2024

Solaria

Consolidated Management Report

September 30, 2024

Contents

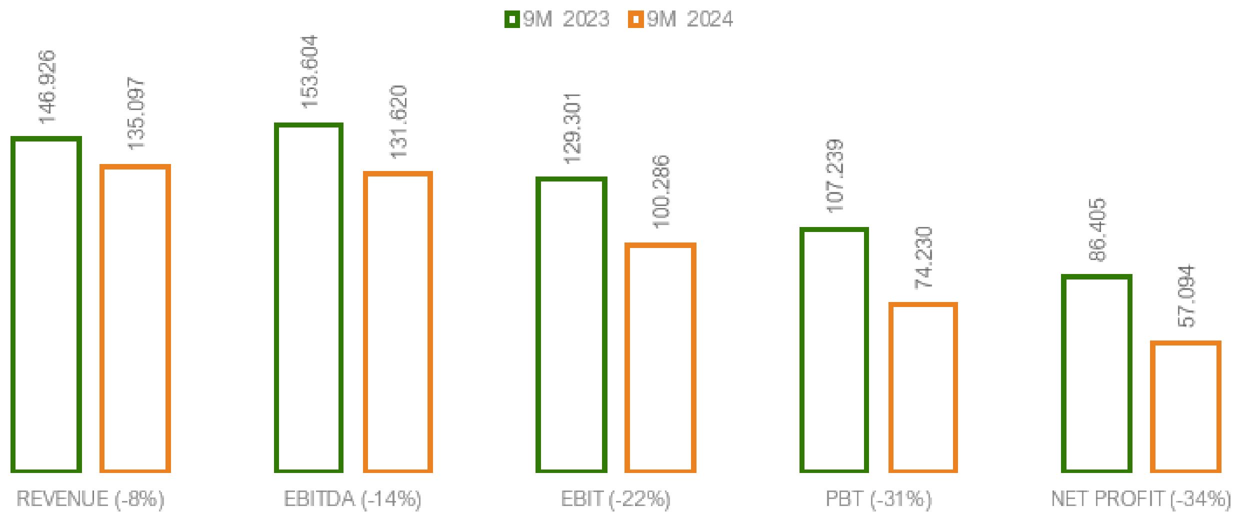
1. Solaria Group

Solaria Energía y Medio Ambiente, S.A. and its subsidiaries' core business is the development and generation of renewable energy, mostly in southern Europe.

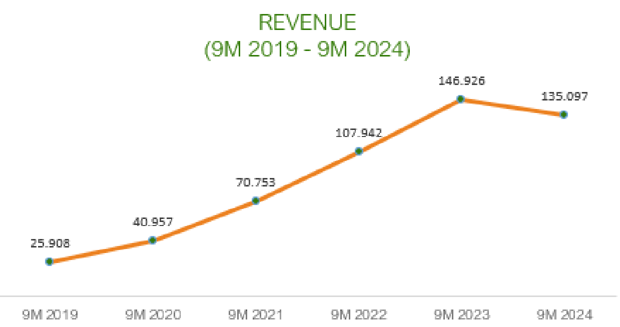
Solaria's **mission** is to promote the development of the use of renewable energy sources by transforming knowledge and experience into innovative solutions that contribute to the well-being and progress of humanity, promoting sustainable economic development and reducing environmental impact, positioning ourselves as leaders through our experience, transparency, flexibility, profitability and quality.

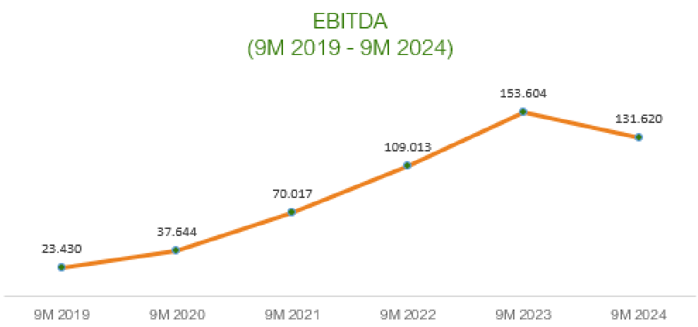
2. Key financial indicators 9M 2024

Solaria Group reported revenue of 135,097 thousand euros (-8%), EBITDA of 131,620 thousand euros (-14%), EBIT of 100,286 thousand euros (-22%), profit before tax of 74,230 thousand euros (-31%) and profit after tax of 57,094 thousand euros (-34%) for the first nine months of 2024.



The following charts illustrate the quarterly trend in revenue and EBITDA in recent years:





3. Key highlights of 9M24

Administrative Construction Authorization (AAC)

On January 19, 2024, Solaria announced that it had obtained Administrative Construction Authorization for construction of its second flagship 595 MW Garoña project.

Capex

On May 6, 2024, Solaria announced that it had purchased photovoltaic (PV) modules at a price of 9.11 euro cents per watt from a Tier 1 manufacturer.

Data Center

On May 23, 2024, Solaria announced that Red Eléctrica de España had awarded the company feasibility of access and connection for demand of supply for a total of 155 MW for data processing centers (DPCs). To spearhead this new business, Solaria has set up a new company, SOLARIA DATA CENTERS.

Italy

On May 28, 2024, Solaria disclosed that the Italian Council of State had upheld its claim regarding the recognition of the original tariff for its Serramanna plant, implying remuneration of 422 euros/MWh rather than of 289 euros/MWh. This will result in a cash inflow of 10 million euros for the revenue the Company did not receive in the 2011/2024 period.

Generia Land

On June 4, 2024, Solaria announced that it had hired ALANTRA and KUTXABANK to draw up a strategic plan to accelerate the growth of Landco GENERIA by providing entry to new shareholders.

Data Center

On September 3, 2024, Solaria announced that it had entered into an agreement with Japanese technology company Datasection to develop an artificial intelligence data center for up to 200MW at its Puertollano facilities.

Generia Land

On September 18, 2024, Solaria disclosed that it had signed an agreement, through its LandCo Generia Land, S.L., with Repsol Renovables, S.A. to provide services for the search for land, negotiation with landowners and signing the lease contract

In cases where the owners of the land prefer to sell, GENERIA will acquire the land and, in parallel, sign a right of use for the land with Repsol Renovables.

4. Financial information

4.1. Consolidated income statement

The consolidated income statement for the first nine months of 2024 and 2023 is as follows:

Thousands of euros (€K)	9M 2024	9M 2023	Absolute change	Relative change
Revenue	135,097	146,926	(11,829)	-8%
Other income	22,269	25,501	(3,232)	-13%
TOTAL REVENUE	157,366	172,427	(15,061)	-9%
Personnel expenses	(13,627)	(12,549)	(1,078)	9%
Operating expenses	(12,119)	(6,274)	(5,845)	93%
External services	*(5,308)*	*(4,134)*	*(1,174)*	*28%*
Taxes other than income tax	*(6,811)*	*(2,140)*	*(4,671)*	*218%*
EBITDA	131,620	153,604	(21,984)	-14%
EBITDA/revenue	97%	105%		
Amortization and depreciation	(31,334)	(24,303)	(7,031)	29%
EBIT	100,286	129,301	(29,014)	-22%
EBIT/revenue	74%	88%		
Net finance expense	(26,056)	(22,062)	(3,994)	18%
Profit after tax	74,230	107,239	(33,008)	-31%
Income tax expense	(17,136)	(20,834)	3,698	-18%
NET PROFIT	57,094	86,405	(29,311)	-34%
Net profit/revenue	42%	59%		

Revenue

The Group reported **revenue** of 135,097 thousand euros in the first nine months of 2024, down 8% year-on-year (from +146,926 thousand euros in 9M 2023). This decrease was due primarily to the drop in energy prices.

Personnel expenses

The growth in **personnel expenses** (+9% from H1 2023) was mostly the result of provisions for closures in 2022 and 2023, which affect comparability between the 2023 and 2024 periods, respectively.

Operating expenses

The increase in **operating expenses** was primarily the result of costs accrued for the new plants that came on stream between September 30, 2023, and September 30, 2024, and the tax on the value of electricity output.

Amortization and depreciation

The increase in **amortization and depreciation** was due to the depreciation charges recognized for the new plants commissioned by the Group.

Net finance expense

Net finance expense increased in the first nine months of 2024 due to the recognition of finance costs related to the transactions carried out to finance new plants whose accrual had yet to start in the first nine months of last year.

Conclusion

Overall, the Group continues to deliver exponential growth, resulting in an increase (+15%) in energy production. Due to such a sharp fall in prices, it has yet to show a larger increase in EBITDA, but prices are expected to finally normalize in the year's last three months, enabling the Group to achieve its stated objectives.

4.2. Consolidated balance sheet

The Group's consolidated balance sheet as at September 30, 2024 and December 31, 2023 is as follows:

Thousands of euros (€K)	09/30/2024	12/31/2023	Absolute change	Relative change
Non-current assets	1,686,576	1,510,585	175,991	12%
Intangible assets	328	343	(15)	-4%
Surface rights	152,276	110,164	42,112	38%
Property, plant and equipment	1,429,327	1,276,203	153,124	12%
Non-current financial assets	59,627	71,752	(12,125)	-17%
Deferred tax assets	45,018	52,123	(7,105)	-14%
Current assets	160,512	138,336	22,176	16%
Trade and other receivables	64,170	59,955	4,215	7%
Current financial assets	6,597	107	6,490	6065%
Prepayments for current assets	944	980	(36)	-4%
Cash and cash equivalents	88,801	77,294	11,507	15%
TOTAL ASSETS	1,847,088	1,648,922	198,166	12%

Thousands of euros (€K)	09/30/2024	12/31/2023	Absolute change	Relative change
Equity	582,451	524,118	58,333	11%
Capital and share premium	310,926	310,926	-	-
Other reserves	5,311	5,311	-	-
Non-controlling interests	3,950	1,200	2,750	229%
Retained earnings	218,895	161,801	57,094	35%
Valuation adjustments	43,369	44,880	(1,511)	-3%
Non-current liabilities	1,053,207	919,093	134,114	15%
Long-term bonds and debentures	112,852	117,467	(4,615)	-4%
Financial liabilities arising from bank borrowings	764,266	663,682	100,584	15%
Finance lease payables	146,584	105,675	40,909	39%
Derivative financial instruments	-	6,033	(6,033)	-100%
Deferred tax liabilities	29,505	26,236	3,269	12%
Current liabilities	211,430	205,711	5,719	3%
Short-term bonds and debentures	70,161	111,196	(41,035)	-37%
Financial liabilities arising from bank borrowings	45,502	56,897	(11,395)	-20%
Finance lease payables	6,012	5,134	878	17%
Trade and other payables	89,755	32,484	57,271	176%
TOTAL EQUITY AND LIABILITIES	1,847,088	1,648,922	198,166	12%

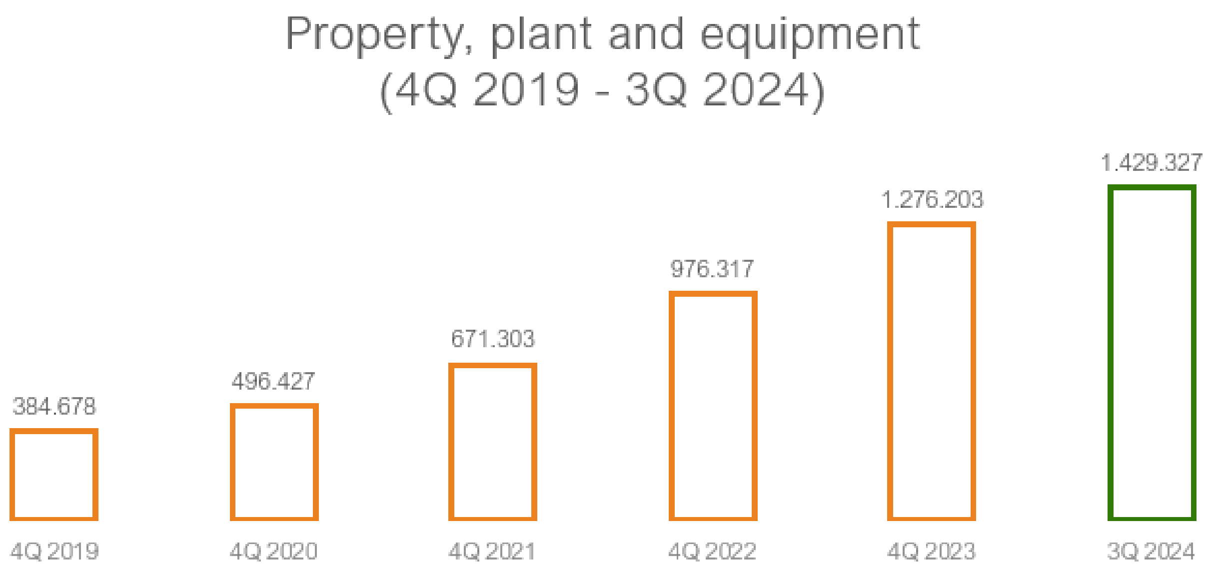
Surface rights

The increase in **Surface rights** is the result of additions of new leases recognized as surface rights or right-of-use assets in accordance with IFRS 16. These entail leases of the land where the Group's new PV plants are located.

Property, plant and equipment

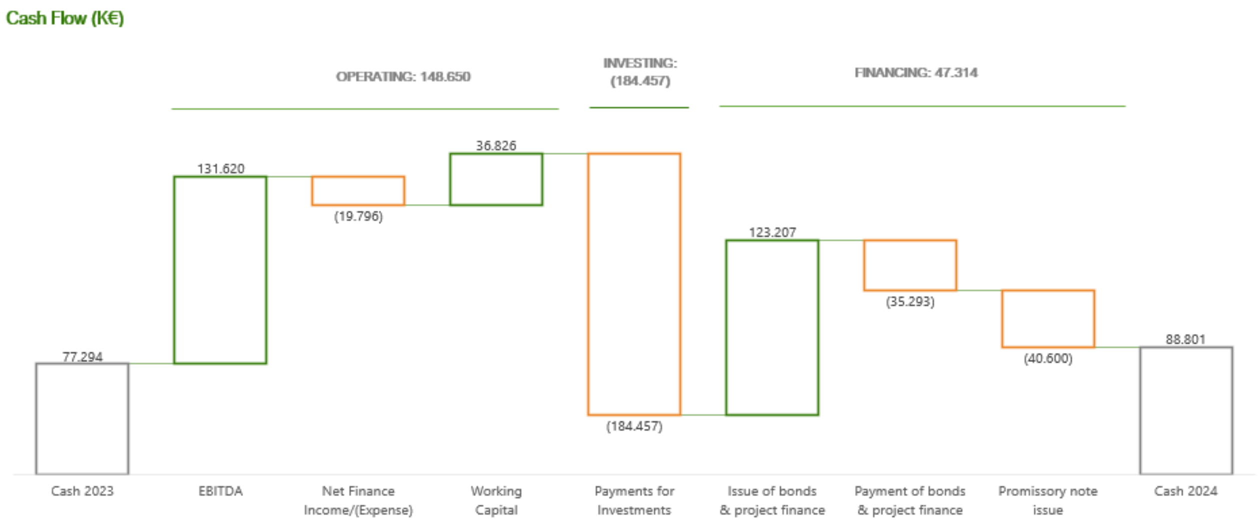
The Group incurred costs for property, plant and equipment in the first nine months of 2024 of 184,457 thousand euros for the new plants currently being built and the purchase of land by Group company Generia Land, S.L.

The following chart sets out the trend in property, plant and equipment (net of depreciation) since 2019.



Cash

Changes in the statement of cash flows for the nine months ended September 30, 2024 are as follows:



Interest-bearing loans and borrowings

The change in the composition of interest-bearing loans and borrowings in the first nine months of 2024 was the result of:

- The increase in bank borrowings following new drawdowns from project debt made in the first nine months of 2024 as construction of new solar PV parks proceeded. The financing arrangements included in this item are non-recourse debt.

- The change in finance leases related to the execution in a public deed of the new leases for the land where the new plants are located, accounted for in accordance with IFRS 16.
- The decrease in short-term bonds and debentures as a result of the redemptions made under the Group's commercial paper program registered in the MARF.

Conclusion

The Group continues to enjoy a sound balance sheet structure. Each project can meet its operating and finance cost obligations and generate surplus cash, enabling the Group to undertake new investments.

5. Sustainability

In keeping with its commitment to ethics, transparency and sound business practices, the following table summarizes the key environmental, social and governance (ESG) metrics and developments.

ENVIRONMENT

	9M 2024	9M 2023
CO2 emissions – Scope 1 (Tn CO2)	339.2	236.13
CO2 emissions – Scope 2 (Tn CO2) – Market based	3.24	1.66
Absolute Scope 1 + Scope 2 emissions	342.44	237.79
CO2 emissions – Scope 3 (Tn CO2)	42.13	42.85
CO2 emissions generated (Tn CO2)	0.18	0.15
Energy generation (GWh)	2,122	1,845
Environmental penalties	0	0
Electricity consumption (offices and solar plants) (kWh)	2,881,279	4,523,775
Of which: renewable	85%	97%
% electric / hybrid / ECO vehicles	74%	62%

SOCIAL

	9M 2024	9M 2023
Total no. of employees	230	257
Management team	11	8
Middle managers	17	22
Technicians and interns/trainees	202	227
Total no. of women	41	41
Management team	2	1
Middle managers	6	6
Technicians and interns/trainees	33	34
Total no. of men	189	216
Management team	9	7
Middle managers	11	16
Technicians and interns/trainees	169	193
New hires	56	144
No. of employees with a disability	2	1
No. of employees with permanent contract	226	243
Average age of the workforce	42	41
Average length of service	2.7	2.1
Average remuneration	54,098	54,487
Employee turnover rate	15.79%	38.39%
Total no. of internal training hours	3,066	1,969

OCCUPATIONAL HEALTH AND SAFETY

	9M 2024	9M 2023
Frequency rate		
Direct	8,29	6.52
Injury rate		
Direct	0,78	0.21

6. Strategy and outlook

In the third quarter of 2024, Solaria stepped up its commitment to technological and geographic diversification by entering the UK market and expanding its data center business. This business now has a portfolio of 1.7 GW.

The Company also transitioned into a comprehensive infrastructure player, with a diversified portfolio of 20 GW across Europe. This positions Solaria as a key player in Europe's digital and energy transition over the coming years. By creating renewable and digital infrastructure clusters, Solaria will support energy sovereignty and enhance data security across Europe.

As part of its diversification strategy, Solaria continues to hybridize its solar PV plants with wind power and battery storage. The Company is on track to achieve 3 GW of installed wind energy capacity in Europe by 2030. Regarding battery hybridization, both Spain and Italy expect to have new regulation in place by 2025, accelerating battery deployment.

As we have witnessed in recent months, a cornerstone of Solaria's strategy moving forward is its commitment to data centers. The Company already has a portfolio of 1.7GW across three geographical areas in Spain: Madrid-Castille-La Mancha, Garoña-Basque Country and Catalonia. Establishing data centers in Europe will be important for Solaria. As large energy consumers, these data centers will drive increased demand for electricity across the region.

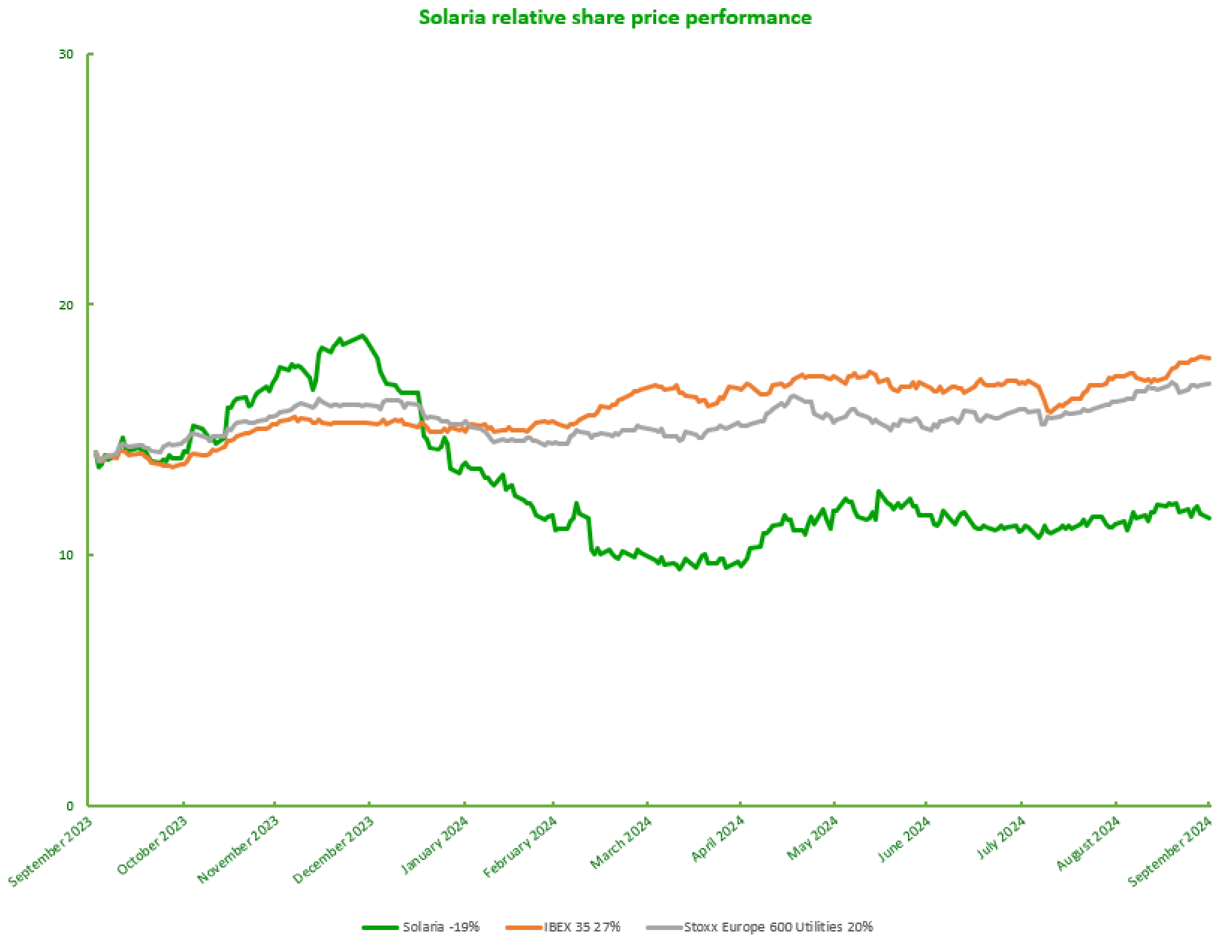
The data centers are clearly game changers for Solaria, setting it apart in the sector. Solaria offers great added value: it not only provides the generation infrastructure and land for its facilities but also supplies the electricity, manages consumption and oversees all the necessary procedures to develop the data center. This also enables Solaria to leverage its own electrical infrastructures linked to its power generation projects in operation, and under construction and development, with nearly 900 km of power lines and 97 substations.

Solaria is currently in talks with several American and European players to set up joint ventures (JVs) for developing cloud and AI data centers. Negotiations to develop a data center at its former industrial facilities in Puertollano (Ciudad Real) are still ongoing.

As part of its diversification plan, the arrival of a new shareholder at Generia—Solaria's landco subsidiary dedicated to acquiring land for renewable assets across Europe—will accelerate this company's growth over the coming months.

Regarding its international expansion, Solaria has entered the UK market, establishing offices in Birmingham. The Company chose the UK market for its renewable energy plan, which aims to double onshore wind power to 35 GW and triple solar power to 50 GW by 2030.

7. Share price performance



8. Other relevant information disclosed in the period

Other relevant information disclosed by the Group parent in 2024 is available by clicking on the following link:

https://www.cnmv.es/portal/otra-informacion-relevante/resultado-oir.aspx?nif=A83511501&lang=en

9. Disclaimer

This report has been prepared by Solaria Energía y Medio Ambiente, S.A. for information purposes only. It includes forward-looking statements regarding operations and the Group's strategies.

The report does not constitute an invitation to purchase shares in accordance with the Spanish Securities Market Act approved by Legislative Royal Decree 4/2015 of October 23.

The information detailed in this document has not been independently verified.

APPENDIX I - APM

Item	Calculation	Reconciliation (€K) 9M 2024	9M 2023	Relevance of use
Working capital	Current assets – Current liabilities	160,512 – 211,430 = (50,918)	155,543 – 187,673 = (32,130)	Measure of ability to continue with normal business operations in the short term
EBITDA	Revenue + Other income - Personnel expenses - Other operating expenses	135,097 + +22,269 – 13,627 – 12,119 = 131,620	146,926 + 25,501 – 12,549 – 6,274 = 153,605	Measure of operating profitability without considering interest, taxes, provisions, depreciation and amortization
EBIT	EBITDA - Amortization and depreciation, and impairment losses	131,620 – 31,334 = 100,286	153,605 – 24,303 = 129,302	Measure of operating profitability without considering interest and taxes
Profit after tax	EBIT $\pm$ Net finance income/(expense)	100,286 – 26,056 = 74,230	129,302 – 22,062 = 107,240	Measure of operating profitability without considering taxes
Net finance income/(expense)	Finance income - Finance costs $\pm$ Exchange differences	402 – 26,458 = (26,056)	825 – 22,887 = (22,062)	Measure of finance cost
EBITDA/revenue	$\frac{\text{Revenue} + \text{other income} - \text{Personnel expenses} - \text{Other operating expenses}}{\text{Revenue}}$	$\frac{131,620}{135,097} = 97\%$	$\frac{153,605}{146,926} = 105\%$	Measure of operating profitability considering direct variable generation costs
EBIT/revenue	$\frac{\text{Revenue} + \text{other income} - \text{Personnel expenses} - \text{Other operating expenses} - \text{Amortization and depreciation} - \text{Impairment losses}}{\text{Revenue}}$	$\frac{100,286}{135,097} = 74\%$	$\frac{129,302}{146,926} = 88\%$	Measure of operating profitability considering direct and indirect variable generation costs
Net profit/revenue	$\frac{\text{Revenue} + \text{other income} - \text{Personnel expenses} - \text{Other operating expenses} - \text{Amortization and depreciation} - \text{Impairment losses} + \text{Finance income} - \text{Finance costs} \pm \text{Exchange differences} \pm \text{Income tax}}{\text{Revenue}}$	$\frac{57,094}{135,097} = 42\%$	$\frac{86,406}{146,926} = 59\%$	Measure of operating profitability considering direct and indirect variable generation costs, finance costs and taxes