios associated with total shareholder return, EBITDA and ESG (free cash flow in the initial plan).

These performance ratios shall be calculated over the period from 1 January to 31 December of each of the annual instalments included in the accrual periods.

Delivery of the shares shall take place at the end of the deferral period of 365 days after the end of each vesting period, with the exception of the EUR 30 thousand which is paid in cash. Performance targets shall be set by the board for each year. As of year-end 2022, targets are set for the years 2021 and 2022.

In accordance with IFRS 2 "Share-based payments", this incentive plan is considered an equity-settled plan, with the exception of one beneficiary whose plan includes a cash-settled portion of EUR 30 thousand.

At year-end 2022, a positive incentive plan adjustment of 1,953 thousand euros accrued under "Personnel expenses" (an expense of 3,007 thousand euros for the year 2021) with a balancing entry of 30,000 euros in the Group's equity for the cash-settled share plan, the balancing entry for which is a liability account. The recognition of this income is due to the partial reversal of the provision made in the previous year, as the degree of fulfilment of the conditions giving entitlement to the remuneration has been lower than initially considered.

At 31 December 2022, the number of existing concessions at consolidated level amounted to 1,287,037 shares (the same number as at the end of 2021). There has been no change in the number of concessions during the year.

Assessment of stock delivery plan linked to performance conditions.

Based on the work carried out by an independent expert, the fair value of the plan at the initial moment has been estimated as 12,346 thousand euros. This valuation was made considering the market price of the Group's shares on the date the plan was granted and on the basis of the assumptions made by the Company's directors, whereby it was expected that there would not be any departures among the employees benefiting from the plan and that all employees would achieve the required qualification and rate of compliance with objectives. The valuation also takes into account the estimate of the degree of achievement of the Group's performance based on the Group's financial forecasts and targets, the estimate of the price per share and the discount periods based on the vesting periods.

17.3. Audit fees

The engagement of the group's audit services with Deloitte ended with the audit for the financial year 2021. During 2022 the group initiated a search process for an auditor which resulted in the selection of Ernst & Young SL as the group's auditor for the next three years. The fees for audit and other services provided by the auditor of the group's annual accounts for 2021 and 2022 were as follows:

Description	Thousands of euros	
	2022	2021
Audit services -	**493**	**712**
Audit services	408	532
Audit services - Other companies linked	85	180
Non-audit services -	**133**	**51**
Services required by the applicable regulations	39	29
Other verification services	2	2
Other services	92	20
Total	**626**	**763**

"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. Other services" also include translation services for previously prepared annual accounts.

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

The information required by the third additional provision of Law 15/2010 of 5 July (amended by 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 annual accounts in relation to the average period of payment to suppliers in commercial transactions of companies resident in Spain, is detailed below for financial years 2022 and 2021.

	Days	
	2022	2021
Average payment period to suppliers	69	90
Ratio of paid operations	65	103
Ratio of operations pending payment	79	69

	2022
Invoice volume	
Total invoices paid in the year	23,733
Number of invoices paid on time	16,449
Paid on time (%)	69 %
(in thousands of euros)	
Total amount of invoices paid in the financial year	318,811
Total amount of invoices paid on time	208,887
Paid on time (%)	66 %

In accordance with the ICAC Resolution, for the calculation of the average supplier payment period in these consolidated annual accounts, commercial transactions corresponding to the delivery of goods or services have been taken into account exclusively with respect to fully consolidated companies based 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.

SECTION 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 consequence of the 4 to 1 split in October 2020 (see note 12), the weighted average number is modified retrospectively in accordance with the standard to show comparative information.

As of 31 December 2022 and 31 December 2021, the basic earnings per share were as follows:

	31/12/2022	31/12/2021
Profit for the year attributable to the parent company (thousands of euros)	13,088	(1,125)
Weighted average number of ordinary units (note 12.1)	90,994,642	91,100,460
Basic earnings / (loss) per share (euros)	**0,144**	**(0,012)**

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

	Number of shares	
	31/12/2022	31/12/2021
Ordinary shares at the beginning of the period	91,386,717	91,386,717
Own shares	(547,426)	(438,656)
Average effect of outstanding shares	155,351	152,399
Weighted average number of ordinary shares outstanding at 31 December	**0,144**	**(0,012)**

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 2022, 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:

	31/12/2022		
	Thousands of euros	Thousands of shares	Earnings per share
Profit for the year attributable to equity holders of the Parent Company	13,088		
Weighted average number of shares outstanding			
Weighted average number of potential ordinary shares to be delivered under the variable remuneration plan		90,995	0,144
Weighted average number of potential non-provisioned ordinary shares at market price		1,143	
Other adjustments	—	(1,036)	—
Diluted earnings per share	**13,088**	**91,102**	**0,144**

	31/12/2021		
	Thousands of euros	Thousands of shares	Earnings per share
Profit for the year attributable to equity holders of the Parent Company	(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 non-provisioned ordinary shares at market price	—	(1,036)	—
Other adjustments	—	—	—
Diluted earnings per share	**(1,125)**	**91,078**	**(0,012)**

SECTION 19: SUBSEQUENT EVENTS

On 3 January 2023, Pablo Miguel Otín Pintado, until then CEO of the Group's project development division, left the Group.

Soltec Power Holdings' photovoltaic project development division, Soltec Development S.A.U., formerly named Development, S.A.U., has appointed Mr Carlos García Mena, previously director of the entity in Brazil, as Chief Executive Officer of the photovoltaic project development division (Soltec Development S.A.U.).

On 5 January 2023, the Group signed a EUR 100 million financing agreement with the credit fund advised by Incus Capital to finance its renewable asset management and operation business (Soltec Asset Management). With this transaction, Soltec seeks to enhance and accelerate the growth of Soltec Asset Management, its division dedicated to the investment, operation and management of renewable energy infrastructures, and guarantees the construction and commissioning of part of the projects that the development division has in its portfolio, mainly in Europe (Spain, Italy) and Brazil.

In January 2023, the Group obtained a favourable environmental impact statement (EIS) for sixteen photovoltaic plants in the regions of Murcia and Alicante, with a total capacity of 401 MW of peak power, of which 352 MW are under co-development with TotalEnergies, with a 35% shareholding. In this way, Soltec has already received all the environmental impact statements due to expire in January 2023.

On 14 February 2023, Soltec Power Holdings, S.A., holder of 100% of the share capital of Soltec Cap S.L.U., adopted, pursuant to the provisions of article 15 of the Spanish Corporations Act, the decision to increase capital by means of a non-monetary contribution of the shares of Soltec Development S.A.U. and Soltec Asset Management S.L.U. through the creation of new shares in the Company.

On 27 February 2023, one of the group's SPVs was notified of the initiation of disciplinary proceedings by the National Markets and Competition Commission (Comisión Nacional de los Mercados y la Competencia). The proceedings are still at an early stage and neither the facts nor the specific accusations against the company are known. With the data available at this time, the Company considers that the probability of the occurrence of an outflow of resources is remote, without prejudice to the revision of this analysis as more information becomes available.

On 17 March 2023 a company Soltec Green Energy, S.L. was incorporated, the sole shareholder of which is Soltec Power Holdings, S.A. The main corporate purpose of the new company is the purchase, sale, production and marketing, including at international level, of electricity, whatever its source of generation and production. The activity will not commence until the requirements established in Law 24/2013, of 26 December, on the Electricity Sector, have been met.

APPENDIX I: SUBSIDIARIES INCLUDED IN THE SCOPE OF CONSOLIDATION (INFORMATION IN THOUSANDS OF EUROS)

31 December 2022 [1, 2]

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue 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 progress	100%	-	1,152	69,934	5,867	76,954	Euros
Soltec Development, 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 progress	100%	-	5,600	73,994	9,883	89,477	Euros
Soltec Energie Rinnovabili S.r.L.	Viale A. Gramsci, 20. Firenze (Italy)	Marketing and management of renewable energy equipment based on supply and installation work.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	10	426	(211)	225	Euros
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 progress	100%	-	3	(2,231)	1,853	(375)	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 progress	100%	-	16,126	(12,374)	(3,756)	(4)	Chilean peso
Soltec Brasil Industria, Comercio e Servicos de Energías Renovaveis LTDA (Soltec Brasil)	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 progress	100%	-	20,220	4,028	(712)	23,536	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 progress	100%	-	250	(81)	(374)	(205)	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 progress	100%	-	3	(345)	(852)	(1,194)	Mexican pesos
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	210	(383)	(172)	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 progress	95%	5%	2	(644)	(483)	(1,127)	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	6,807	5,277	12,087	Euros
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 progress	100%	-	479	57	10	546	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	211	(20)	194	Euros
Soltec Trackers Colombia SAS	Calle 93 B, NO 19-35 Office 201, Bogotá	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	1	(86)	(323)	(408)	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%	-	124	39	26	189	Yuan

[1] For subsidiaries with a functional currency other than the euro, the information has been translated into euros using the accounting principles for the translation of foreign currency financial statements.
[2] The information included has been prepared on the basis of generally accepted accounting principles applicable in the domicile of each subsidiary.
[3] "Retained earnings" includes the aggregate impact of the items "Other members' contributions", "Prior years' losses", "Profit/loss for the year" and "Valuation adjustments".

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
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.	Soltec Energías Renovables, S.A.U.	Unaudited	100%	-	3	14	(15)	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	59	(50)	13	Euros
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.	Soltec Development, S.A.U.	Unaudited	51%	-	3	(35)	-	(32)	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	79	(65)	17	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	41	(33)	11	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	41	(32)	12	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	3	(1)	5	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	302	0	305	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	12	(20)	0	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	12	0	15	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	12	0	15	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	12	0	15	Euros
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.	Soltec Development, S.A.U.	Soltec Develop-ment, S.A.U.	100%	-	3	(1)	-	2	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	5	(2)	6	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	22	(19)	7	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	11	(10)	4	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	3	-	5	Euros

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	48	0	51	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	3	-	6	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	1	(1)	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	2	(1)	5	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	(1)	-	2	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	2	-	5	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	23	(16)	10	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	4	(3)	4	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	3	(1)	6	Euros
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.	Soltec Development, S.A.U.	Unaudited	51%	-	3	(8)	-	(5)	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	6	(5)	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	4	-	7	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	(1)	-	2	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	8	-	11	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	5	(1)	7	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	1	(1)	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	34	-	37	Euros

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue 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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	5	-	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	(1)	2	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	13	(12)	4	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	23	(19)	7	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	(1)	-	2	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	1	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	1	-	4	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	51	(48)	6	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	24	(21)	6	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	(1)	-	2	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	74	(67)	10	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	29	(23)	10	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	24	(15)	12	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	33	(23)	13	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	1	4	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	56	(44)	15	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	2	-	5	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	2	-	5	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	(1)	-	2	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	2	(9)	(4)	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	(1)	2	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	24	(8)	19	Euros

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	1	(1)	10	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	1	(1)	10	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	10	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	10	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(3)	7	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	10	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(3)	7	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	(1)	-	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	(1)	(1)	9	Euros

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	(1)	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euros

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(3)	7	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(9)	1	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(14)	(4)	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euros
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	Soltec Development, S.A.U.	Unaudited	100%	-	100	(28)	(32)	40	Euros
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(374)	(374)	US dollar
USINA DE ENERGIA FOTOVOLTAICA DE PEDRANÓPOLIS LTDA	ROD CHAFFI MARAO KM 9, RURAL AREA. PEDRANÓPOLIS-SP. 15630-000 (Brazil)	Office of development services, management of solar and photovoltaic projects, supervision of electrical contract works, among other activities	Soltec Development, S.A.U.	Audit in progress	100%	-	22,751	(929)	(3,357)	20,600	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	Soltec Development, S.A.U.	Audit in progress	100%	-	22,063	(1,160)	(2,225)	20,322	Brazilian real

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue 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)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies. to renewable energies.	Soltec Development, S.A.U.	Audit in progress	100%	-	78	(536)	61	(451)	Brazilian real
POWERTIS BRASIL DESENVOLVI-MENTO 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.	Soltec Development, S.A.U.	Audit in progress	100%	-	540	(398)	133	335	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. to renewable energies.	Soltec Development, S.A.U.	Audit in progress	100%	-	46	(288)	18	(232)	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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	46	(263)	3	(232)	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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	46	(263)	14	(228)	Brazilian real
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. to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	94	(270)	13	(177)	Brazilian real
BELVEDERE HOLDING 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 (Brasil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	99.99%	-	-	(442)	138	(367)	Brazilian real
SAO MIGUEL HOLDING SPE LTDA	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.	Soltec Development, S.A.U.	Unaudited	99.99%	-	46	(141)	(38)	(142)	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.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(194)	(224)	(436)	Brazilian real
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.	Soltec Development, 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.	Soltec Development, S.A.U.	Unaudited	100%	-	42	-	(20)	20	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA PEDRA DO SOL SPE LTDA	PC PIRES RIBEIRO 02 s/n. 56.950-970. PROXIMO AO POVOADO SERROTE. SAO JOSE DO BELMONTE	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	99.99%	-	-	-	(112)	(108)	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA PRINCESA DO NORTE SPE LTDA	A RURA S/N. 62.099-899. AREA RURAL DE SOBRAL. SOBRAL.	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(130)	(126)	Brazilian real
POWERTIS DENMARK APS (LUMINORA SOLAR APS)	Walgerholm 7, 3500 Vaerloese (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	6	(1)	3	7	Danish crown
LUMINORA SOLAR 2 APS	Walgerholm 7, 3500 Vaerloese (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	6	(25)	(70)	(90)	Danish crown

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
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.	Soltec Development, S.A.U.	Unaudited	100%	-	6	(13)	(31)	(38)	Danish crown
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.	Soltec Development, S.A.U.	Unaudited	100%	-	6	(56)	(81)	(132)	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.	Soltec Development, S.A.U.	Unaudited	100%	-	6	(68)	(79)	(142)	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.	Soltec Development, S.A.U.	Unaudited	100%	-	6	(70)	(68)	(132)	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.	Soltec Development, S.A.U.	Unaudited	100%	-	6	(23)	(52)	(70)	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.	Soltec Development, S.A.U.	Unaudited	100%	-	6	(15)	(35)	(45)	Danish crown
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.	Soltec Development, S.A.U.	Unaudited	100%	-	6	(19)	(42)	(55)	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.	Soltec Development, S.A.U.	Unaudited	100%	-	6	(1)	(22)	(18)	Danish crown
AMBER SOLAR POWER COLOMBIA UNO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(31)	Colombian peso

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
AMBER SOLAR POWER COLOMBIA DOS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(30)	Colombian peso
AMBER SOLAR POWER COLOMBIA TRES, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(30)	Colombian peso
AMBER SOLAR POWER COLOMBIA CUATRO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(31)	Colombian peso
AMBER SOLAR POWER COLOMBIA CINCO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(199	(32)	Colombian peso
AMBER SOLAR POWER COLOMBIA SEIS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(31)	Colombian peso
AMBER SOLAR POWER COLOMBIA SIETE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(22)	(34)	Colombian peso
AMBER SOLAR POWER COLOMBIA OCHO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(22)	(34)	Colombian peso
AMBER SOLAR POWER COLOMBIA NUEVE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(30)	Colombian peso
AMBER SOLAR POWER COLOMBIA DIEZ, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(31)	Colombian peso

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
LUMINORA SOLAR POWER COLOMBIA UNO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(31)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA DOS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(31)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA TRES, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(30)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA CUATRO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(31)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA CINCO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(28)	(39)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA SEIS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(18)	(30)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA SIETE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(20)	(33)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA OCHO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(17)	(27)	(38)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA NUEVE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Soltec Development, S.A.U.	Unaudited	100%	-	-	(24)	(22)	(39)	Colombian peso

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
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.	Soltec Development, S.A.U.	Unaudited	65%	-	-	86	(23)	57	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.	Soltec Development, S.A.U.	Unaudited	99.99%	-	3	(31)	(216)	(252)	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.	Soltec Development, S.A.U.	Unaudited	99.99%	-	2	(31)	(167)	(202)	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.	Soltec Development, S.A.U.	Unaudited	99.99%	-	3	(31)	(252)	(2899)	Mexican peso
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.	Soltec Development, S.A.U.	Unaudited	99.99%	-	3	(31)	(175)	(210)	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.	Soltec Development, S.A.U.	Unaudited	99.99%	-	3	(31)	(6)	(39)	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.	Soltec Development, S.A.U.	Unaudited	99.998%	-	33	4	(10)	(31)	Mexican peso
LUMINORA SOLAR 11 APS	Walgerholm 7, 3500 Vaerlose (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	(19)	(13)	Danish krone

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
LUMINORA SOLAR 12 APS	Walgerholm 7, 3500 Vaerlose (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	(19)	(14)	Danish krone
LUMINORA SOLAR 13 APS	Walgerholm 7, 3500 Vaerlose (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	(21)	(16)	Danish krone
LUMINORA SOLAR 14 APS	Walgerholm 7, 3500 Vaerlose (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	(14)	(9)	Danish krone
LUMINORA SOLAR 15 APS	Walgerholm 7, 3500 Vaerlose (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	(10)	(5)	Danish krone
Amber Solar Power México Cuatro, 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	Soltec Development, S.A.U.	Unaudited	99.998%	-	-	-	-	-	Mexican pesos
Amber Solar Power México Cinco, 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	Soltec Development, S.A.U.	Unaudited	99.998%	-	-	-	-	-	Mexican pesos
Amber Solar Power México Seis, 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	Soltec Development, S.A.U.	Unaudited	99.998%	-	-	-	-	-	Mexican pesos
Amber Solar Power México Siete, 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	Soltec Development, S.A.U.	Unaudited	99.998%	-	-	-	-	-	Mexican pesos
Amber Solar Power México Ocho, 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	Soltec Development, S.A.U.	Unaudited	99.998%	-	-	-	-	-	Mexican pesos
Luminora Solar Power Desarrollos 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	Soltec Development, S.A.U.	Unaudited	99.998%	-	-	-	-	-	Mexican pesos
Luminora Solar Power Desarrollos México Cuatro, 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	Soltec Development, S.A.U.	Unaudited	99.998%	-	-	-	-	-	Mexican pesos
Luminora Solar Power Desarrollos México Cinco, 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	Soltec Development, S.A.U.	Unaudited	99.998%	-	-	-	-	-	Mexican pesos
Luminora Solar Power Desarrollos México Seis, 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	Soltec Development, S.A.U.	Unaudited	99.998%	-	-	-	-	-	Mexican pesos
Luminora Solar Power Desarrollos México Siete, 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	Soltec Development, S.A.U.	Unaudited	99.998%	-	-	-	-	-	Mexican pesos
Amber Uno, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(169)	(169)	Romanian leu
Amber Dos, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(210)	(210)	Romanian leu
Amber Tres, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(15)	(15)	Romanian leu

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
Luminora Uno, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(36)	(36)	Romanian leu
Luminora Dos, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(159	(15)	Romanian leu
Luminora Tres, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(14)	(14)	Romanian leu
Luminora Cuatro, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(15)	(15)	Romanian leu
Powertis Romania, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Romanian leu
USINA DE ENERGIA FOTOVOLTAICA BELVEDERE I SPE LTDA	FAZ BELVEDERE S/N BR-496 KM9. 39.277-899 AREA RURAL DE PIRAPORA. PIRAPORA. (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA BELVEDERE II SPE LTDA	FAZ BELVEDERE S/N BR-496 KM9. 39.277-899 AREA RURAL DE PIRAPORA. PIRAPORA. (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA BELVEDERE III SPE LTDA	FAZ BELVEDERE S/N BR-496 KM9. 39.277-899 AREA RURAL DE PIRAPORA. PIRAPORA. (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Brazilian real
LUMINORA SOLAR 16 APS	Walgerholm 7, 3500 Vaerlose (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	(2)	4	Danish krone
LUMINORA SOLAR 17 APS	Walgerholm 7, 3500 Vaerlose (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	(9)	(3)	Danish krone
LUMINORA SOLAR 18 APS	Walgerholm 7, 3500 Vaerlose (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	(14)	(9)	Danish krone
LUMINORA SOLAR 19 APS	Walgerholm 7, 3500 Vaerlose (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	(2)	4	Danish krone
LUMINORA SOLAR 20 APS	Walgerholm 7, 3500 Vaerlose (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	(2)	4	Danish krone
Mesilane Solar Uno, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Romanian leu
Mesilane Solar Dos, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Romanian leu

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
Mesilane Solar Tres, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Romanian leu
Mesilane Solar Cuatro, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Romanian leu
Mesilane Solar Cinco, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Romanian leu
Mesilane Solar Seis, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Romanian leu
Luminora Cinco, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Romanian leu
Luminora Siete, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Romanian leu
Luminora Ocho, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Romanian leu
Luminora Nueve, SRL	Bulevardul Pipera, Nr.1/VI, Hyperion Tower, Tower 1, Spatiul de Birouri NR.2, CP 077190, Etaj 9, Judt Ilfov. (Romania)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Romanian leu
LUMINORA SOLAR POWER COLOMBIA DIEZ, S.A.S	Calle 97A Nº9-45 Of.403 (Bogotá)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Colombian pesos
LUMINORA SOLAR POWER COLOMBIA ONCE, S.A.S	Calle 97A Nº9-45 Of.403 (Bogotá)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Colombian pesos
LUMINORA SOLAR POWER COLOMBIA DOCE, S.A.S	Calle 97A Nº9-45 Of.403 (Bogotá)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Colombian pesos
LUMINORA SOLAR POWER COLOMBIA TRECE, S.A.S	Calle 97A Nº9-45 Of.403 (Bogotá)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Colombian pesos
AMBER SOLAR POWER COLOMBIA ONCE, S.A.S	Calle 97A Nº9-45 Of.403 (Bogotá)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	Colombian pesos
AMBER SOLAR ONE, LLC	8 The Green, Suite B. Zip code:19901. Dover. Delaware	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	US dollars

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[3]	Total Equity	Functional currency
Soltec Asset Management, S.L.	C/ Gabriel Campillo S/n P.I. La Serreta 30500 - (Molina De Segura) - Murcia	The management of shares or holdings, as well as the management and organisation of the material and human resources of the investee companies. The management and business control of investee companies, and may provide technical, commercial and economic and financial support to its investees. The management and administration of securities representing the equity of non-resident entities in Spanish territory. The acquisition and disposal of transferable securities, shares and other financial assets.	Soltec Power Holdings, S.A.	Unaudited	100%	-	3	-	-	3	Euro
Soltec CAP, S.L.	C/ Gabriel Campillo S/n P.I. La Serreta 30500 - (Molina De Segura) - Murcia	The execution of activities related to the business of promotion, development, construction, start-up, operation and maintenance of electricity production plants. The provision of assistance or support services to Group companies, for which purpose it may provide financing, guarantees and sureties. The management of shares or holdings, as well as the management and organisation of the material and human resources of the investees. The management and business control of investee companies. The management and administration of securities representing the equity of non-resident entities in Spanish territory. The acquisition and disposal of transferable securities, shares and other financial assets.	Soltec Power Holdings, S.A.	Unaudited	100%	-	3	-	-	3	Euro
Enviroscale, S.L.	C/ Gabriel Campillo S/n P.I. La Serreta 30500 - (Molina De Segura) - Murcia	Research and development for the deployment of methodologies, systems and procedures for energy auditing, consultancy and certification, as well as the exploitation of the rights resulting from the latter. Provision of energy auditing, consultancy and certification services for electrical energy installations in order to promote a "sustainable seal" for them.	Soltec Power Holdings, S.A.	Unaudited	100%	-	3	-	-	3	Euro
Seguidores Solares Portugal, Unipessoal Lda	Av de Londres, Praceta de Londrina, Bloco B3 Piso 1, Escritórios 1/2 e 3, 4835-067 Guimarães (Portugal)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Soltec Energías Renovables S.L.U	Unaudited	100 %	-	1,063	0	1	1,064	Euro

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Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	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 in which the client requires it.	Soltec Power Holdings, S.A.	Audit in progress	100%	-	1,152	81,545	(10,529)	72,168	Euro
Soltec Development, S.A.U.	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	The promotion and execution of projects for electrical energy production facilities using photovoltaic solar energy. The purchase and sale, transfer and/or acquisition for its own account of shares and/or holdings in entities of all kinds, whether or not they are legal entities.	Soltec Power Holdings, S.A.	Audit in progress	100%	-	5,600	57,689	16,874	80,163	Euro
Soltec Energie Rinnovabili S.r.L.	Viale A. Gramsci, 20. Firenze (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 progress	100%	-	3	-	(2,170)	(2,167)	US dollars
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 progress	100%	-	3,881	992	(11,735)	(6,862)	Chilean pesos
Soltec Brasil Industria, Comercio e Servicos de Energías Renovaveis LTDA (Soltec Brasil)	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 progress	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 progress	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 progress	100%	-	3	1,459	(1,840)	(378)	Mexican pesos
Soltec Australia, PTY LTD.	300 Barangaroo Avenue, Level 24, Three International Towers, Barangaroo NSW 2000 (Australia)	Marketing and management of renewable energy equipment.	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 renewable energy equipment.	Soltec Energías Renovables, S.L.U.	Audit in progress	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 consultancy.	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 progress	100%	-	479	40	(61)	458	Indian rupee
Soltec France, S.L.	6, place de la madeleine, 75008, Paris	Marketing and management of renewable energy equipment.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	3	100	111	214	Euro
Soltec Trackers Colombia SAS	Calle 93 B, NO 19-35 Oficina 201, Bogotá	Marketing and management of renewable energy equipment.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	1	16	14	31	Colombian pesos
Soltec Commercial Consulting (Shanghai) Co. Ltd	Room 606, No. 118 Pudong South Road, Shanghai (China)	Marketing and management of renewable energy equipment.	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 renewable energy equipment.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	-	-	-	-	Dirham

4 In the case of subsidiaries with a functional currency other than the Euro, the information has been translated into Euros using the accounting principles for the translation of foreign currency financial statements.
5 The information included has been prepared on the basis of generally accepted accounting principles applicable in the domicile of each subsidiary.
6 "Retained earnings" includes the aggregate impact of the items "Other members' contributions", "Prior years' losses", "Profit/loss for the year" and "Valuation adjustments".

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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.	Soltec Development, 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.	Soltec Development, 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.	Soltec Development, 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.	Soltec Development, S.A.U.	Unaudited	100%	-	3	23	(15)	11	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	331	(11)	323	Euro
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	Soltec Development, 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.	Soltec Development, 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.	Soltec Development, 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.	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	(1)	-	2	Euro
LUMINORA SOLAR DIECIOHO 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	12	(15)	-	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, S.A.U.	Unaudited	100%	-	3	159	(110)	52	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	31	(31)	3	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	73	(91)	(15)	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	20	(14)	9	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	1	(60)	(56)	Euro
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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	36	(38)	1	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	76	(37)	42	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	(1)	-	2	Euro
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	Soltec Development, S.A.U.	Unaudited	100%	-	3	(1)	(9)	(7)	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	(1)	-	2	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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 issue premium	Retained earnings[6]	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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	(24)	(21)	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	(4)	(1)	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
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	Soltec Development, 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 issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
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	Soltec Development, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
POWERTIS SRL	VIA VENTI SETTEMBRE,1. 00187 ROME (Italy)	Development services, management of solar and photovoltaic projects, supervision of electrical contracting works, among other activities.	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	-	-	US dollars
USINA DE ENERGIA FOTOVOLTAICA DE PEDRANÓPOLIS LTDA	ROD CHAFFI MARAO KM 9, ZONA RURAL. PEDRANÓPOLIS-SP. 15630-000. (Brazil)	Development services, management of solar and photovoltaic projects, supervision of electrical contracting works, among other activities.	Soltec Development, S.A.U.	Auditoría en proceso	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)	Development services, management of solar and photovoltaic projects, supervision of electrical contracting works, among other activities.	Soltec Development, S.A.U.	Auditoría en proceso	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 issue premium	Retained earnings[6]	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	Soltec Development, S.A.U.	Unaudited	100%	-	78	-	(495)	(417)	Brazilian real
POWERTIS BRASIL DESENVOL-VIMIENTO 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.	Soltec Development, S.A.U.	Auditoría en proceso	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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	46	-	(286)	(240)	Brazilian real
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	Soltec Development, 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. Brazil. Mina Gerais (Brasil)	Exploitation and implementation of solar energy	Soltec Development, 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 (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(196)	(196)	Brazilian real
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	Soltec Development, 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	Soltec Development, 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	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish krone
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	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish krone
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	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish krone
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	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish krone

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish krone
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	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish krone
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	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish krone
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	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish krone
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	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish krone
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	Soltec Development, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish krone
AMBER SOLAR POWER COLOMBIA UNO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
AMBER SOLAR POWER COLOMBIA DOS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
AMBER SOLAR POWER COLOMBIA TRES, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
AMBER SOLAR POWER COLOMBIA CUATRO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
AMBER SOLAR POWER COLOMBIA CINCO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
AMBER SOLAR POWER COLOMBIA SEIS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
AMBER SOLAR POWER COLOMBIA SIETE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
AMBER SOLAR POWER COLOMBIA OCHO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
AMBER SOLAR POWER COLOMBIA NUEVE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
AMBER SOLAR POWER COLOMBIA DIEZ, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
LUMINORA SOLAR POWER COLOMBIA UNO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
LUMINORA SOLAR POWER COLOMBIA DOS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
LUMINORA SOLAR POWER COLOMBIA TRES, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
LUMINORA SOLAR POWER COLOMBIA CUATRO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
LUMINORA SOLAR POWER COLOMBIA CINCO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
LUMINORA SOLAR POWER COLOMBIA SEIS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
LUMINORA SOLAR POWER COLOMBIA SIETE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
LUMINORA SOLAR POWER COLOMBIA OCHO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian pesos
LUMINORA SOLAR POWER COLOMBIA NUEVE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogotá (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(34)	(34)	Colombian pesos
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	Soltec Development, S.A.U.	Unaudited	65%	35%	-	-	202	202	Colombian pesos

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[6]	Total Equity	Functional currency
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	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	(46)	(43)	Mexican pesos
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	Soltec Development, S.A.U.	Unaudited	100%	-	-	-	(45)	(45)	Mexican pesos
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	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	(46)	(43)	Mexican pesos
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	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	(46)	(43)	Mexican pesos
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	Soltec Development, S.A.U.	Unaudited	100%	-	3	-	(46)	(43)	Mexican pesos
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	Soltec Development, S.A.U.	Unaudited	100%	-	33	-	70	103	Mexican pesos

APPENDIX II: COMPANIES OVER WHICH SIGNIFICANT INFLUENCE IS HELD (INFORMATION IN THOUSANDS OF EUROS)

31 December 2022[7,8]

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[9]	Total net 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	Soltec Development, S.A.U.	Unaudited	35%	-	3	57	-	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	Soltec Development, S.A.U.	Unaudited	35%	-	3	323	-	326	Euro
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	Soltec Development, S.A.U.	Unaudited	35%	-	3	168	-	171	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	Soltec Development, S.A.U.	Unaudited	35%	-	3	(47)	724	680	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	Soltec Development, S.A.U.	Unaudited	35%	-	3	158	-	160	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	Soltec Development, S.A.U.	Unaudited	35%	-	3	56	-	59	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	Soltec Development, S.A.U.	Unaudited	35%	-	3	62	-	65	Euro
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	Soltec Development, S.A.U.	Unaudited	35%	-	3	75	-	78	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	Soltec Development, S.A.U.	Unaudited	35%	-	3	54	-	57	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	Soltec Development, S.A.U.	Unaudited	35%	-	3	44	-	47	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	Soltec Development, S.A.U.	Unaudited	35%	-	3	50	-	53	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	Soltec Development, S.A.U.	Unaudited	35%	-	3	12	-	15	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	426	(9)	428	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	353	(8)	355	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	287	(9)	289	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	414	(9)	418	Euro

7 In the case of subsidiaries with a functional currency other than the Euro, the information has been translated into Euros using the accounting principles for the translation of foreign currency financial statements.
8 The information included has been prepared on the basis of the generally accepted accounting principles applicable in the domicile of each subsidiary.
9 "Retained earnings" includes the aggregate impact of the items "Other contributions from shareholders", "Negative results from previous years", "Profit for the year" and "Valuation adjustments".

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[9]	Total net equity	Functional currency
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	402	(8)	405	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	384	(8)	386	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	248	(6)	252	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	244	(6)	248	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	236	(6)	239	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	1,169	(7)	1.¡,172	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	339	(6)	344	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	148	(6)	152	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	146	(6)	151	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	344	(6)	348	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	387	(9)	388	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	253	(5)	257	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	268	(5)	273	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	254	(5)	259	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	479	(6)	484	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	510	(12)	508	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	303	(12)	301	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	304	(9)	305	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[9]	Total net equity	Functional currency
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	556	(13)	553	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	241	(8)	244	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	406	(9)	405	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	325	(10)	325	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	280	(8)	283	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	457	(10)	457	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	337	(7)	340	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	256	(10)	256	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	1,393	(8)	1,395	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	365	(8)	367	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	271	(9)	272	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	439	(10)	439	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	803	(10)	804	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	190	(7)	194	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	211	(6)	215	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	216	(6)	220	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	197	(6)	201	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	195	(69	199	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[9]	Total net 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	Soltec Development, S.A.U.	Unaudited	49%	-	10	1,265	(7)	1,269	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	524	(7)	528	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	381	-	391	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	403	(1)	412	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	392	-	402	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	390	(1)	399	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	380	(1)	389	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	413	(1)	423	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	420	-	430	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[9]	Total net equity	Functional currency
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	415	(1)	425	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	341	(1)	349	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	397	-	408	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	374	(1)	383	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	305	(1)	314	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	291	(1)	300	Euro
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	Soltec Development, S.A.U.	Unaudited	49%	-	10	391	(1)	399	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	293	(1)	301	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	Soltec Development, S.A.U.	Unaudited	49%	-	10	294	(2)	303	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and issue premium	Retained earnings[9]	Total net 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	Soltec Development, S.A.U.	Unaudited	49%	-	10	330	(1)	338	Euro
Engady Solar Energia SPE LTDA	Avenida Professor Magalhães Neto, nº 1.550, Município de Salvador, Estado da Bahia	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies	Soltec Development, S.A.U.	Unaudited	35%	-	209	33	(1)	242	Brazilian real

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Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share	Retained earnings[12]	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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	168	(111)	60	Euros
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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	705	(414)	294	Euros
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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	321	(223)	101	Euros
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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	63	(110)	(44)	Euros
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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	160	(40)	123	Euros
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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	87	(41)	49	Euros
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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	88	(35)	56	Euros
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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	114	(49)	68	Euros

[10] For subsidiaries with a functional currency other than the euro, the information has been translated into euros using the accounting principles for the translation of foreign currency financial statements.
[11] The information included has been prepared on the basis of generally accepted accounting principles applicable in the domicile of each subsidiary.
[12] "Retained earnings" includes the aggregate impact of the items "Other contributions from shareholders", "Negative results from previous years", "Profit for the year" and "Valuation adjustments".

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share	Retained earnings[12]	Total Equity	Functional currency
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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	65	(27)	41	Euros
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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	54	(25)	32	Euros
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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	47	(43)	7	Euros
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.	Soltec Development, S.A.U.	Unaudited	35%	-	3	57	(46)	14	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	259	-	269	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	267	-	277	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	204	-	214	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	272	-	282	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	172	-	182	Euros

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share	Retained earnings[12]	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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	150	-	160	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	104	-	114	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	101	-	111	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	85	-	95	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	949	-	959	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	259	-	269	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	93	-	103	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	101	-	111	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	262	-	272	Euros

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share	Retained earnings[12]	Total Equity	Functional currency
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	278	-	288	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	166	-	176	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	115	-	125	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	165	-	175	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	298	-	308	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	372	-	382	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	200	-	210	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	190	-	200	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	242	-	252	Euros

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share	Retained earnings[12]	Total Equity	Functional currency
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	104	-	114	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	247	-	257	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	191	-	201	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	94	-	104	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	210	-	220	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	186	-	196	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	166	-	176	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	747	(1)	756	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	-	-	10	Euros

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share	Retained earnings[12]	Total Equity	Functional currency
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	256	-	266	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	178	-	188	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	464	-	474	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	81	-	91	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	63	-	73	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	88	-	98	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	54	-	64	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	75	-	85	Euros
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	466	-	476	Euros

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share	Retained earnings[12]	Total Equity	Functional currency
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.	Soltec Development, S.A.U.	Unaudited	49%	-	10	143	(1)	152	Euros

APPENDIX III: COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION BY FORMATION IN THE YEAR

2022

Development segment

- *By incorporation*

Company	Date of incorporation	Country	Parent company
USINA DE ENERGÍA FOTOVOLTAICA PEDRA DO SOL SPE LTDA	25/01/2022	Brazil	Soltec Development, S.A.U.
USINA DE ENERGÍA FOTOVOLTAICA PRINCESA DO NORTE SEP LTDA	22/03/2022	Brazil	Soltec Development, S.A.U.
LUMINORA SOLAR 11 APS	07/03/2022	Denmark	Soltec Development, S.A.U.
LUMINORA SOLAR 12 APS	07/03/2022	Denmark	Soltec Development, S.A.U.
LUMINORA SOLAR 13 APS	07/03/2022	Denmark	Soltec Development, S.A.U.
LUMINORA SOLAR 14 APS	07/03/2022	Denmark	Soltec Development, S.A.U.
LUMINORA SOLAR 15 APS	07/03/2022	Denmark	Soltec Development, S.A.U.
AMBER SOLAR POWER MEXICO CUATRO, S.A. DE C.V.	17/03/2022	Mexico	Soltec Development, S.A.U.
AMBER SOLAR POWER MEXICO CINCO, S.A. DE C.V.	17/03/2022	Mexico	Soltec Development, S.A.U.
AMBER SOLAR POWER MEXICO SEIS, S.A. DE C.V.	17/03/2022	Mexico	Soltec Development, S.A.U.
AMBER SOLAR POWER MEXICO SIETE, S.A. DE C.V.	17/03/2022	Mexico	Soltec Development, S.A.U.
AMBER SOLAR POWER MEXICO OCHO, S.A. DE C.V.	17/03/2022	Mexico	Soltec Development, S.A.U.
LUMINORA SOLAR POWER DESARROLLOS MEXICO TRES, S.A. DE C.V.	17/03/2022	Mexico	Soltec Development, S.A.U.
LUMINORA SOLAR POWER DESARROLLOS MEXICO CUATRO, S.A. DE C.V.	17/03/2022	Mexico	Soltec Development, S.A.U.
LUMINORA SOLAR POWER DESARROLLOS MEXICO CINCO, S.A. DE C.V.	17/03/2022	Mexico	Soltec Development, S.A.U.
LUMINORA SOLAR POWER DESARROLLOS MEXICO SEIS, S.A. DE C.V.	17/03/2022	Mexico	Soltec Development, S.A.U.
LUMINORA SOLAR POWER DESARROLLOS MEXICO SIETE, S.A. DE C.V.	17/03/2022	Mexico	Soltec Development, S.A.U.
AMBER UNO, SRL	24/02/2022	Romania	Soltec Development, S.A.U.
AMBER DOS, SRL	22/02/2022	Romania	Soltec Development, S.A.U.
AMBER TRES, SRL	02/03/2022	Romania	Soltec Development, S.A.U.
LUMINORA UNO, SRL	22/02/2022	Romania	Soltec Development, S.A.U.
LUMINORA DOS, SRL	24/02/2022	Romania	Soltec Development, S.A.U.
LUMINORA TRES, SRL	23/02/2022	Romania	Soltec Development, S.A.U.
LUMINORA CUATRO, SRL	02/03/2022	Romania	Soltec Development, S.A.U.
DEVELOPMENT ROMANIA, SRL	24/02/2022	Romania	Soltec Development, S.A.U.
USINA DE ENERGIA FOTOVOLTAICA BELVEDERE I SPE LTDA	21/09/2022	Brazil	Soltec Development, S.A.U.
USINA DE ENERGIA FOTOVOLTAICA BELVEDERE II SPE LTDA	21/09/2022	Brazil	Soltec Development, S.A.U.
USINA DE ENERGIA FOTOVOLTAICA BELVEDERE III SPE LTDA	21/09/2022	Brazil	Soltec Development, S.A.U.
LUMINORA SOLAR 16 APS	06/07/2022	Denmark	Soltec Development, S.A.U.
LUMINORA SOLAR 17 APS	06/07/2022	Denmark	Soltec Development, S.A.U.
LUMINORA SOLAR 18	06/07/2022	Denmark	Soltec Development, S.A.U.
LUMINORA SOLAR 19 APS	06/07/2022	Denmark	Soltec Development, S.A.U.
LUMINORA SOLAR 20 APS	06/07/2022	Denmark	Soltec Development, S.A.U.
MESILANE SOLAR UNO, SRL	12/08/2022	Romania	Soltec Development, S.A.U.
MESILANE SOLAR DOS, SRL	12/08/2022	Romania	Soltec Development, S.A.U.
MESILANE SOLAR TRES, SRL	16/08/2022	Romania	Soltec Development, S.A.U.
MESILANE SOLAR CUATRO, SRL	16/08/2022	Romania	Soltec Development, S.A.U.
MESILANE SOLAR CINCO, SRL	16/08/2022	Romania	Soltec Development, S.A.U.
MESILANE SOLAR SEIS, SRL	16/08/2022	Romania	Soltec Development, S.A.U.
LUMINORA CINCO, SRL	12/08/2022	Romania	Soltec Development, S.A.U.
LUMINORA SIETE, SRL	12/08/2022	Romania	Soltec Development, S.A.U.
LUMINORA OCHO, SRL	12/08/2022	Romania	Soltec Development, S.A.U.
LUMINORA NUEVE, SRL	12/08/2022	Romania	Soltec Development, S.A.U.
LUMINORA SOLAR POWER COLOMBIA DIEZ, SAS	13/05/2022	Colombia	Soltec Development, S.A.U.
LUMINORA SOLAR POWER COLOMBIA ONCE, SAS	13/05/2022	Colombia	Soltec Development, S.A.U.
LUMINORA SOLAR POWER COLOMBIA DOCE, SAS	13/05/2022	Colombia	Soltec Development, S.A.U.
LUMINORA SOLAR POWER COLOMBIA TRECE, SAS	13/05/2022	Colombia	Soltec Development, S.A.U.
AMBER SOLAR POWER COLOMBIA ONCE, SAS	09/08/2022	Colombia	Soltec Development, S.A.U.
AMBER SOLAR ONE, LLC	12/04/2022	United States	Soltec Development, S.A.U.

Industrial segment

Company	Date of incorporation	Country	Parent company
Seguidores Solares Portugal, Unipessoal Lda	23/05/2022	Portugal	Soltec Energías Renovables S.L.U
Enviroscale, S.L.	14/01/2022	Spain	Soltec Power Holdings, S.A.

Asset management segment

Company	Date of incorporation	Country	Parent company
Soltec Asset Management, S.L.	24/06/2022	Spain	Soltec Power Holdings, S.A.
Soltec CAP S.L.	21/12/2022	Spain	Soltec Power Holdings, S.A.

2021

- *By incorporation*

Company	Entity subject to audit	Date of incorporation	Country	Parent company
Ambere Solar 21, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 22, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 23, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 24, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 25, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 26, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 27, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 28, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 29, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 30, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 31, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 32, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 33, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 34, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 35, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 36, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 37, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 38, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 39, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 40, S.r.l.	Unaudited	03/03/2021	Italy	Soltec Development, S.A.U.

Company	Entity subject to audit	Date of incorporation	Country	Parent company
Ambere Solar 41, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 42, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 43, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 44, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 45, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 46, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 47, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 48, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 49, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Ambere Solar 50, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 1, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 2, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 3, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 4, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 5, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 6, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 7, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 8, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 9, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 10, S.r.l.	Unaudited	06/05/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 11, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 12, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 13, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 14, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 15, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 16, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 17, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 18, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 19, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 20, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 21, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 22, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 23, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 24, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.

Company	Entity subject to audit	Date of incorporation	Country	Parent company
Marmaria Solare 25, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 26, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 27, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 28, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 29, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Marmaria Solare 30, S.r.l.	Unaudited	06/10/2021	Italy	Soltec Development, S.A.U.
Amber Solar Power Cuarenta y Uno, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cuarenta y dos, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cuarenta y tres, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cuarenta y cuatro, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cuarenta y cinco, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cuarenta y seis, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cuarenta y siete, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cuarenta y ocho, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cuarenta y nueve, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cincuenta, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cincuenta y Uno, S.L.	Unaudited	20/07/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cincuenta y Dos, S.L.	Unaudited	20/07/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cincuenta y Tres, S.L.	Unaudited	20/07/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cincuenta y Cuatro, S.L.	Unaudited	20/07/2021	Spain	Soltec Development, S.A.U.
Amber Solar Power Cincuenta y Cinco, S.L.	Unaudited	20/07/2021	Spain	Soltec Development, S.A.U.
Luminora Solar Veintiuno, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Luminora Solar Veintidós, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Luminora Solar Veintitres, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Luminora Solar Veinticuatro, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Luminora Solar Veinticinco, S.L.	Unaudited	21/04/2021	Spain	Soltec Development, S.A.U.
Luminora Solar Veintiséis, S.L.	Unaudited	20/07/2021	Spain	Soltec Development, S.A.U.
Luminora Solar Veintisiete, S.L.	Unaudited	20/07/2021	Spain	Soltec Development, S.A.U.
Luminora Solar Veintiocho, S.L.	Unaudited	20/07/2021	Spain	Soltec Development, S.A.U.
Luminora Solar Veintinueve, S.L.	Unaudited	20/07/2021	Spain	Soltec Development, S.A.U.
Luminora Solar Treinta, S.L.	Unaudited	20/07/2021	Spain	Soltec Development, S.A.U.
Usina de Energia Fotovoltaica Sao Miguel SPE Ltda.	Unaudited	12/03/2021	Brazil	Soltec Development, S.A.U.
Powertis Desarrollos México	Unaudited	14/05/2021	Mexico	Soltec Development, S.A.U.

Company	Entity subject to audit	Date of incorporation	Country	Parent company
Amber Solar Power México Uno	Unaudited	14/05/2021	Mexico	Soltec Development, S.A.U.
Amber Solar Power Desarrollos México Dos	Unaudited	14/05/2021	Mexico	Soltec Development, S.A.U.
Amber Solar Power México Tres	Unaudited	14/05/2021	Mexico	Soltec Development, S.A.U.
Luminora Solar Power Desarrollos México Uno	Unaudited	14/05/2021	Mexico	Soltec Development, S.A.U.
Luminora Solar Power Desarrollos México Uno	Unaudited	14/05/2021	Mexico	Soltec Development, S.A.U.
Powertis Colombia	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Amber Solar Power Colombia Uno	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Amber Solar Power Colombia Dos	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Amber Solar Power Colombia Tres	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Amber Solar Power Colombia Cuatro	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Amber Solar Power Colombia Cinco	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Amber Solar Power Colombia Seis	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Amber Solar Power Colombia Siete	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Amber Solar Power Colombia Ocho	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Amber Solar Power Colombia Nueve	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Amber Solar Power Colombia Diez	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Luminora Solar Power Colombia Uno	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Luminora Solar Power Colombia Dos	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Luminora Solar Power Colombia Tres	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Luminora Solar Power Colombia Cuatro	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Luminora Solar Power Colombia Cinco	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Luminora Solar Power Colombia Seis	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Luminora Solar Power Colombia Siete	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Luminora Solar Power Colombia Ocho	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Luminora Solar Power Colombia Nueve	Unaudited	18/06/2021	Colombia	Soltec Development, S.A.U.
Luminora Solar ApS	Unaudited	17/05/2021	Denmark	Soltec Development, S.A.U.
Luminora Solar 2 ApS	Unaudited	17/05/2021	Denmark	Soltec Development, S.A.U.
Luminora Solar 3 ApS	Unaudited	17/05/2021	Denmark	Soltec Development, S.A.U.
Luminora Solar 4 ApS	Unaudited	17/05/2021	Denmark	Soltec Development, S.A.U.
Luminora Solar 5 ApS	Unaudited	17/05/2021	Denmark	Soltec Development, S.A.U.
Luminora Solar 6 ApS	Unaudited	17/05/2021	Denmark	Soltec Development, S.A.U.
Luminora Solar 7 ApS	Unaudited	17/05/2021	Denmark	Soltec Development, S.A.U.
Luminora Solar 8 ApS	Unaudited	17/05/2021	Denmark	Soltec Development, S.A.U.

Company	Entity subject to audit	Date of incorporation	Country	Parent company
Luminora Solar 9 ApS	Unaudited	17/05/2021	Denmark	Soltec Development, S.A.U.
Luminora Solar 10 ApS	Unaudited	17/05/2021	Denmark	Soltec Development, 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 division*

Company	Entity subject to audit	Date of Incorporation	Country	Parent
Luminora Altogianni 1 S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Altogianni 2 S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Specchione S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Locone S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Derrico S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Lasala S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora La Feudale S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora San Martino S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Ascoli S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Candela S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora San Percopio S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Medaglia S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Marangiosa S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Lopez S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Squinzano S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Ramacca S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.
Luminora Serravalle S.r.l.	Unaudited	26/02/2021	Italy	Soltec Development, S.A.U.

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 27, 2023 the consolidated annual accounts and the consolidated management report of Soltec Power Holdings, S.A. (hereinafter, the Parent Company) and subsidiaries (hereinafter, the Group) for the year 2022 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 2022 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 Aliño Pérez
Director

Ms. María Sicilia Salvadores
Director

Mr. José Francisco Morales Torres
Director

Ms. Marina Moreno Dólera
Director

Mr. Marcos Saéz Nicolás
Director

Ms. Silvia Díaz de Laspra Morales
Non-Director Secretary

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

B. AUDIT REPORT

Building a better working world

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

To the shareholders of SOLTEC POWER HOLDINGS, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of SOLTEC POWER HOLDINGS, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2022, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2022 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Building a better working world

Key audit matters

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

Recognition of revenue from contracts with customers

Description

The Group recognised under "revenue" in the consolidated statement of profit or loss for the year ended 31 December 2022 revenue from contracts with customers of 568,196 thousand euros arising from several business transactions, including the supply of solar trackers, installation services, operation and maintenance services, and energy sales.

Given that the recognition of revenue for each type of transaction requires judgements to, among other things, assess when control of the promised goods or services has been transferred to the customers, and considering the importance of the amount involved, we determined this to be a key audit matter.

Information on the accounting policies applied for revenue recognition and the related disclosures are provided in Notes 2.7.k and 16.1 to the accompanying consolidated financial statements.

Our response

Regarding this matter, our procedures included, among others, the following:

- Understanding the process established by the Parent's management for recognising revenue and the accounting treatment based on the type of business transaction and assessing the design and implementation of the relevant controls established in those processes.
- Analysing, through the use of massive data techniques, the correlation between revenue from the supply of solar trackers and the amount of receivables and cash.
- Performing analytical procedures on revenue from installation services and operation and maintenance services and verifying a sample of revenues recognised against supporting documentation.
- Verifying a sample of revenues recognised for energy sales against energy supply information and supporting contractual documentation.
- Performing cut-off testing for a sample of revenue transactions occurring on dates near the end of the reporting period to verify whether they were accounted for correctly.
- Reviewing the disclosures in the notes to the consolidated financial statements and evaluating whether they are in conformity with the applicable regulatory financial reporting framework.

Recoverability of deferred tax assets

Description

As explained in Note 14 to the accompanying consolidated financial statements, at 31 December 2022, the Group had deferred tax assets amounting to 22,303 thousand euros relating primarily to the carry forward of unused tax losses of the Spanish tax group, unused tax credits and temporary differences of certain Group

According to the accounting policy described in Note 2.7.j to the consolidated financial statements, deferred tax assets are recognised to the extent that it is probable that the tax group will have taxable profit available against which they can be utilised.

Given that the assessment by the Parent’s management made to determine the recoverable amount of deferred assets requires the use of complex judgements in estimating future taxable profit based on the Group's financial projections and business plan, bearing in mind applicable tax laws and accounting legislation, we determined this to be a key audit matter.

Our response

Regarding this matter, our procedures included, among others, the following:

- Understanding the process established by the Parent's management for assessing the recoverability of deferred tax assets and assessing the design and implementation of the relevant controls established in that process.
- Evaluating the reasonableness of the key assumptions made by the Parent’s management to estimate the timing of the recovery of the deferred tax assets, focusing primarily on the economic, financial and tax assumptions used to estimate the tax group's future taxable profit based on budgets, business performance and past experience.
- Assessing, with the involvement of our tax specialists, the main tax considerations supporting the analysis made by the Parent's management.
- Reviewing the disclosures in the notes to the consolidated financial statements and evaluating whether they are in conformity with the applicable regulatory financial reporting framework.

Sales of special purpose vehicles associated with solar PV farm development projects

Description

As explained in Note 5.5 to the accompanying consolidated financial statements, the Group carried out several transactions in 2022 related to the sale or disposal of special purpose vehicles (SPVs) associated with solar photovoltaic (PV) farm development projects. It recognised the gain or loss on SPV sales and the revaluation gains or losses on equity investments in companies accounted for using the equity method related to the retaining interest in the SPVs transferred, for total amounts of 8,138 thousand euros and 6,994 thousand euros in “Gain/(loss) from loss of control over SPVs” and “Changes in the fair value of financial instruments”, respectively, in the consolidated statement of profit or loss.

Given that these transactions are complex and include deferral of payments, penalties and other contractual arrangements and that their recognition requires the use of judgements by the Parent’s management in determining the assumptions used, especially regarding the transfer of the risks and rewards associated with the projects of the SPVs transferred and the identification of the financial reporting rules applicable to this type of transactions, we determined this to be a key audit matter.

Information on the accounting policies applied and the related disclosures is provided in Notes 2.7.a, 5.5 and 9.1 to the accompanying consolidated financial statements.

Our response

Regarding this matter, our procedures included, among others, the following:

- Understanding the process used by the Parent’s management for the recognition and measurement of these transactions.
- Obtaining and analysing the documentation related to the transactions carried out during the year and the related amounts received, paying special attention to the transfer of the risks and rewards associated with the SPV projects transferred to determine whether there is a loss of control and the timing of the loss of control.
- Reviewing the application of appropriate financial reporting regulations for each transaction.
- Recalculating the impacts recognised in the consolidated statement of profit or loss for each transaction carried out during the year.
- Reviewing the disclosures in the notes to the consolidated financial statements and evaluating whether they are in conformity with the applicable regulatory financial reporting framework.

Measurement of non-current assets associated with PV projects under development

Description

At 31 December 2022, the Group recognised under “Intangible assets” (other intangible assets, permits, licenses and concessions -PLC-), “Property, plant and equipment” (property, plant and equipment in progress) and “Non-current investments in group companies and associates” assets related to PV projects at different stages of development, with at least agreements over the land (or future lease options) and the related connection rights, for 23,087 thousand euros, 75,623 thousand euros and 41,371 thousand euros, respectively.

The Parent’s management assesses, at each reporting date, whether there are indications that these assets may be impaired and whenever there is objective evidence that the carrying amount of the impaired investment is no longer recoverable, it recognises an impairment loss for the amount of the difference between the asset’s carrying amount and its recoverable amount.

Since the determination of recoverable amount requires the use of estimates, entailing significant judgement on the part of the Parent’s management in making those estimates, including the ability of the related project to generate future income either through its continuing use or its future sale, we determined this to be a key audit matter.

Information on the accounting policies applied and the related disclosures is provided in Notes 2.7.d, 2.7.f, 6, 7 and 9 to the accompanying consolidated financial statements.

Our response

Regarding this matter, our procedures included, among others, the following:

- Understanding the process established by the Parent's management for identifying indications of impairment and determining the recoverable amount of the related assets and assessing the design and implementation of the relevant controls established in that process.
- Reviewing and evaluating, with the involvement of our valuation specialist, the analyses performed by the Parent’s management regarding indications of asset impairment and the reasonableness of the assumptions and information used, including the stage of development of each project and the outstanding investment to be made until the PV farms come on stream.

- Reviewing the information and supporting documentation of potential risks and uncertainties related to the projects and their impact on estimating the assets' recoverable amount.
- Reviewing the disclosures in the notes to the consolidated financial statements and evaluating whether they are in conformity with the applicable regulatory financial reporting framework.

Other matters

On March 30th, 2022, other auditors issued their audit report on the consolidated financial statements for the year 2021, in which they expressed a favourable opinion.

Other information: consolidated management report

Other information refers exclusively to the 2022 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

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

a. Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

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

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2022 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of SOLTEC POWER HOLDINGS, S.A. and subsidiaries for the 2022 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of SOLTEC POWER HOLDINGS, S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on March 31, 2023.

Term of engagement

The (ordinary/extraordinary) general shareholders' meeting held on June 23, 2022 appointed us as auditors for 3 years, commencing on December 31, 2022.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(Signature on the original in Spanish)

Richard van Vliet
(Registered in the Official Register of Auditors under No. 21981)

March 31, 2023

soltec