

## Trading update March 2021

- The Rooftop Revolution is consolidated and reaches 5,346 photovoltaic installations managed as of March 31, 2021, 321% more than the previous year. Likewise, Holaluz adds 27,685 new clients, reaching 325,501 clients as of March 31, 2021.
- During Q4, Holaluz changed its fiscal year from october-september to january-december. To do so, we closed a 3-month “fiscal-year” period on December 31st, 2020.
- The consolidated sales in Q4 were 69,1 million euros, which represents an increase of 17% versus the same period last year. EBITDA turned positive to 0.6 million euros versus a loss of -1,6 million euros last year. The gross margin reached 6.9 million euros, 53% more than the same period last year.
- The strong commitment to distributed generation, with the Rooftop Revolution, and the strong financial and resource position, reiterate the goals at the end of 2023: one million customers, 50,000 solar installations and 1.000 MW under representation.

## Results for Q4 2020

Holaluz continues to grow and, as of December 31, 2020, reached 297,816 customers throughout Spain.

Holaluz has increased its portfolio by 25.089 new signed electricity and gas contracts in the 3-month period ended December 31st, 2020, increasing by 9,2% versus september 2020.

Holaluz has expanded its solar business up to a total number of 4,022 installations, compared to 3.033 as of September 2020. Therefore, prosumers activity has increased 33,1% in just 3 months.

A fundamental pillar in the development of Holaluz's business model is state of the art technology, recurrent investments are made in order to find new solutions. These solutions contribute to the improvement of our competitiveness and excellence in the service provided to customers. Some of our goals are scalability and efficiency. Therefore, Holaluz is investing in attracting human capital, especially technological profiles. In the 3-month fiscal year ended December 31st, 2020, the workforce has experienced a net increase of 34 persons (from 197 by 30.9.20 to 231 by 31.12.20).

### KPIs evolution (in M€)

|   | Q4 2020 | Q4 2019 <sub>1</sub> | Var 19-20 |
|---|---------|----------------------|-----------|
| <b>Sales - Net value of turnover</b><br>(Million euros) | 69,1    | 58,9                 | 17%       |
| <b>Margen bruto</b><br>(Million euros)                  | 6,9     | 4,5                  | 53%       |
| <b>Costes operativos</b><br>(Million euros)             | 6,4     | 6,1                  | 5%        |
| <b>EBITDA</b><br>(Million euros)                        | 0,6     | -1,6                 |           |
| <b>EBITDA</b><br>(%on sales)                            | 0,9%    | n.s.                 |           |
| <b>Customers</b>  | 297.816 | 227.208              | 31%       |
| <b>Photovoltaic Installations</b>                       | 4.022   | 883                  | 355%      |

<sub>1</sub> Unaudited accounts

## **Analysis of the Consolidated Financial Statements as of December 31, 2020**

### **Analysis of the variations of the main items of the Profit and Loss Account and the Balance Sheet:**

The P&L account for the 3-month period between October 1, 2020 and December 31, 2020 is being compared with the same period in 2019 (although its accounts are not audited), in order to facilitate comparison by reasons of seasonality. The balance as of December 31, 2020 is compared with the last audited, in this case as of September 30, 2020.

### **P&L Analysis (vs Q4 2019)**

During Q4 2020, sales reached 69,1 million euros, an increase of 17,3% over sales of 58,9 million euros in Q4 2019. On the other hand, supplies reached the figure of 62,1 million euros, with an increase of 14,2% over the 54,4 million euros of the previous year (Q4 19). Consequently, the gross margin increased from to 6,9 million of euros in 2020 from 4,5 million in 2019, representing a gross margin of 10,1%, compared to a gross margin of 7,6%.

The improvement in gross margin is the consequence of a greater focus on the residential customer segment, which provides a higher margin. Personnel expenses reached 2,6 million euros, an increase of 13% over the 2,3 million euros of the previous year, as a result of new hires, most of them dedicated to the Rooftop Revolution. Other operating expenses reached 4,7 million euros, with an increase of 23,7% over the 3,8 million euros of the previous year, mainly due to the expenses associated with the empowerment of the Rooftop Revolution.

As a consequence, EBITDA for Q4 2020 amounted to 0,6 million euros, an improvement of 2,2 million euros compared to the negative result of -1,6 million euros of the previous year.

The Net Income reached a result of -1,1 million euros during Q4 2020.

## Balance Sheet (vs Q3 2020)

Total assets increased 16,3% to 110,6 million euros, compared to 95,1 million euros at September 2020 (Q3 20), mainly due to the increase in the Company's commercial activity and the associated derivatives hedges it involves.

- **Assets**

Non-current assets increased to 41,6 million euros. Intangible assets increased to 25,5 million euros representing an increase of 22,1% over the 20,8 million euros of Q3 20. The increase corresponds to the capitalization of the acquisition costs of new customers as well as investment in computer software applications. Long-term financial investments increased to 12,3 million euros, mainly due to the accounting of derivatives to hedge long-term electricity purchases.

Current Assets rose to 69,0 million euros, which represents an increase of 8,4% over the 63,7 million euros of Q3 20, as a result of increased commercial activity.

- **Liabilities**

Equity increased to 43,3 million euros, 4,5% on the 41,4 million euros of the Q3 20. This is due to valuation adjustments carried out by hedging transactions.

Non-Current Liabilities increased to 15,6 million euros, which represents an increase of 13,3% over the 13,8 million euros of Q3 20. This is mainly as a result of the increase in derivatives accounts for hedging transactions.

## About Holaluz

Holaluz's goal is to achieve a world powered by 100% green energy.

The company works towards this aim by connecting people to green energy, offering 100% renewable energy, fair prices that translate into average savings of 10% thanks to the intensive use of technology, putting the customer at the heart of things and establishing a relationship of mutual trust.

Created with the conviction that a company can be a positive force to change the world, Holaluz leads the transformation of the Spanish energy sector with a clear commitment to distributed generation as a new model, leaders not only in numbers, but in product innovation and service. Holaluz has been the first electricity company in the Spanish market to move towards simplified compensation by launching Holaluz Cloud, a system that allows surpluses to be deducted from the electricity bill, that is, excess energy produced by customers' solar panels.

The company expects to reach one million customers and 50,000 photovoltaic installations by the end of 2023.

Within its strategy, Holaluz proposes a business model in which employees can develop holistically. This means providing all the tools so that people can have flexibility and autonomy to develop their responsibilities, as well as being able to combine them with their personal life. Examples of this are work-by-objectives and flexible hours. All of this has contributed to making Holaluz a practically equal company, at all decision-making levels and across all teams. This is something the company is proud of and has been generated in a totally organic way. There is only one team in which it has been, and continues to be, necessary to apply quotas: Technology. The company is focused on making this 100% equal.

All this has made Holaluz the first European electricity company to receive the B Corp certification, a seal that encompasses more than 2,400 companies from 50 countries. It aims to give visibility to companies that, beyond generating economic profits, innovate to maximize their positive impact on employees, the communities they serve and the environment. Similarly, Holaluz is the one of the founding companies of Conscious Capitalism in Spain, a philosophy that recognizes the innate potential of business to have a positive impact on the world.

**Since July 2020 Holaluz is ranked number 1 in the world ESG ranking of electricity companies by Sustainalytics, the world's leading agency for ESG research and ratings and corporate governance.**

This rating recognizes Holaluz's leadership position in its efforts towards the energy transition. It places it among the 2% of companies with the best valuation within the global Sustainalytics universe (which includes 13,028 companies) at number 2 worldwide in the Utilities category (446) and includes Holaluz in the "low risk" category, with a score of 12 ("low risk" is between 20 and 10).

# HOLALUZ-CLIDOM, S.A. And SUBSIDIARIES

Consolidated Financial Statements and Consolidated Management Report  
for the 3-month period ended December 31, 2020

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

## **CONTENTS**

### **CONSOLIDATED FINANCIAL STATEMENTS**

- Consolidated Balance Sheet at December 31, 2020
- Consolidated Income Statement for the 3-month period ended December 31, 2020
- Consolidated Statement of Changes in Equity for the 3-month period ended December 31, 2020
- Consolidated Cash flow Statement for the 3-month period ended December 31, 2020
- Notes to the Consolidated Financial Statements for the 3-month period ended December 31, 2020

### **CONSOLIDATED MANAGEMENT REPORT**



HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

Consolidated balance sheet at December 31, 2020 and September 30, 2020

| <b>ASSETS</b>                                 | <b>Notes</b> | <b>12.31.2020</b>  | <b>09.30.2020</b> |
|---|--------------|--------------------|-------------------|
| <b>NON-CURRENT ASSETS</b>                     |              |                    |                   |
| <b>Intangible assets-</b>                     | 5            | <b>25,454,079</b>  | <b>20,846,582</b> |
| Patents                                       |              | 2,486              | 2,599             |
| Software                                      |              | 10,248,195         | 9,310,223         |
| Other intangible assets                       |              | 15,203,398         | 11,533,760        |
| <b>Property, plant, and equipment-</b>        | 6            | <b>652,458</b>     | <b>589,518</b>    |
| Land and buildings                            |              | 346,254            | 359,220           |
| Technical installations and other PP&E items  |              | 306,204            | 230,298           |
| <b>Financial investments-</b>                 | 8            | <b>12,313,980</b>  | <b>7,203,656</b>  |
| Derivatives                                   | 15           | 11,082,093         | 5,053,878         |
| Other financial assets                        |              | 1,231,887          | 2,149,778         |
| <b>Deferred tax assets</b>                    | 17           | <b>3,185,414</b>   | <b>2,830,715</b>  |
| <b>Total Non-current assets</b>               |              | <b>41,605,931</b>  | <b>31,470,471</b> |
| <b>CURRENT ASSETS</b>                         |              |                    |                   |
| <b>Inventories-</b>                           |              | <b>697,160</b>     | <b>7,581</b>      |
| Prepayments to suppliers                      |              | 697,160            | 7,581             |
| <b>Trade and other receivables-</b>           | 9            | <b>29,778,242</b>  | <b>29,196,218</b> |
| Trade receivables                             |              | 27,483,118         | 27,743,880        |
| Other receivables                             |              | 574,066            | 35,088            |
| Receivables from employees                    |              | 36,659             | 36,955            |
| Current income tax assets                     | 17           | 8,224              | 1,809             |
| Other receivables from Public Administrations | 17           | 1,676,175          | 1,378,487         |
| <b>Financial investments-</b>                 |              | <b>2,899,238</b>   | <b>1,960,303</b>  |
| Other financial assets                        | 8            | 2,899,238          | 1,960,303         |
| <b>Accruals</b>                               | 8            | <b>1,607,144</b>   | <b>1,564,090</b>  |
| <b>Cash and cash equivalents-</b>             | 10           | <b>34,036,333</b>  | <b>30,946,881</b> |
| Cash  |              | 34,036,333         | 30,946,881        |
| <b>Total Current assets</b>                   |              | <b>69,018,116</b>  | <b>63,675,073</b> |
| <b>TOTAL ASSETS</b>                           |              | <b>110,624,047</b> | <b>95,145,544</b> |



HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

Consolidated balance sheet at December 31, 2020 and September 30, 2020

| <b>EQUITY AND LIABILITIES</b>            | <b>Notes</b> | <b>12.31.2020</b>  | <b>09.30.2020</b>  |
|--|--------------|--------------------|--------------------|
| <b>EQUITY</b>                            |              |                    |                    |
| <b>CAPITAL AND RESERVES-</b>             |              |                    |                    |
| <b>Share capital-</b>                    | 11           | <b>38,262,049</b>  | <b>39,321,820</b>  |
| Issued capital                           |              | 617,385            | 617,385            |
|  |              | 617,385            | 617,385            |
| <b>Share premium</b>                     |              | <b>43,730,866</b>  | <b>43,730,866</b>  |
| <b>Reserves</b>                          |              | <b>(4,708,927)</b> | <b>(3,996,060)</b> |
| Legal and statutory reserves             |              | 123,477            | 101,354            |
| Other reserves                           |              | (4,832,404)        | (4,097,414)        |
| <b>Treasury shares</b>                   |              | <b>(304,602)</b>   | <b>(315,161)</b>   |
| <b>Profit/(loss) for the year</b>        |              | <b>(1,072,672)</b> | <b>(715,210)</b>   |
| <b>Valuation adjustments</b>             |              |                    |                    |
| Hedging transactions                     | 15           | 5,003,515          | 2,091,980          |
| <b>Total Equity</b>                      |              | <b>43,265,564</b>  | <b>41,413,800</b>  |
| <b>NON-CURRENT LIABILITIES</b>           |              |                    |                    |
| <b>Payables-</b>                         |              | <b>13,996,981</b>  | <b>13,127,743</b>  |
| Bank borrowings                          | 13           | 9,586,242          | 10,892,683         |
| Derivatives                              | 15           | 4,410,739          | 2,235,060          |
| <b>Deferred tax liabilities</b>          | 17           | <b>1,667,838</b>   | <b>697,327</b>     |
| <b>Total Non-current liabilities</b>     |              | <b>15,664,819</b>  | <b>13,825,070</b>  |
| <b>CURRENT LIABILITIES</b>               |              |                    |                    |
| <b>Provisions</b>                        | 12           | <b>211,573</b>     | <b>136,573</b>     |
| <b>Payables-</b>                         |              | <b>20,080,115</b>  | <b>15,087,931</b>  |
| Bank borrowings                          | 13           | 13,309,625         | 11,763,568         |
| Derivatives                              | 15           | 6,767,322          | 3,303,419          |
| Other financial liabilities              | 13           | 3,168              | 20,944             |
| <b>Trade and other payables-</b>         |              | <b>30,614,739</b>  | <b>23,802,008</b>  |
| Suppliers                                | 14           | 22,570,985         | 17,054,074         |
| Other payables                           | 14           | 3,973,156          | 2,783,873          |
| Employee benefits payable                | 14           | 624,597            | 527,040            |
| Other payables to Public Administrations | 14, 17       | 1,902,834          | 2,014,115          |
| Customer advances                        | 14           | 1,543,167          | 1,422,906          |
| <b>Accruals</b>                          |              | <b>787,237</b>     | <b>880,163</b>     |
| <b>Total Current liabilities</b>         |              | <b>51,693,664</b>  | <b>39,906,674</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>      |              | <b>110,624,047</b> | <b>95,145,544</b>  |



HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

Consolidated Income Statement for the 3-month period ended December 31, 2020 and the year ended September 30, 2020

|   | Notes           | 12.31.2020          | 09.30.2020           |
|---|-----------------|---------------------|----------------------|
| <b>CONTINUING OPERATIONS</b>  |                 |                     |                      |
| <b>Revenue-</b>   | <b>18.1</b>     | <b>69,108,603</b>   | <b>235,978,032</b>   |
| Rendering of services   |                 | 69,108,603          | 235,978,032          |
| <b>Work performed by the entity and capitalized</b>                           | <b>5.1</b>      | <b>870,644</b>      | <b>3,335,979</b>     |
| <b>Cost of sales-</b>   | <b>18.2</b>     | <b>(62,133,412)</b> | <b>(208,501,169)</b> |
| Consumption of goods  |                 | (62,133,412)        | (208,501,169)        |
| <b>Other operating income-</b>  | <b>18.3</b>     | <b>21,694</b>       | <b>3,168</b>         |
| Ancillary income  |                 | 21,694              | 3,168                |
| <b>Employee benefits expense-</b>   | <b>18.4</b>     | <b>(2,597,937)</b>  | <b>(9,943,890)</b>   |
| Wages, salaries et al.  |                 | (2,024,772)         | (7,902,868)          |
| Social security costs et al.  |                 | (573,164)           | (2,041,022)          |
| <b>Other operating expenses-</b>  | <b>18.5</b>     | <b>(4,687,847)</b>  | <b>(17,409,570)</b>  |
| External services   |                 | (3,854,450)         | (15,565,408)         |
| Taxes   |                 | (119,028)           | (393,035)            |
| Losses on, impairment of and change in trade provisions                       | <b>9</b>        | (714,370)           | (1,451,033)          |
| Other current management expenses   |                 | -                   | (94)                 |
| <b>Depreciation and amortization</b>  | <b>5,6,18.6</b> | <b>(1,315,054)</b>  | <b>(3,820,234)</b>   |
| <b>Impairment losses and gains (losses) on disposal of non-current assets</b> |                 | <b>-</b>            | <b>(34,516)</b>      |
| <b>Other gains and losses</b>   | <b>18.7</b>     | <b>(540,802)</b>    | <b>(940,684)</b>     |
| Non-recurring income and expenses   |                 | (540,802)           | (940,684)            |
| <b>OPERATING PROFIT/(LOSS)</b>  |                 | <b>(1,274,111)</b>  | <b>(1,332,884)</b>   |
| <b>Finance income-</b>  |                 | <b>12</b>           | <b>31,603</b>        |
| - In third parties  |                 | 12                  | 31,603               |
| <b>Finance costs-</b>   |                 | <b>(153,272)</b>    | <b>(561,324)</b>     |
| Third-party borrowings  | <b>18.8</b>     | (153,272)           | (561,324)            |
| <b>FINANCE COST</b>   |                 | <b>(153,260)</b>    | <b>(529,721)</b>     |
| <b>PROFIT/(LOSS) BEFORE TAX</b>   |                 | <b>(1,427,371)</b>  | <b>(1,862,605)</b>   |
| Income tax  | <b>17</b>       | 354,698             | 1,147,394            |
| <b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>                  |                 | <b>(1,072,672)</b>  | <b>(715,210)</b>     |
| <b>PROFIT/(LOSS) FOR THE YEAR</b>   |                 | <b>(1,072,672)</b>  | <b>(715,210)</b>     |



HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

Consolidated Statement of Changes in Equity for the 3-month period ended December 31, 2020 and the year ended September 30, 2020

|  | 12.31.2020        | 09.30.2020         |
|--|-------------------|--------------------|
| <b>PROFIT/(LOSS) FOR THE YEAR</b>                              | <b>-1,072,672</b> | <b>-715,210</b>    |
| <b>INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY</b>       |                   |                    |
| From cash flow hedges  | 4,967,922         | -24,512,231        |
| Tax effect   | -1,241,981        | 6,128,058          |
| <b>TOTAL INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY</b> | <b>3,725,942</b>  | <b>-18,384,173</b> |
| <b>AMOUNTS TRANSFERRED TO INCOME STATEMENT</b>                 |                   |                    |
| From cash flow hedges  | -1,085,877        | 22,656,724         |
| Tax effect   | 271,469           | -5,664,181         |
| <b>TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT</b>           | <b>-814,408</b>   | <b>16,992,543</b>  |
| <b>TOTAL RECOGNIZED INCOME AND EXPENSES</b>                    | <b>1,838,862</b>  | <b>-2,106,840</b>  |



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

**Consolidated Statement of Changes in Equity for the 3-month period ended December 31, 2020 and the year ended September 30, 2020**

|  | Issued capital | Share premium     | Reserves          | Treasury shares | Profit/(loss) for the year | Valuation adjustments | TOTAL             |
|--|----------------|-------------------|-------------------|-----------------|----------------------------|-----------------------|-------------------|
|  | (Note 11)      | (Note 11)         | (Note 11)         | (Note 11)       | (Note 11)                  | (Note 15)             |                   |
| <b>Balance at 09/30/2019</b>                     | <b>506,771</b> | <b>13,846,548</b> | <b>-1,343,562</b> | <b>-</b>        | <b>-635,481</b>            | <b>3,483,611</b>      | <b>15,857,887</b> |
| <i>Total recognized income and expenses</i>      |                |                   |                   |                 | -715,210                   | -1,391,631            | <b>-2,106,841</b> |
| <i>Transactions with shareholders and owners</i> | 110,614        | 29,884,318        | -2,016,085        | -315,161        | -                          | -                     | <b>27,663,686</b> |
| <i>Capital increase</i>                          | 110,614        | 29,884,318        | -2,016,085        | -315,161        | -                          | -                     | <b>27,663,686</b> |
| <i>Appropriation of prior-year profit/(loss)</i> | -              | -                 | -636,413          | -               | 635,481                    | -                     | <b>-932</b>       |
| <b>Balance at 09/30/2020</b>                     | <b>617,385</b> | <b>43,730,866</b> | <b>-3,996,060</b> | <b>-315,161</b> | <b>-715,210</b>            | <b>2,091,980</b>      | <b>41,413,800</b> |
| <i>Total recognized income and expenses</i>      |                |                   |                   |                 | -1,072,672                 | 2,911,534             | <b>1,838,862</b>  |
| <i>Transactions with shareholders and owners</i> | -              | -                 | -                 | 10,559          | -                          | -                     | <b>10,559</b>     |
| <i>Other transactions</i>                        | -              | -                 | -                 | 10,559          | -                          | -                     | <b>10,559</b>     |
| <i>Appropriation of prior-year profit/(loss)</i> | -              | -                 | -712,867          | -               | 715,210                    | -                     | <b>2,343</b>      |
| <b>Balance at 12/31/2020</b>                     | <b>617,385</b> | <b>43,730,866</b> | <b>-4,708,927</b> | <b>-304,602</b> | <b>-1,072,672</b>          | <b>5,003,514</b>      | <b>43,265,564</b> |



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

|  | Notes | 12.31.2020        | 09.30.2020         |
|--|-------|-------------------|--------------------|
| <b>Profit/(loss) before tax</b>  |       | <b>-1,427,373</b> | <b>-1,862,605</b>  |
| <b>Adjustments to profit</b>   |       | <b>2,257,684</b>  | <b>5,826,231</b>   |
| Depreciation and amortization (+)  |       | 1,315,054         | 3,820,234          |
| Impairment losses (+/-)  |       | 714,370           | 1,451,033          |
| Changes in provisions (+/-)  |       | 75,000            | -9,273             |
| (Gains)/losses from derecognition and disposal of non-current assets (+/-) |       | -                 | 34,516             |
| Finance income (-)   |       | -12               | -31,603            |
| Finance costs (+)  |       | 153,272           | 561,324            |
| <b>Change in working capital</b>   |       | <b>7,247,601</b>  | <b>-7,560,367</b>  |
| Inventories (+/-)  |       | -689,579          | 30,787             |
| Trade and other receivables (+/-)  |       | -1,296,394        | -1,776,698         |
| Other current assets (+/-)   |       | -981,989          | -368,853           |
| Trade and other payables (+/-)   |       | 6,812,731         | -5,732,500         |
| Other current liabilities (+/-)  |       | 3,402,831         | -                  |
| Other non-current assets and liabilities (+/-)                             |       | -                 | 286,897            |
| <b>Other cash flows from/(used in) operating activities</b>                |       | <b>-153,260</b>   | <b>-529,721</b>    |
| Interest paid (-)  |       | -153,272          | -561,324           |
| Interest received (+)  |       | 12                | 31,603             |
| <b>Cash flows from/(used in) operating activities</b>                      |       | <b>7,924,652</b>  | <b>-4,126,462</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                |       |                   |                    |
| <b>Payments on investments (-)</b>   |       | <b>-5,985,491</b> | <b>-11,395,300</b> |
| Intangible assets  | 5     | -5,904,694        | -11,278,472        |
| Property, plant and equipment  | 6     | -80,797           | -116,828           |
| <b>Proceeds from disposals (+)</b>   |       | <b>917,890</b>    | <b>2,909,538</b>   |
| Property, plant and equipment  |       | -                 | 188,771            |
| Other financial assets   |       | 917,890           | 2,720,767          |
| <b>Cash flows from/(used in) investing activities</b>                      |       | <b>-5,067,601</b> | <b>-8,485,762</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                |       |                   |                    |
| <b>Proceeds from and payments on equity instruments</b>                    |       | <b>10,559</b>     | <b>27,663,685</b>  |
| Issuance of equity instruments (+)   |       | -                 | 27,663,685         |
| Acquisition of own equity instruments (-)                                  |       | 10,559            | -                  |
| <b>Proceeds from and payments on financial liabilities</b>                 |       | <b>221,843</b>    | <b>8,475,600</b>   |
| Issues   |       | 533,823           | 9,739,508          |
| <i>Bank borrowings (+)</i>   |       | 533,823           | 9,739,508          |
| Repayment and redemption of  |       | -311,980          | -1,263,908         |
| <i>Bank borrowings (-)</i>   |       | -311,980          | -1,263,908         |
| <b>Cash flows from/(used in) financing activities</b>                      |       | <b>232,402</b>    | <b>36,139,285</b>  |
| <b>Net foreign exchange difference</b>                                     |       | -                 | -                  |
| <b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>                  |       | <b>3,089,452</b>  | <b>23,527,059</b>  |
| Cash and cash equivalents at the beginning of the period                   |       | <b>30,946,881</b> | <b>7,419,822</b>   |
| Cash and cash equivalents at the end of the period                         |       | <b>34,036,333</b> | <b>30,946,881</b>  |



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

1. Activity

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

The Group's activity consists in:

- a) Running and managing, as the parent company, the entire business dynamic of the Group's subsidiaries.
- b) The purchase and sale, even at an international level, production and marketing of energy in general, natural gas and telecommunications, even their transfer, regardless of their source of generation and production. Additionally, the Company provides energy, environment and telecommunications advisory and engineering services.

It also acts as a representative before third parties, and specifically in the electricity market, of power stations that produce electricity under a special regime applicable to electricity produced from renewable energy sources.

Its main activity is the marketing of energy in general.

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

The Group's functional currency is the euro.

At the general meeting held on October 25, 2019 the Company's shareholders resolved to increase capital through a public offering of shares paid with monetary contributions in order to increase the Company's shareholders' equity by a maximum effective amount of 30 million euros (nominal amount + share premium). It was also resolved to make a request for all Company outstanding shares to be traded on BME Growth (formerly MAB), specifically shares issued within the public offering framework. Said capital increase was approved on November 21, 2019 by the Company's Board of Directors (Note 11), and shares were admitted to trading on BME Growth on that same date.

1.1. Subsidiaries

At December 31, 2020 the Parent Company holds a direct ownership interest in the following companies:

- Clidomer Unipessoal, LDA (wholly owned at September 30, 2020) is a sole shareholder company that was incorporated on December 22, 2017 and is domiciled in Lisbon, at plaza Nuno Rodriguez dos Santos, 14-B. Its main activity is the manufacture, purchase, sale and marketing of energy and goods inherent to the electricity market.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

- Clidom Italia, SRL (wholly owned at September 30, 2020) is a limited liability company that was incorporated on May 8, 2018 and is domiciled in Milan at via Gabba Fratelli, 4. Its corporate purpose consists in the sale of electricity, gas and other energy products. At the date the notes to the consolidated financial statements at December 31, 2020 were prepared, the company is dormant.
- Clidom France, SARL (wholly owned at September 30, 2020) is a limited liability company that was incorporated on September 10, 2018 and is domiciled in Paris at Avenue de l'Opera 75001. Its corporate purpose consists in the sale of gas, electricity and other energy products in France. At the date the notes to the consolidated financial statements at December 31, 2020 were prepared, the company is dormant.
- Holaluz Generación, S.L. (formerly, Orwell Power, SL, wholly owned at September 30, 2020) is a sole shareholder limited liability company that was incorporated on April 6, 2018 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the purchase and sale, even at an international level, production and marketing of energy in general, natural gas and telecommunications, even their transfer, regardless of their source of generation and production. It also provides energy, environmental and telecommunications advisory and engineering services. The company started its activity in 2019-20. Additionally, said subsidiary is the sole shareholder of the company Holaluz Rooftop Revolution, SL.
- Clidom Solar, SL (wholly owned at September 30, 2020) is a sole shareholder limited liability company that was incorporated on April 6, 2018 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the purchase and sale, even at an international level, production and marketing of energy in general, natural gas and telecommunications, even their transfer, regardless of their source of generation and production. It also provides energy, environmental and telecommunications advisory and engineering services.
- Clidom Generación, SL (wholly owned at September 30, 2020) is a sole shareholder limited liability company that was incorporated on September 26, 2019 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the production or generation of electricity, including the generation of renewable electricity, and the construction, operation and maintenance of production facilities. This activity can be carried out directly or through the acquisition of an ownership interest in special purpose vehicles that own the generation projects. At the date the notes to the consolidated financial statements at December 31, 2020 were prepared, the company is dormant.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

At December 31, 2020 the Parent Company holds an indirect ownership interest in the following company:

- Holaluz Rooftop Revolution, SL is a sole shareholder limited liability company domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose is to provide financial support for private projects consisting in the purchase or installation of solar panels and to grant loans and credits (including consumer loans) and other funding transactions for developing the self-consumption business and distributed generation of energy. Its corporate purpose also consists in transactions or activities related or supplementary to the abovementioned ones or any transactions or activities that are necessary or advisable for the development of these activities or favor their development. Said company is dormant at December 31, 2020.

2. Basis of presentation of the consolidated financial statements

The consolidated financial statements for the 3-month period ended December 31, 2020 have been prepared from the accounting records of the Parent Company and the companies detailed in point 1.1., applying the Spanish GAAP approved by Royal Decree 1514/2007 of November 16, which was modified in 2016 by Royal Decree 602/2016 of December 2, and are presented in accordance with Royal Decree 1159/2010 of September 17, approving the standards for the preparation of consolidated financial statements, and prevailing mercantile legislation.

The consolidated financial statements have been authorized for issue by the Parent Company's Directors and will be submitted for approval by the shareholders in general meeting. It is expected that they will be approved without modification.

Since November 2019 the Parent Company shares have been traded on BME Growth (formerly MAB) (Note 11).

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

In order to adapt the fiscal year to the calendar year at the Parent Company's general meeting held on March 26, 2020 the shareholders approved a three-month fiscal closing for the period comprised between October 1 and December 31, 2020, which is the reporting period for these consolidated financial statements. As from 2021 and for subsequent years, the fiscal year matches the calendar year, from January 1 to December 31.

a) True and fair view

The consolidated financial statements for the 3-month period ended December 31, 2020, which consist of the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes thereto, have been prepared from the Parent Company's and subsidiaries' accounting records in accordance with prevailing general provisions in order to give a true and fair view of the equity, financial position and results of the Group.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

b) Consolidation principles

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

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

The companies composing the Group apply basically the same accounting policies in their separate financial statements and close their business year at December 31, 2020. Reciprocal balances in the balances sheet and the income statement, as well as significant unrealized margins, have been eliminated.

c) Comparison of information

Exceptionally, and in order to adapt the fiscal year to the calendar year, the Group has prepared a 3-month closing for the period comprised between October 1, 2020 and December 31, 2020.

As the immediately preceding year does not have the same characteristics as the current one, for comparative purposes the Company has included the figures for the year ended September 30, 2020 in addition to those of the year ended December 31, 2020 for each item of the balance sheet, the income statement, the statement of changes in equity and the cash flow statement. Consequently, both periods are not directly comparable and the length of each period should be taken into account.

c) Accounting principles

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and measurement standards described in chapter 4 of these notes to the consolidated financial statements. All mandatory accounting principles have been applied.

d) Critical issues concerning the assessment of uncertainty

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

- The capitalization and useful lives of property, plant and equipment and intangible assets (Note 4a and 4b).
- The assessment of possible impairment losses on certain assets (Note 4c).
- The fair value of certain financial instruments (Note 4f).
- Provisions for unbilled income from energy supplied to customers and provisions for expenses for the purchase of energy and cost of tariffs pending invoice.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

- The estimated projections for assessing the recovery of tax credits related to deductions (Notes 4g and 17).

Although these estimates were made on the basis of the best information available at the closing of the 3-month period ended December 31, 2020, events may occur in the future that require prospective adjustments (upwards or downwards) to these estimates in subsequent years.

e) Current/non-current classification of items

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

f) Changes in accounting criteria

No significant changes have been made in the accounting criteria used in the preparation of the consolidated financial statements for the 3-month period ended December 31, 2020 from the criteria used in the preparation of the separate financial statements of the Parent Company for the same period.

g) Regulatory framework General overview

Electricity sector regulations in Spain are basically detailed in Law 24/2013, of December 26, 2013 on the Electricity Sector (hereinafter 'Electricity Sector Law'), repealing Law 54/1997, of November 27. The most significant matters set out by said Law and subsequent regulations for its implementation are as follows:

- Electrical energy production is carried out in a free market.
- The energy dispatch of power plants is established through a daily market that consists in 24 hourly auctions that match supply with demand. The matching price corresponds to the marginal price of the auctions. Production under the specific remuneration system receives the price resulting from the market and is supplemented by regulated remuneration.
- The transport, distribution and economic and technical management of the system are considered regulated activities.
- The supply of electricity is fully deregulated and all consumers must contract the supply of electricity with a power supplier. As of July 1, 2009 consumers that meet certain characteristics may choose to contract the supply of electricity with a Supplier of Reference and they will be applied the 'voluntary price for the small consumer' tariff. This tariff is linked to the hourly price set in the daily market.
- The tariff chosen by most household consumers is called Voluntary Price for Small Consumers (VPSC), whereas the Last Resort Tariff (LRT) is for vulnerable consumers and for consumers who do not meet the requirements for being entitled to the Voluntary Price for Small Consumers (VPSC) but do not temporarily have an agreement in force with a power marketer in the free market

Access tariffs are the same throughout Spain and are collected by the suppliers and paid to the distributors and transporters.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

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

Royal Decree 15/2018, of October 5, regulating urgent measures for energy transition and consumer protection and modifying and repealing certain terms of the Electricity Sector Law, of Royal Decree 1995/2000, of December 1, regulating the transport, distribution and marketing activities, among others, of RD 900/2015, of October 9, regulating the administrative, technical and economic conditions of the supply of electrical energy with self-consumption models, of Law 15/2012, of December 27, on tax measures for energy system sustainability, and of Law 38/1992 of December 28, on Special Taxes. The main developments are as follows:

- The right to consume electrical energy without charges is recognized, as well as shared supply by one or several consumers to take advantage of the economies of scale; lastly, administrative and technical procedures for small-power facilities are simplified.
- Self-consumed energy of a renewable, cogeneration and waste origin is exempt from charges and tariffs. Consequently, the charge imposed to self-consumers for the energy generated and consumed in their own facilities, the so-called 'sun tax' has been repealed.
- The administrative procedures for facilities of up to 100kW included in the self-consumption without surplus model are simplified, and must exclusively meet the requirements of the corresponding technical regulations and, specifically, the Low-Voltage Electro-technical Regulations. Additionally, the need to process certain access and connection permits for facilities of less than 15kW included in the self-consumption without surplus model is eliminated. Lastly, self-consumption facilities with less than 100kW power, are exempt from registration in the Administrative Register of Electrical Energy Production Facilities.
- Any consumer is allowed (even if it is not the direct consumer of the market) to purchase power by means of a bilateral agreement with a producer (PPA), which drives economy towards decentralization.
- The coverage of the electricity social tariff is extended, so it is now prohibited to cut off the power supply to households adhered to the social tariff with at least a 16 year old minor or with at least one person with a disability equal to or greater than 33%, among others.
- Additionally, the thermal social tariff is created. This is a direct economic aid so that vulnerable households can pay the heating, and hot water bills, among others.
- Self-consumption regulations have been developed by Royal Decree 244/2019 of April 5, regulating the administrative, technical and economic terms and conditions of electricity self-consumption.
- As for tariffs, the Spanish National Markets and Competition Commission (CNMC) recently approved Circular 3/2020, which establishes the methodology for calculating electricity transportation and distribution tariffs, while the electricity tariff regulations are pending approval by the Ministry for Ecological Transition and Demographic Challenge.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

- During the state of emergency comprised between March 14 and June 21, 2020 exceptional social and economic measures were implemented to tackle the social and economic crisis generated by the COVID-19 pandemic that affected the electricity and gas sales activity. The main measures established in Royal Decree Law 11/2020 are as follows:
  - o The coverage of the social tariff was extended to the following consumers: (i) professionals who were entitled to this benefit as a result of total cessation of business or a 75% decrease in turnover in the month prior to applying for the social tariff; (ii) and who also showed joint household income thresholds of 2.5 (childless), 3 (one child) or 3.5 (two or more children) times the IPREM (public indicator of income of multiple effects) at 14 pays.
  - o Bans on electricity or gas shutoffs at the consumers' usual homes were imposed until April 11, a period that was extended to September 20, 2020 through Royal Decree Law 26/2020.
  - o Flexible electricity and gas supply contracts for freelancers and companies were offered, with the possibility of fully suspending or amending the contract to change to another option with the same supplier (change in power contracted, daily volume contracted, inclusion into a level of tariffs corresponding to lower consumption...) with no penalty to end consumers.
  - o Finally, the payment of electricity and gas invoices for invoicing periods comprising days included in the state of emergency was suspended for freelancers and SMEs. This measure freed suppliers from the duty to pay the access tariff in these invoices until the end customer paid all invoices, and from settling VAT, Special Tax on Electricity and Tax on Hydrocarbons until six months had passed since the end of the state of emergency.
- As for tariffs, the Spanish National Markets and Competition Commission (CNMC) recently approved Circular 3/2020, which establishes the methodology for calculating electricity transportation and distribution tariffs, while the electricity tariff regulations are pending approval by the Ministry for Ecological Transition and Demographic Challenge, whose Draft Order currently proposes that a new methodology for charges and tariffs be applied as from June 1, 2021.
- As for the Special Electricity Tax, a reform has been introduced whereby the electricity supplied subject to compensation with the surplus hourly energy of the customers adhered to simplified compensation is exempt from this tax.
- Finally, the lack of a caption for the marketing of electrical energy activity has been eradicated by passing Spain's 2021 General State Budget Act 11/2020, whereby RDL 1175/1990 was modified and a caption for the marketing of electrical energy activity (151.6) was added that considers a national tax liability for this tax.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

h) Significant events in the year

On March 11, 2020 the World Health Organization labelled the public health emergency situation caused by the coronavirus (COVID-19) outbreak a global pandemic. The rapid escalation of events, in both Spain and worldwide, resulted in an unprecedented health crisis that had an impact on the macroeconomic environment and business evolution. To tackle the issue, the Spanish Government declared, among other measures, a state of emergency through Royal Decree 463/2020, of March 14, and approved a set of extraordinary urgent measures to address the economic and social impact of COVID-19, through Royal Decree Law 8/2020 of March 17, among others.

Taking this into account and the current lack of efficient medical treatment for the virus, the consequences for the economy in general, and for the Group's operations in particular, are uncertain and will largely depend on the evolution and spread of the pandemic in the next months, as well as on the economic agents' capacity to respond and adapt to this situation.

To date, the Group has maintained its operations and considers that the potential impacts of the pandemic have already been presented in the activity of the current year and the accompanying financial statements. However, the impact on next year will depend on the evolution and potential development of the pandemic, although it is not expected that any additional impacts will be significant.

The Group will continue taking appropriate action to deal with the events and minimize their impact, and considers that this is a temporary situation that according to the latest estimates and current cash position will not compromise its ability to continue as a going concern.

i) Consolidation methodology

Consolidation method

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

Standardization

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

Elimination of internal transactions

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



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

3. Appropriation of profit/(loss)

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

| <b>Proposed appropriation at December 31, 2020</b> | <b>Euros</b>     |
|--|------------------|
| Profit and Loss: Losses                            | <b>(603,818)</b> |
| <b>Total</b>                                       | <b>(603,818)</b> |
| <b>Appropriation to:</b>                           |                  |
| Prior- Year Losses                                 | (603,818)        |
| <b>Total</b>                                       | <b>(603,818)</b> |

The proposed appropriation of the profit/(loss) for the period comprised between October 1, 2019 and September 30, 2020 approved by the shareholders at the general meeting held on March 10, 2021 is as follows:

| <b>Proposed appropriation at September 30, 2020</b> | <b>Euros</b>   |
|---|----------------|
| Profit and Loss: Profit                             | 598,539        |
| <b>Total</b>  | <b>598,539</b> |
| <b>Appropriation to:</b>                            |                |
| Legal reserve                                       | 22,123         |
| Voluntary reserves                                  | 576,416        |
| <b>Total</b>  | <b>598,539</b> |

Limitations on the distribution of dividends

Once the legal and company bylaw requirements have been met, dividends may only be distributed against profit for the year or freely distributable reserves, if the value of equity is not lower than share capital or would not become lower than share capital plus the legal reserve as a result of distributing dividends. Accordingly, profit recognized directly in equity cannot be directly or indirectly distributed.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

4. Recognition and measurement accounting policies

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

a) Intangible assets

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

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

a.1) Industrial property

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

a.2) Development costs

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

The related assets are specifically itemized by project and costs are clearly established so that they can be distributed over time.

It is possible to demonstrate the technical feasibility and financial profitability of the project.

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

a.3) Software

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

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

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

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



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

a.4) Customer acquisition costs

The Group recognizes as an asset all costs incurred for obtaining a new contract with a customer only if the Group estimates that these costs will be recovered in the future.

These acquisition costs are those that the Group would not have incurred had the contract not been concluded.

These costs are amortized over a period of 5 to 9 years in accordance with the average life of the contracts that the Parent Company signs with its customers.

b) Property, plant and equipment

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

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

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

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

| Property, plant and equipment | Percentage applied |            |
|-------------------------------|--------------------|------------|
|                               | 12.31.2020         | 09.30.2020 |
| Technical installations       | 10%                | 10%        |
| Furniture                     | 10%                | 10%        |
| Data processing equipment     | 25%                | 25%        |
| Other items                   | 10%                | 10%        |

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

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

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



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

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

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

d) Operating leases

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

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

e) Financial instruments

e.1) Financial assets

For measurement purposes, the Group's financial assets are classified as follows:

e.1.1) Loans and receivables

This caption corresponds to trade and non-trade receivables from the sale of goods, cash inflows and rendering of services with fixed or determinable payments not quoted on active markets.

They are initially measured at the fair value of the consideration given plus directly attributable transaction costs. Loans and receivables are subsequently measured at amortized cost, with accrued interest recorded in the income statement using the effective interest rate method.

However, receivables maturing within less than one year initially stated at nominal value will continue to be measured at nominal value unless they have become impaired.

For receivables whose estimated maturity date exceeds one year interest is recorded provided that the corresponding claim has been made and it is estimated that they will be recovered.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

Impairment losses are recorded based on the difference between the carrying amount and the present value at year end of the estimated future cash flows discounted at the effective interest rates calculated at initial recognition. Impairment losses are recognized in the income statement.

e.1.2) Held-to-maturity investments

This category includes debt securities with fixed or determinable payments traded in an active market which the Company intends and is able to hold to maturity.

They are initially measured at the fair value of the consideration given plus directly attributable transaction costs. These investments are subsequently measured at amortized cost and interest accrued in the period are calculated using the effective interest rate method.

Impairment losses are recorded in the income statement and calculated based on the difference between the carrying amount and the present value at year end of the estimated future cash flows discounted at the effective interest rates determined at initial recognition.

e.1.3) Financial assets held for trading

This category includes the financial assets acquired for the purpose of being sold in the short term or which are part of a portfolio of identified financial instruments that the Company manages together and for which there is evidence of a recent pattern of short-term profit-taking, and derivative financial instruments that have been favorably measured for the Company provided that they are not financial guarantee contracts or have been designated as hedges.

They are initially recorded at the fair value of the consideration given. Directly attributable transaction costs are recognized in the income statement for the year. They are subsequently measured at fair value and any changes therein are directly recorded in the income statement.

Derecognition of financial assets

The Group derecognizes financial assets when the contractual rights to the cash flows from the financial asset expire or have been transferred, provided that all the risks and rewards incidental to ownership of the asset have been substantially transferred. However, the Group does not derecognize financial assets in the transfers of financial assets in which it has retained substantially all the risks and rewards incidental to ownership; in this instance it recognizes a financial liability in the amount of any consideration received.

If the Group has not substantially transferred or retained the risks and rewards incidental to ownership of the financial asset, it is derecognized if control over the asset has not been retained. If control over the asset is retained, the Group continues to recognize it to the extent to which it is exposed to changes in the value of the transferred asset, i.e. due to its continuing involvement, recognizing as well the associated liability.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

Derecognition of a financial asset in its entirety implies recognition in profit or loss of the difference between its carrying amount and the sum of the consideration received, net of transaction costs, including any new asset obtained less any new liability assumed, and any cumulative gain or loss deferred in income and expense recognized in equity.

e.2) Financial liabilities

- Recognition and measurement

*Debts and payables*

The Parent Company or a subsidiary recognize a financial liability in their balance sheet when they become party to the agreement or legal business in accordance with the related terms.

Debts and payables arising on the purchase of goods or services in the Company's trade operations are initially measured at the fair value of the consideration received, adjusted by directly attributable transaction costs.

Nevertheless, trade payables which mature within less than one year with no contractual interest rate are initially carried at the nominal value provided that the effect of not discounting cash flows is not significant.

Debts and payables are subsequently measured at amortized cost using the effective interest rate method. Those that are initially measured at nominal value as indicated above continue to be measured at nominal value.

*Financial liabilities held for trading*

This category includes financial liabilities issued with the intention of repurchasing them in the short term and derivative instruments that have not been designated as hedging instruments.

These financial liabilities are recognized and measured using the same criteria that apply to financial assets held for trading.

*Hedging derivatives*

Derivative financial instruments presenting a liability balance, that is, those that have been unfavorably measured for the company, are measured at fair value in the same manner as the financial liabilities held for trading outlined in the preceding section.

e.3) Deposits given and received

Deposits given in the short and long terms are measured at nominal value and cash flows are not discounted as the effect is not material.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

Derecognition of financial liabilities

The Group derecognizes a financial liability when the obligation under the liability is extinguished.

When debt instruments are exchanged with a lender, provided that their contractual terms are substantially different, the original financial liability is derecognized and the new financial liability is recognized. Similarly, any substantial modification of the terms of an existing financial liability is also recognized.

The difference between the carrying amount of the derecognized financial asset (or part of it) and the compensation paid, including any attributable transaction costs, which also includes any new asset transferred other than cash or liability assumed, is recognized in the income statement in the year to which it relates.

When debt instruments are exchanged whose contractual terms are not substantially different, the original financial liability is not derecognized, and the commissions paid are recognized as an adjustment to the carrying amount. The new amortized cost of a financial liability is determined by applying the effective interest rate, which equates the carrying amount of the financial liability on the modification date to the cash flows to be paid as per the new terms.

Accordingly, the contractual terms are considered to be substantially different when the same lender granted the original loan and the present value of the cash flows from the new financial liability, including net commissions, differs by at least 10% of the present value of the cash flows yet to be paid on the original financial liability, when the effective interest rate of the original liability has been applied to both.

f) Hedge accounting

The Group carries out cash flow hedging transactions related to future energy purchases.

Transactions are only designated as hedges when they effectively eliminate any risk inherent to the hedged item or position throughout the duration of the hedge, which means that the hedging item must be deemed highly effective at the inception of the contract (prospective effectiveness) and there must be sufficient evidence that the hedge will be effective throughout the life of the hedge (retrospective effectiveness).

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

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

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



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

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

At the consolidated financial statements closing date (December 31, 2020), the Group's hedging strategy includes PPAs (Power Purchase Agreements) with producers of renewable plants at a fixed price for a period of 6 years (until 2026) that meet the required conditions.

g) Income tax

Income tax paid or received is calculated as the sum of the current income tax paid or received plus the portion corresponding to the deferred tax paid or received.

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

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

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

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

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

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

h) Cash and cash equivalents

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

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



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

i) Grants

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

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

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

j) Provisions and contingencies

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

j.1) Provisions

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

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

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

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

j.2) Contingent liabilities

Possible obligations arising from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group.

The consolidated financial statements for the 3-month period ended December 31, 2020 include all provisions in respect of which the Group considers more likely than not that the related obligation will have to be settled. Provisions are measured at the present value of the best possible estimate of the amount needed to cancel or transfer the obligation to a third party. Contingent liabilities are not recognized in the consolidated balance sheet but disclosed in the notes to the consolidated financial statements.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

k) Related-party transactions

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

l) Income and expenses

Income and expenses are recorded according to the accruals principle, that is, at the moment the goods or services represented by them take place, regardless of when actual payment or collection occurs. Income is measured at the fair value of the consideration received, less discounts and taxes.

Income from energy supply is recognized when energy has been delivered to the customer in accordance with available information on the electrical system based on periodic meter readings and, where appropriate, considers an estimate of its accrual and the value of energy/product consumed from the date of available reading to the closing of the period. Estimated daily consumption is based on adjusted historical customer profiles considering seasonality and other measurable factors that affect consumption.

Certain electricity and gas system figures, including those corresponding to other companies used to estimate the overall settlement of the system that shall be materialized in the corresponding final settlements, may affect the determination of the deficit in the settlements of regulated electricity and gas activities in Spain.

m) Termination benefits

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



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

5. Intangible assets

At December 31, 2020 and September 30, 2019 the movements in Intangible Assets are as follows:

| Cost                            | Balance at September 30, 2020 | Investments and Charge for the year | Transfers and other | Disposals | Balance at December 31, 2020 |
|---------------------------------|-------------------------------|-------------------------------------|---------------------|-----------|------------------------------|
| Development costs               |                               |                                     |                     |           |                              |
| Industrial property             | 15,951                        | -                                   | -                   | -         | 15,951                       |
| Development costs and Software  | 15,392,446                    | 1,675,955                           | 5,833               | -         | 17,074,234                   |
| Other intangible assets         | 13,921,619                    | 4,222,906                           | -                   | -         | 18,144,525                   |
| <b>Total</b>                    | <b>29,330,016</b>             | <b>5,898,861</b>                    | <b>5,833</b>        | <b>-</b>  | <b>35,234,710</b>            |
| <b>Accumulated amortization</b> |                               |                                     |                     |           |                              |
| Development costs               |                               |                                     |                     |           |                              |
| Industrial property             | -13,352                       | -399                                | 286                 | -         | -13,465                      |
| Development costs and Software  | -6,082,223                    | -726,549                            | -17,267             | -         | -6,826,039                   |
| Other intangible assets         | -2,387,860                    | -557,333                            | 4,065               | -         | -2,941,127                   |
| <b>Total</b>                    | <b>-8,483,435</b>             | <b>-1,284,281</b>                   | <b>-12,916</b>      | <b>-</b>  | <b>-9,780,631</b>            |
| <b>NET TOTAL</b>                | <b>20,846,582</b>             | <b>4,614,581</b>                    | <b>-7,083</b>       | <b>-</b>  | <b>25,454,079</b>            |

| Cost                            | Balance at September 30, 2019 | Investments and Charge for the year | Transfers and other | Disposals | Balance at September 30, 2020 |
|---------------------------------|-------------------------------|-------------------------------------|---------------------|-----------|-------------------------------|
| Development costs               |                               |                                     |                     |           |                               |
| Industrial property             | 15,950                        | -                                   | -                   | -         | 15,951                        |
| Development costs and Software  | 10,698,990                    | 4,693,456                           | -                   | -         | 15,392,446                    |
| Other intangible assets         | 7,336,603                     | 6,585,017                           | -                   | -         | 13,921,619                    |
| <b>Total</b>                    | <b>18,051,543</b>             | <b>11,278,473</b>                   | <b>-</b>            | <b>-</b>  | <b>29,330,016</b>             |
| <b>Accumulated amortization</b> |                               |                                     |                     |           |                               |
| Development costs               |                               |                                     |                     |           |                               |
| Industrial property             | -11,756                       | -1,595                              | -                   | -         | -13,352                       |
| Development costs and Software  | -3,742,556                    | -2,339,667                          | -                   | -         | -6,082,223                    |
| Other intangible assets         | -1,046,520                    | -1,341,340                          | -                   | -         | -2,387,860                    |
| <b>Total</b>                    | <b>-4,800,832</b>             | <b>-3,682,602</b>                   | <b>-</b>            | <b>-</b>  | <b>-8,483,435</b>             |
| <b>NET TOTAL</b>                | <b>13,250,711</b>             | <b>7,595,871</b>                    | <b>-</b>            | <b>-</b>  | <b>20,846,582</b>             |

5.1 Significant movements

Additions in intangible assets recorded during the period comprised between 10/1/2020 and 12/31/2020 include the capitalization of work performed by the Parent Company for an amount of 870,644 euros (3,335,979 euros at September 30, 2020), and are part of the new technological innovation project ‘SmartOp’ that the Parent Company has been carrying out since the beginning of the financial year 2018-19. This is a project that aims at the automation of and technological improvement in the processes involved in end-to-end billing management of Holaluz customers (algorithms that define customer consumption needs, switching and communication process with distributors, reading data acquisition process, billing algorithms, etc.). This project is comprehensively classified as a Technological Innovation project.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

Additions in other assets correspond to customer acquisition costs (Note 4.a.4).

5.2 Other information

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

| <b>Account</b>                 | <b>Balance at</b><br><b>12.31.2020</b> | <b>Balance at</b><br><b>09.30.2020</b> |
|--------------------------------|--|--|
| Development costs and Software | 620,986                                | 444,526                                |
| Brand                          | 3,609                                  | 3,609                                  |
| <b>Total</b>                   | <b>624,595</b>                         | <b>448,135</b>                         |

No intangible assets are located outside of Spain.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

6. Property, plant and equipment

At December 31, 2020 and September 30, 2019 the movements in Fixed Assets are as follows:

| Cost                            | Balance at September 30, 2020 | Investments and Charge for the year | Transfers and other | Disposals | Balance at December 31, 2020 |
|---------------------------------|-------------------------------|-------------------------------------|---------------------|-----------|------------------------------|
| Development costs               |                               |                                     |                     |           |                              |
| Data processing equipment       | 454,228                       | 43,391                              | 2,772               | -         | 500,390                      |
| Installations                   | 475,257                       | -                                   | 14,345              | -         | 489,602                      |
| Furniture and office equipment  | 80,291                        | 43,240                              | -22,949             | -         | 100,582                      |
| <b>Total</b>                    | <b>1,009,776</b>              | <b>86,630</b>                       | <b>-5,832</b>       | <b>-</b>  | <b>1,090,575</b>             |
| <b>Accumulated depreciation</b> |                               |                                     |                     |           |                              |
| Development costs               |                               |                                     |                     | -         |                              |
| Data processing equipment       | -273,573                      | -16,604                             | 4,164               | -         | -286,013                     |
| Installations                   | -116,037                      | -12,167                             | 418                 | -         | -127,787                     |
| Furniture and office equipment  | -30,649                       | -2,002                              | 8,335               | -         | -24,316                      |
| <b>Total</b>                    | <b>-420,259</b>               | <b>-30,773</b>                      | <b>12,916</b>       | <b>-</b>  | <b>-438,116</b>              |
| <b>NET TOTAL</b>                | <b>589,517</b>                | <b>55,857</b>                       | <b>7,084</b>        | <b>-</b>  | <b>652,458</b>               |

| Cost                            | Balance at September 30, 2019 | Investments and Charge for the year | Transfers and other | Disposals      | Balance at September 30, 2020 |
|---------------------------------|-------------------------------|-------------------------------------|---------------------|----------------|-------------------------------|
| Development costs               |                               | -                                   | -                   | -              |                               |
| Data processing equipment       | 360,430                       | 97,279                              | -                   | -3,480         | 454,228                       |
| Installations                   | 507,991                       | 15,400                              | -                   | -48,135        | 475,257                       |
| Furniture and office equipment  | 76,244                        | 4,147                               | -                   | -100           | 80,291                        |
| <b>Total</b>                    | <b>944,665</b>                | <b>116,826</b>                      | <b>-</b>            | <b>-51,715</b> | <b>1,009,776</b>              |
| <b>Accumulated depreciation</b> |                               |                                     |                     |                |                               |
| Development costs               |                               |                                     |                     |                |                               |
| Data processing equipment       | -194,332                      | -79,241                             | -                   | -              | -273,573                      |
| Installations                   | -81,850                       | -51,386                             | -                   | 17,200         | -116,037                      |
| Furniture and office equipment  | -23,644                       | -7,005                              | -                   | -              | -30,649                       |
| <b>Total</b>                    | <b>-299,826</b>               | <b>-137,632</b>                     | <b>-</b>            | <b>17,200</b>  | <b>-420,259</b>               |
| <b>NET TOTAL</b>                | <b>644,839</b>                | <b>-20,806</b>                      | <b>-</b>            | <b>-</b>       | <b>589,517</b>                |

There have been no disposals in the year ended December 31, 2020. In the year ended September 30, 2020 installations and the old offices were derecognized, generating losses for an amount of 34,516 euros.

6.1 Significant movements

For the Parent Company, additions in data processing equipment correspond to the renewal of laptops, and new acquisitions as a result of the increase in the company's headcount.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

6.2 Other information

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

| <b>Account</b>            | <b>Balance at<br/>12.31.2020</b> | <b>Balance at<br/>09.30.2020</b> |
|---------------------------|----------------------------------|----------------------------------|
| Data processing equipment | 116,694                          | 103,684                          |
| Furniture                 | 1,837                            | 1,837                            |
| <b>Total</b>              | <b>118,531</b>                   | <b>105,521</b>                   |

It is Group policy to take out the insurance policies necessary to cover the potential risks to which its property, plant, and equipment items are exposed. In the 3-month period ended December 31, 2020 these potential risks were fully covered by the insurance.

No property, plant and equipment items have been acquired between the group companies at December 31, 2020 or September 30, 2020. No intangible assets are located outside of Spain.

7. Leases and similar arrangements

7.1. Operating leases

The operating lease payments recognized as expenses, corresponding basically to the Parent Company, are as follows:

| <b>Description</b> | <b>Balance at<br/>12.31.2020</b> | <b>Balance at<br/>09.30.2020</b> |
|--------------------|----------------------------------|----------------------------------|
| Lease expenses     | 119,415                          | 459,400                          |
| <b>Total</b>       | <b>119,415</b>                   | <b>459,400</b>                   |

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

| <b>Maturity</b>            | <b>Balance at<br/>12.31.2020</b> | <b>Balance at<br/>09.30.2020</b> |
|----------------------------|----------------------------------|----------------------------------|
| Within one year            | 455,920                          | 450,780                          |
| Between one and five years | 1,394,445                        | 1,531,555                        |
| More than five years       | -                                | -                                |
| <b>Total</b>               | <b>1,850,365</b>                 | <b>1,982,335</b>                 |

The Parent Company entered into a lease arrangement on its head offices on September 1, 2017 that expires in December 2024.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

8. Current and non-current financial investments and current accruals

a) Non-current financial investment categories

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

| <i>Loans, derivatives, and other financial investments</i> |                   |                   |
|--|-------------------|-------------------|
|  | <b>12.31.2020</b> | <b>09.30.2020</b> |
| -  |                   |                   |
| Other financial assets                                     | 1,231,887         | 2,149,778         |
| Derivatives  | 11,082,093        | 5,053,878         |
|  | <u>12,313,980</u> | <u>7,203,656</u>  |

At December 31, 2020 the “Other financial assets” balances include security deposits amounting to 770 thousand euros placed at OMIE, REN and EDP (of which 418 thousand euros correspond to Clidomer Unipesoal LDA and 352 thousand euros correspond to the Parent Company). The rest of the caption corresponds entirely to the Parent Company and includes the security deposit given as a lease guarantee on the offices rental maturing in 2024 (69 thousand euros), guarantees at MIBGAS (12 thousand euros) and long-term social contributions in Avalis (28.6 thousand euros) and Cajamar (30 thousand euros), among others. This caption also includes 300 thousand euros deposited with the liquidity provider for its daily share purchase and sale operations in MAB.

At September 30, 2020, the “Other financial assets” balances included security deposits amounting to 1,460 thousand euros placed at OMIE, REN and EDP (of which 260 thousand euros corresponded to Clidomer Unipesoal LDA and 1,400 thousand euros corresponded to the Parent Company). The rest of the caption corresponded entirely to the Parent Company and included the security deposit given as a lease guarantee on the offices rental maturing in 2024 (69 thousand euros), guarantees at MIBGAS (12 thousand euros) and long-term social contributions in Avalis (28.6 thousand euros) and Cajamar (30 thousand euros), among others. This caption also included 300 thousand euros deposited with the liquidity provider for its daily share purchase and sale operations in MAB.

The “Derivatives” balance at December 31, 2020 and September 30, 2020 is commented on in Note 15.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

b) Current financial investment categories

Current financial investments are classified based on the following categories:

| <i>Loans, derivatives, and other financial investments</i> |            |            |
|--|------------|------------|
|  | 12.31.2020 | 09.30.2020 |
| -  |            |            |
| Other financial assets                                     | 2,899,238  | 1,960,303  |
|  | 2,899,238  | 1,960,303  |

The balances detailed correspond entirely to the Parent Company.

At December 31, 2020 and September 30, 2020 “Other financial assets” mostly corresponds to deposits given as guarantees to the electricity and gas market operators.

c) Short-term accruals

This heading includes the accruals of annual expenses that at December 31, 2020 have not yet been incurred and amount to 1.6 million euros (1.6 million euros at September 30, 2020). They include 1,245 thousand euros from the Parent Company (961 thousand euros at September 30, 2020), which basically correspond to sales commissions related to annual renewals amounting to 351 thousand euros (304 thousand euros at 2020 year end). They also include accruals of insurance premiums for an amount of 109 thousand euros (152 thousand euros at September 30, 2020) and advertising costs amounting to 784 thousand euros whose accrual corresponds to the months subsequent to the closing of the financial year and which have been paid in advance. Additionally, they include 328 thousand euros from the subsidiary Clidom Solar corresponding to the portion of the costs for the solar panel installation projects not completed at year end (602 thousand euros at September 30, 2020).

9. Trade and other receivables

a) The breakdown of ‘Trade and other receivables’ is as follows:

|  | 12.31.2020        | 09.30.2020        |
|--|-------------------|-------------------|
| <b>Trade and other receivables</b>                           |                   |                   |
| Trade receivables  | 27,483,118        | 27,743,880        |
| Other receivables  | 574,066           | 35,088            |
| Receivables from employees                                   | 36,659            | 36,955            |
| Current income tax assets <sup>(1)</sup>                     | 8,224             | 1,809             |
| Other receivables from Public Administrations <sup>(2)</sup> | 1,676,175         | 1,378,487         |
| <b>TOTAL</b>   | <b>29,778,242</b> | <b>29,196,218</b> |



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

At December 31, 2020, the balances related to electricity and gas sales of the Parent Company pending invoice included in “Trade receivables” amount to 23,618 thousand euros (21,044 thousand euros at September 30, 2020) and correspond to energy supplied during December, which is invoiced to customers during the first working days of the following month (in this case, January 2021). The Parent Company's operations for billing the electricity and gas sales activity consist in issuing invoices for the amount of electricity and gas consumed during the calendar month and sending the corresponding invoices to customers during the first days of the following month. This heading also includes balances receivable for invoices issued by the subsidiary Clidom Solar for solar panel installation amounting to 720 thousand euros (660 thousand euros at September 30, 2020).

b) Impairment losses arising from credit risk

The balance of ‘Trade receivables’ is presented net of impairment losses. The movements in impairment losses, only for the Parent Company, are as follows:

|   | 12.31.2020         | 09.30.2020         |
|---|--------------------|--------------------|
| <b>Impairment losses due to credit risk</b> |                    |                    |
| Opening impairment losses                   | - 3,216,779        | - 1,807,724        |
| Impairment losses                           | - 754,919          | - 1,800,000        |
| Derecognition and reductions                | 575                | 390,945            |
| <b>Total</b>                                | <b>- 3,971,123</b> | <b>- 3,216,779</b> |

Additionally, the company has recorded an income of 40,523.97 corresponding to returned bills that were recorded as a final loss; however, the amount was recovered by means of collection procedures. Consequently, the impairment recorded in the income statement amounts to 714,370 euros.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

10. Cash and cash equivalents

The breakdown of this caption at December 31, 2020 is as follows:

|                         | <i>12.31.2020</i> | <i>09.30.2020</i> |
|-------------------------|-------------------|-------------------|
| Cash                    | 1,590             | 1,590             |
| Demand current accounts | 34,034,743        | 30,945,291        |
| <b>TOTAL</b>            | <b>34,036,333</b> | <b>30,946,881</b> |

Current accounts earn market interest rates.

The global emergency situation caused by the coronavirus outbreak (COVID-19) led to additional funding to be able to meet the Group's potential cash needs. In April 2020 the Spanish Government activated stimulus package for small- and large-sized companies to tackle the economic crisis caused by the pandemic. In the case of Holaluz, and through the entities in the banking pool, long-term exceptional funding was obtained from ICO in the form of loans, facilities and reverse factoring agreements for a total amount of 31.4 million euros, of which 5.7 million euros were already part of the Parent Company's ordinary financing (Note 13).

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

11. Equity

a) Share capital and Treasury shares

At December 31, 2020 and September 30, 2020, the Group's Parent Company's share capital amounts to 617,385 euros (506,771 euros at September 30, 2019) and consists of 20,579,484 Parent Company shares with a nominal value of 0.03 euros each, fully subscribed and paid up.

At the general meeting held on October 25, 2019 the Parent Company's shareholders resolved to increase capital through a public offering of shares paid with monetary contributions in order to increase the Parent Company's shareholders' equity by a maximum effective amount of 30 million euros (nominal amount + share premium). It was also resolved to make a request for all Parent Company outstanding shares to be traded on BME Growth (formerly MAB), specifically shares issued within the public offering framework. On the same date a capital decrease of 5,068 euros against Reserves for the Parent Company was approved.

On November 21, 2019 the Board of Directors of the Parent Company carried out the capital increase for an effective amount of 29,999,998.98 euros through the issuance and putting into circulation of 3,856,041 new ordinary shares with a nominal value of 0.03 euros each plus a share premium of 7.75 euros per share. Consequently, the new share issue rate is 7.78 euros per share. Therefore, the capital increase amounts to 115,681.23 euros and the corresponding share premium amounts to 29,884,317.75 euros. These amounts have been fully paid up upon subscription of the new shares. Within the framework of the IPO on BME Growth, the Parent Company acquired treasury shares for an amount of 300 thousand euros.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

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

|                            | 12.31.2020 | 09.30.2020 |
|----------------------------|------------|------------|
| Axon Capital e Inversiones | 18%        | 18%        |

b) Legal reserve

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

At December 31, 2020 the legal reserve is fully funded.

c) Reserves and share premium

The balance of the share premium account can be freely distributed except for the amount under “Losses from prior years”. Within the framework of the IPO on MAB, the Parent Company recorded in the year ended September 30, 2020 directly against Reserves costs directly attributable to the said transaction for an amount of 2 million euros.

Additionally, the breakdown of consolidated reserves is as follows:

|                           | 12.31.2020        |                         | 09.30.2020        |                         |
|---------------------------|-------------------|-------------------------|-------------------|-------------------------|
|                           | Reserves          | Losses from prior years | Reserves          | Losses from prior years |
| HOLALUZ-CLIDOM, SA        | -1,680,341        |                         | -2,278,880        |                         |
| CLIDOMER, LDA             |                   | -343,694                |                   | -290,176                |
| CL. SOLAR, SL             |                   | -2,626,135              |                   | -1,388,782              |
| CL. ITALIA, SRL           |                   | -35,180                 |                   | -15,629                 |
| CL. FRANCE, SARL          |                   | -22,500                 |                   | -22,500                 |
| HOLALUZ GENERACIÓN, SL    |                   | -658                    |                   | -93                     |
| HL ROOFTOP REVOLUTION, SL |                   | 0                       |                   |                         |
| CL. GENERAC., SL          |                   | -419                    |                   |                         |
| <b>TOTAL RESERVES</b>     | <b>-1,680,341</b> | <b>-3,028,586</b>       | <b>-2,278,880</b> | <b>-1,717,180</b>       |

**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

12. Provisions

The Parent Company has recorded a provision for all payment settlements received from the city councils corresponding to local tax payments, most of them related to the tax on economic activities pending payment at December 31, 2020. The Parent Company has lodged an appeal as it considers that there are no grounds for demanding this payment and considers that it is not liable to it.

The movements in provisions were as follows:

|              | Balance at<br>30.09.2020 | Additions     | Disposals | Balance at<br>31.12.2020 |
|--------------|--------------------------|---------------|-----------|--------------------------|
| Provisions   | 136,573                  | 75,000        | -         | 211,573                  |
| <b>TOTAL</b> | <b>136,573</b>           | <b>75,000</b> | <b>-</b>  | <b>211,573</b>           |

|              | Balance at<br>30.09.2019 | Additions      | Disposals       | Balance at<br>30.09.2020 |
|--------------|--------------------------|----------------|-----------------|--------------------------|
| Provisions   | 145,846                  | 289,602        | -298,875        | 136,573                  |
| <b>TOTAL</b> | <b>145,846</b>           | <b>289,602</b> | <b>-298,875</b> | <b>136,573</b>           |

13. Non-current and current payables

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

|                     | Bank borrowings          |                          | Derivatives and other    |                          |
|---------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                     | Balance at<br>31.12.2020 | Balance at<br>30.09.2020 | Balance at<br>31.12.2020 | Balance at<br>30.09.2020 |
| Debts and payables  | 9,586,242                | 10,892,683               | -                        | -                        |
| Hedging derivatives | -                        | -                        | 4,410,739                | 2,235,060                |
| <b>TOTAL</b>        | <b>9,586,242</b>         | <b>10,892,683</b>        | <b>4,410,739</b>         | <b>2,235,060</b>         |

During the 3-month period ended December 31, 2020 there have been no significant increases in the Parent Company's bank borrowings. During the year ended September 30, 2020 non-current financial liabilities increased significantly due to the non-recurring funding that the Parent Company had been receiving from ICO since April 2020 through the several financial institutions in the banking pool. Specifically, at September 30, 2020 ICO loans had been granted for an amount of 11.5 million euros. Additionally, the Company has been granted an ordinary loan by Institut Català de Finances (ICF) for the outstanding amount of 701 thousand euros.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

The breakdown of “Derivatives” is commented on in Note 15.

Current payables are classified based on the following categories:

|                     | Bank borrowings          |                          | Derivatives and other    |                          |
|---------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                     | Balance at<br>31.12.2020 | Balance at<br>30.09.2020 | Balance at<br>31.12.2020 | Balance at<br>30.09.2020 |
| Debts and payables  | 13,309,625               | 11,763,568               | 3,168                    | 20,944                   |
| Hedging derivatives | -                        | -                        | 6,767,322                | 3,303,419                |
| <b>TOTAL</b>        | <b>13,309,625</b>        | <b>11,763,568</b>        | <b>6,770,490</b>         | <b>3,324,363</b>         |

Bank borrowings include the portion of current loans indicated in the paragraph above. They also include the amounts utilized from credit lines and the amounts utilized from reverse factoring facilities, factoring facilities and funded payments (Note 13 b). Most of these borrowings at December 31, 2020 correspond to Bankia, Bankinter, Ibercaja, Deutsche Bank and Liberbank.

The breakdown of “Derivatives” is commented on in Note 15.

a) Classification by maturity

The breakdown by maturity of the Parent Company’s loans, with fixed or determinable maturity, at December 31 and September 30, 2020, is as follows:

| 12.31.2020      | 2021             | 2022             | 2023             | 2024             | Subsequent<br>years | TOTAL             |
|-----------------|------------------|------------------|------------------|------------------|---------------------|-------------------|
| Bank borrowings | 3,487,038        | 4,806,831        | 2,539,295        | 1,643,788        | 596,328             | 13,073,280        |
| <b>TOTAL</b>    | <b>3,487,038</b> | <b>4,806,831</b> | <b>2,539,295</b> | <b>1,643,788</b> | <b>596,328</b>      | <b>13,073,280</b> |

| 09.30.2020      | 2020-21          | 2020-22          | 2020-23          | 2020-24          | Subsequent<br>years | TOTAL             |
|-----------------|------------------|------------------|------------------|------------------|---------------------|-------------------|
| Bank borrowings | 2,492,578        | 4,861,601        | 3,343,472        | 1,635,172        | 1,052,448           | 13,385,271        |
| <b>TOTAL</b>    | <b>2,492,578</b> | <b>4,861,601</b> | <b>3,343,472</b> | <b>1,635,172</b> | <b>1,052,448</b>    | <b>13,385,271</b> |



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

b) Other information

The breakdown of the Parent Company's bank borrowings is as follows:

| <b>12.31.2020</b>                                |                   |                   |                    |
|--|-------------------|-------------------|--------------------|
|  | <b>Limit</b>      | <b>Current</b>    | <b>Non-current</b> |
| Bank loans                                       | 13,707,540        | 3,487,038         | 9,586,242          |
| Credit facilities                                | 17,650,000        | 5,977,493         | -                  |
| Factoring, reverse factoring and funded payments | 4,600,700         | 3,792,874         | -                  |
| Bills discounted                                 | 9,700,971         | -                 | -                  |
| Credit cards                                     | 156,881           | 52,220            | -                  |
| <b>TOTAL</b>                                     | <b>45,816,092</b> | <b>13,309,625</b> | <b>9,586,242</b>   |

| <b>09.30.2020</b>                                |                   |                   |                    |
|--|-------------------|-------------------|--------------------|
|  | <b>Limit</b>      | <b>Current</b>    | <b>Non-current</b> |
| Bank loans                                       | 13,385,270        | 2,492,588         | 10,892,683         |
| Credit facilities                                | 15,650,000        | 5,763,157         | -                  |
| Factoring, reverse factoring and funded payments | 4,276,005         | 3,476,005         | -                  |
| Bills discounted                                 | 7,137,343         | -                 | -                  |
| Credit cards                                     | 280,943           | 28,637            | -                  |
| <b>TOTAL</b>                                     | <b>40,729,561</b> | <b>11,760,387</b> | <b>10,892,683</b>  |

In the period comprised between October 1, 2020 and December 31, 2020 the Parent Company has increased the limit available on its net bank borrowings by more than 5M euros.

Short-term funding has been extended by 1 million euros through new credit lines amounting to 400 thousand euros, reverse factoring facilities and funded payments to suppliers.

These amounts have been mainly used to fund the cash needs derived from the increase in the activity of the Group, and of the Company in particular.

Additionally, the Parent Company has drawdown lines of guarantees and security interests that have been granted by several financial institutions for an overall amount of 8.3 million euros (5.7 million euros at September 30, 2020), which have been provided to energy suppliers to carry out the energy purchase and marketing activity. The interest rate paid by the Company related to bank borrowings ranges between 1.10% and 2.60%.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

14. Trade and other payables

The breakdown of ‘Trade and other payables’ is as follows:

|  | 12.31.2020        | 09.30.2020        |
|--|-------------------|-------------------|
| -  |                   |                   |
| Suppliers                                    | 22,570,985        | 17,054,074        |
| Other payables                               | 3,973,156         | 2,783,873         |
| Employee benefits payable                    | 624,597           | 527,040           |
| Other payables to public administrations (*) | 1,902,834         | 2,014,115         |
| Customer advances (**)                       | 1,543,167         | 1,422,906         |
|  | <b>30,614,739</b> | <b>23,802,008</b> |

(\*) See Note 17

(\*\*) The balance corresponds entirely to the Parent Company. At each month end and, therefore, also at year end, the balance of ‘Customer advances’ corresponds to advance collections received from the customers that have contracted a flat rate (SinSorpresas) and to the advance collection received in prior months that will be regularized in each annuity of the customer contract.

At December 31, 2020 the balances for invoices pending receipt corresponding to supplied electricity included under “Suppliers” amount to 16 million euros (10 million euros at September 30, 2020).

14.1. Information on the average payment period to suppliers. Additional Provision Three. ‘Disclosure requirements’, of Spanish Law 15/2010

The information on the average payment period to the Parent Company’s suppliers is as follows:

|                                     | 12.31.2020 | 09.30.2020 |
|-------------------------------------|------------|------------|
| Average payment period to suppliers | 31.00      | 33.60      |
| Ratio of transactions paid          | 41.60      | 27.10      |
| Ratio of transactions outstanding   | 8.00       | 8.70       |

|                            | 12.31.2020 | 09.30.2020  |
|----------------------------|------------|-------------|
| Total payments made        | 55,828,772 | 274,520,829 |
| Total payments outstanding | 26,539,979 | 18,849,221  |



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

15. Hedging transactions using derivative financial instruments

The Parent Company uses derivatives to hedge the risks to which its activities, operations and projected cash flows are exposed. At December 31, 2020 base loads of energy are covered at a fixed price. All of them end in 2026, and meet the requirements detailed in (Note 4f) on measurement policies to be classified as hedging instruments.

The summary of cash flow hedges in force at year end, whose amount has not been settled at the Parent Company's balance sheet date (December 31, 2020) since they are held to maturity, is as follows:

| Description of the hedge  | Type      | Entity            | Underlying | Fair value     |                  |
|---------------------------|-----------|-------------------|------------|----------------|------------------|
|                           |           |                   |            | Asset          | Liability        |
| MEFF Power hedge          | SWBCCAL21 | Investment entity | MWh        | -              | 112,178          |
| MEFF Power hedge          | SWBCCAL21 | Investment entity | MWh        | 148,787        |                  |
| Over the counter          | OTCCAL21  | Investment entity | MWh        | 264,238        |                  |
| Power Purchases Agreement | CAL20_27  | Investment entity | MWh        | -              | 221,253          |
| Power Purchases Agreement | CAL20_26  | Investment entity | MWh        | -              | 175,564          |
| <b>Total</b>              |           |                   |            | <b>413,025</b> | <b>- 508,995</b> |
| <b>Net</b>                |           |                   |            |                | <b>- 95,970</b>  |

The summary of cash flow hedges in force at year end, whose amount had not been settled at the balance sheet date (September 30, 2020) since they were held to maturity, was as follows:

| Clearing house | Detail       | Product  | COD       | Asset            | Liability         |
|----------------|--------------|----------|-----------|------------------|-------------------|
| EEX            | NC Asset     | CAL-21   | FEBYJAN21 | 4,652,348        |                   |
| EEX            | NC Asset     | CAL-22   | FEBYJAN22 | 124,392          |                   |
| EEX            | NC Asset     | Q1-21    | FEBQJAN21 | 163,695          |                   |
| MEFF           | NC Asset     | CAL-21   | SWBCCAL21 | 90,228           |                   |
| OTC            | NC Asset     | CAL-21   | FEBYJAN21 | 23,214           |                   |
| EEX            | C Liability  | CAL-20   | FEBYJAN20 |                  | -2,692,110        |
| EEX            | C Liability  | NOV--20  | FEBMNOV20 |                  | -21,715           |
| EEX            | C Liability  | OCT--20  | FEBMOCT20 |                  | -49,915           |
| EEX            | C Liability  | OCT--20  | FEBQOCT20 |                  | -8,009            |
| EEX            | C Liability  | Q4-20    | FEBQ4-20  |                  | -165,116          |
| EEX            | C Liability  | Q4-20    | FEBQOCT20 |                  | -119,440          |
| OTC            | C Liability  | Q4-20    | FEBYJAN20 |                  | -58,607           |
| PPA            | C Liability  | Q42020   | FEBQOCT20 |                  | -4,388            |
| PPA            | C Liability  | CAL20_26 |           |                  | -59,056           |
| EEX            | C Liability  | CAL20    | FEBYJAN20 |                  | -125,065          |
| EEX            | NC Liability | CAL-21   | FEBYJAN21 |                  | -1,193,900        |
| EEX            | NC Liability | CAL-22   | FEBYJAN22 |                  | -111,252          |
| EEX            | NC Liability | CAL-23   | FEBYJAN23 |                  | -140,510          |
| EEX            | NC Liability | CAL-24   | FEBYJAN24 |                  | -143,179          |
| EEX            | NC Liability | Q1-21    | FEBQJAN21 |                  | -10,968           |
| MEFF           | NC Liability | CAL-21   | SWBCCAL21 |                  | -78,841           |
| PPA            | NC Liability | CAL20_26 |           |                  | -556,411          |
| <b>TOTAL</b>   |              |          |           | <b>5,053,878</b> | <b>-5,538,480</b> |
| <b>NET</b>     |              |          |           |                  | <b>-484,602</b>   |



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

The net amounts of these transactions at year end total -96 thousand euros (-485 thousand euros at September 30, 2020) and have been recorded as follows:

|                           | 12.31.2020       | 09.30.2020       |
|---------------------------|------------------|------------------|
| <b>Derivatives</b>        |                  |                  |
| NC derivative assets      | 11,082,093       | 5,053,878        |
| NC derivative liabilities | - 4,410,739      | - 2,235,060      |
| <b>TOTAL</b>              | <b>6,671,354</b> | <b>2,818,818</b> |

Additionally, at December 31, 2020 current derivative liabilities amounting to 6.7 million euros correspond to hedging instruments settled before maturity (3.4 million euros at September 30, 2020) and, therefore, changes in their value are not recorded in Equity as they are not considered hedging transactions.

| Clearing house | Product | Total            |
|----------------|---------|------------------|
| EEX            | CAL- 21 | 6,408,099        |
| EEX            | CAL- 22 | 13,140           |
| EEX            | CAL- 23 | - 104,244        |
| EEX            | CAL- 24 | - 130,882        |
| EEX            | CAL-21  | - 18,906         |
| EEX            | CAL-22  | 4,380            |
| EEX            | JAN-21  | 26,486           |
| EEX            | Q1-21   | 569,248          |
| <b>Total</b>   |         | <b>6,767,322</b> |

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

|  | 12.31.2020       | 09.30.2020          |
|--|------------------|---------------------|
| Amount recognized in equity - Profit / (loss)                  | 5,003,515        | 2,091,980           |
| Amount recorded directly in income statement - Profit / (loss) | - 814,408        | - 16,992,543        |
| <b>Total</b>   | <b>4,189,108</b> | <b>- 14,900,563</b> |

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



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

16. Nature and extent of risks arising from financial instruments

Qualitative information

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

a) Credit risk

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

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

|                        | 12.31.2020        | 09.30.2020        |
|------------------------|-------------------|-------------------|
| Not due                | 19,143,355        | 20,252,983        |
| Past due, not impaired |                   |                   |
| Less than 30 days      | 421,000           | 481,708           |
| 30 – 60 days           | 883,000           | 723,426           |
| More than 60 days      | 7,035,763         | 6,285,763         |
|                        | <b>27,483,118</b> | <b>27,743,880</b> |
| Doubtful receivables   | 3,971,123         | 3,216,779         |
| Impairment losses      | - 3,971,123       | - 3,216,779       |
| <b>Total</b>           | <b>27,483,118</b> | <b>27,743,880</b> |

b) Liquidity risk

In order to ensure ongoing liquidity and the ability to service all payment commitments arising from its activity, the Group holds the cash balances reflected in the balance sheet and the credit lines detailed in the note about financial institutions (Note 13b).

c) Market risk

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



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

Neither cash nor interest-bearing debt are exposed to interest rate risk, since almost the entire interest-bearing debt is linked to fixed interest rates. However, it is estimated that in no case will they have a negative impact on the financial results or cash flows.

As for the market price risk of energy, the Parent Company's policy is to arrange hedging financial instruments to minimize fluctuations in the Megawatt-hour (MWh) market price of energy (Note 15) and thus ensure trade margin.

17. Taxes

The breakdown of this heading in the consolidated financial statements at December 31, 2020 and September 30, 2020 is as follows:

| <b>12.31.2020</b>                   |                  |                  |                  |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|
| Item                                | Debit balances   |                  | Credit balances  |                  |
|                                     | Non-current      | Current          | Non-current      | Current          |
| Value Added Tax                     | -                | 1,667,951        | -                | 665,608          |
| Canary Islands general indirect tax | -                | 82,1974          | -                | 41,579           |
| Current income tax assets           | -                | 8,224            | -                | -                |
| Deferred tax assets                 | 3,185,414        | -                | -                | -                |
| Deferred tax liabilities            | -                | -                | 1,667,838        | -                |
| Electricity tax                     | -                | -                | -                | 784,549          |
| Gas tax                             | -                | -                | -                | 35,247           |
| Personal income tax                 | -                | -                | -                | 160,434          |
| Social security agencies            | -                | -                | -                | 215,417          |
|                                     | <u>3,185,414</u> | <u>1,684,399</u> | <u>1,667,838</u> | <u>1,902,834</u> |



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

| 09.30.2020                          |                  |                  |                 |                  |
|-------------------------------------|------------------|------------------|-----------------|------------------|
|                                     | Debit balances   |                  | Credit balances |                  |
|                                     | Non-current      | Current          | Non-current     | Current          |
| Value added tax                     | -                | 1,346,676        | -               | 908,270          |
| Canary Islands general indirect tax | -                | 30,002           | -               | -                |
| Deferred tax assets                 | 2,830,715        | -                | -               | -                |
| Deferred tax liabilities            | -                | -                | 697,327         | -                |
| Current income tax liabilities      | -                | 1,809            | -               | -                |
| Electricity tax                     | -                | -                | -               | 761,941          |
| Gas tax                             | -                | -                | -               | 7,869            |
| Personal income tax                 | -                | -                | -               | 136,849          |
| Social security agencies            | -                | -                | -               | 199,185          |
| <b>Total</b>                        | <b>2,830,715</b> | <b>1,378,487</b> | <b>697,327</b>  | <b>2,014,115</b> |

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

|   | 12.31.2020      |                 | 09.30.2020        |                   |
|---|-----------------|-----------------|-------------------|-------------------|
|   | Tax accrued     | Tax payable     | Tax accrued       | Tax payable       |
| Profit/(loss) before income tax               | -1,427,371      | -1,427,371      | -1,862,605        | -1,862,605        |
| Adjustments to profit/(loss)                  |                 |                 |                   |                   |
| Permanent differences                         | 579,771         | 579,771         | -1,179,938        | -1,179,938        |
| Temporary differences                         |                 |                 |                   |                   |
| <b>Tax result</b>                             | <b>-847,600</b> | <b>-847,600</b> | <b>-3,042,543</b> | <b>-3,042,543</b> |
| Total tax liability (25% of tax result)       | 211,900         | 211,900         | 760,636           | 760,636           |
| Deductions                                    | 142,798         |                 | 386,758           |                   |
| <b>Net tax payable</b>                        | <b>354,698</b>  | <b>-</b>        | <b>1,147,394</b>  | <b>760,636</b>    |
| Withholdings and payments on account          | -               | -6,418          | -                 | -                 |
| <b>Income tax expense / Income tax refund</b> | <b>354,698</b>  | <b>-6,418</b>   | <b>1,147,394</b>  | <b>-</b>          |



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

Deferred tax assets recorded

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

| Item   | 12.31.2020       |          | 09.30.2020       |             |
|--|------------------|----------|------------------|-------------|
|  | Amount           | Maturity | Amount           | Maturity    |
| Tax credits related to unused tax loss carryforwards | 1,512,112        | -        | 1,190,687        | No maturity |
| <b>Unused deductions:</b>                            |                  |          |                  |             |
| 2014 deduction for investment profit                 | -                | 2029     | 29,604           | 2029        |
| 2011 deduction for IT                                | 1,482            | 2026     | 1,482            | 2026        |
| 2012 deduction for IT                                | 1,978            | 2027     | 1,978            | 2027        |
| 2013 deduction for IT                                | 4,678            | 2028     | 4,678            | 2028        |
| 2014-15 deduction for IT                             | 140,124          | 2029     | 60,298           | 2029        |
| 2015-16 deduction for IT                             | 139,947          | 2030     | 282,753          | 2030        |
| 2016-17 deduction for IT                             | 297,887          | 2031     | 297,887          | 2031        |
| 2017-18 deduction for IT                             | 259,636          | 2032     | 259,636          | 2032        |
| 2018-19 deduction for IT                             | 282,991          | 2033     | 282,991          | 2033        |
| 2019-20 deduction for IT                             | 384,843          | 2034     | 384,843          | 2034        |
| 3Q 2020 deduction for IT                             | 142,798          | 2035     |                  |             |
| 2014-15 deduction for donation                       | -                | 2030     | 729              | 2030        |
| 2016-17 deduction for donation                       | -                | 2031     | 4,200            | 2031        |
| 2017-18 deduction for donation                       | -                | 2032     | 4,350            | 2032        |
| 2018-19 deduction for donation                       | -                | 2033     | 7,659            | 2033        |
| <b>Temporary differences</b>                         | -                |          |                  |             |
| 2013-19 Amortization (25%)                           | 16,938           | 2025-33  | 16,939           | 2025-33     |
| <b>Total</b>   | <b>3,185,414</b> |          | <b>2,830,715</b> |             |

Technological innovation deductions derive from the technological transformation project that the Parent Company is developing (Note 5) and independent experts have certified that they meet the R&D&i requirements set forth in article 35 of Law 27/2014, of November 27, on the Income Tax.

The deferred tax assets have been recognized in the balance sheet due to the Parent Company's Directors' belief, based on the best estimate of future profits, that it is expected that these assets will be recovered by the Parent Company and also by the subsidiaries Clidom Solar, SL. and Clidomer Unipessoal LDA.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

Deferred tax liabilities recognized

The breakdown of this account, which corresponds entirely to the Parent Company, is as follows:

|                          | <b>12.31.2020</b> | <b>09.30.2020</b> |
|--------------------------|-------------------|-------------------|
| Deferred tax liabilities |                   |                   |
| Hedging transactions     | 1,667,838         | 697,327           |
| <b>Total</b>             | <b>1,667,838</b>  | <b>697,327</b>    |

Years open to inspection and tax inspections

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the four-year inspection period has expired. The Parent Company's directors consider that all applicable taxes have been duly paid so that even in the event of discrepancies in the interpretation of prevailing tax legislation with respect to the treatment applied, the resulting potential tax liabilities, in the event that they materialize as a result of a tax inspection, would not have a material impact on the consolidated financial statements for the 3-month period ended December 31, 2020.

18. Income and expenses

a) Revenue

The distribution of revenue by activity and geographical segments is as follows:

| <b>Activities</b>             | <b>12.31.2020</b> | <b>09.30.2020</b>  |
|-------------------------------|-------------------|--------------------|
| Marketing of electricity      | 47,330,573        | 182,849,869        |
| Marketing of gas              | 4,397,315         | 12,304,925         |
| Representation of electricity | 16,564,309        | 38,399,992         |
| Self-consumption sales        | 816,406           | 2,423,246          |
|                               | <b>69,108,603</b> | <b>235,978,032</b> |

Revenue has been entirely generated in Spain, except for 963 thousand euros (878 thousand euros at September 30, 2020) corresponding to electricity representation in Portugal.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

b) Energy consumption

| <i>Net purchases</i>                            | <i>12.31.2020</i> | <i>09.30.2020</i> |
|---|-------------------|-------------------|
| Purchases of electricity from the market        | 39,712,558        | 140,639,775       |
| Purchases of gas from the market                | 4,141,595         | 10,412,706        |
| Purchases of electricity for representation     | 16,570,084        | 38,335,920        |
| Cost of financial derivatives                   | 997,072.38        | 16,992,543        |
| Purchase of material for self-consumption sales | 712,103           | 2,121,094         |
|   | 62,133,412        | 208,501,169       |

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

c) Employee benefits expense

Only the Parent Company has employees. Neither of the subsidiaries has employees and they are all managed directly from the parent.

|                                     | <i>12.31.2020</i> | <i>09.30.2020</i> |
|-------------------------------------|-------------------|-------------------|
| Wages and salaries                  | 2,024,772         | 7,902,868         |
| Social Security paid by the company | 573,164           | 2,041,022         |
| <b>Total</b>                        | <b>2,597,937</b>  | <b>9,943,890</b>  |

d) External services

|   | <i>12.31.2020</i> | <i>09.30.2020</i> |
|---|-------------------|-------------------|
| Leases (*)                                  | 119,415           | 459,400           |
| Repairs and maintenance                     | 195,130           | 711,033           |
| Independent professional services           | 1,646,926         | 4,979,032         |
| Insurance premiums                          | 68,437            | 151,003           |
| Bank services                               | 124,976           | 554,676           |
| Publicity, advertising and public relations | 1,181,723         | 7,290,636         |
| Utilities                                   | 221,528           | 573,319           |
| Other services                              | 296,261           | 846,310           |
| <b>Total</b>                                | <b>3,854,450</b>  | <b>15,565,408</b> |

(\*) note 7.1 (leases)



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

e) Depreciation and amortization

|                               | <b>12.31.2020</b> | <b>09.30.2020</b> |
|-------------------------------|-------------------|-------------------|
| Property, plant and equipment | 34,622            | 137,632           |
| Intangible assets             | 1,280,431         | 3,682,601         |
| <b>Total</b>                  | <b>1,315,054</b>  | <b>3,820,234</b>  |

f) Other gains/(losses)

|                        | <b>12.31.2020</b> | <b>09.30.2020</b> |
|------------------------|-------------------|-------------------|
| Non-recurring expenses | 552,076           | 1,384,269         |
| (Non-recurring income) | -11,275           | -443,584          |
| <b>Total</b>           | <b>540,802</b>    | <b>940,685</b>    |

Other gains/(losses) include penalties and fines, as well as adjustments to balance sheet balances.

g) Finance costs

|  | <b>12.31.2020</b> | <b>09.30.2020</b> |
|--|-------------------|-------------------|
| Interest on payables   | 150,039           | 556,835           |
| Interest on discounted bills at other financial institutions | 3,232             | 4,489             |
|  | <b>153,272</b>    | <b>561,324</b>    |



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

h) Segment information

| <b>12.31.2020</b>                   | <b>Marketing<br/>(electricity &amp; gas)</b> | <b>Representation<br/>(electricity)</b> | <b>Self<br/>consumption</b> | <b>TOTAL</b> |
|-------------------------------------|--|---|-----------------------------|--------------|
| Revenue                             | 51,727,888                                   | 16,564,309                              | 816,406                     | 69,108,603   |
| Work performed and capitalized      | 870,644                                      | -                                       | -                           | 870,644      |
| Cost of sales                       | -44,851,225                                  | -16,570,084                             | -712,103                    | -62,133,412  |
| Employee benefits expense           | -2,597,937                                   | -                                       | -                           | -2,597,937   |
| Other operating income and expenses | -4,039,474                                   | -22,425                                 | -604,254                    | -4,666,153   |
| Other gains and losses              | -539,828                                     | -                                       | -974                        | -540,802     |
| Depreciation and amortization       | -1,312,547                                   | -                                       | -2,507                      | -1,315,054   |
| OPERATING PROFIT/(LOSS)             | -742,480                                     | -28,200                                 | -503,433                    | -1,274,111   |
| FINANCE RESULT                      | -139,093                                     | -5,498                                  | -8,668                      | -153,260     |
| PROFIT/(LOSS) BEFORE TAX            | -881,573                                     | -33,699                                 | -512,101                    | -1,427,371   |
| Segment assets                      | 105,980,296                                  | 1,665,953                               | 2,977,798                   | 110,624,047  |
| Segment liabilities                 | 105,980,296                                  | 1,665,953                               | 2,977,798                   | 110,624,047  |

| <b>09.30.2020</b>                   | <b>Marketing<br/>(electricity &amp; gas)</b> | <b>Representation<br/>(electricity)</b> | <b>Self<br/>consumption</b> | <b>TOTAL</b> |
|-------------------------------------|--|---|-----------------------------|--------------|
| Revenue                             | 195,154,794                                  | 38,399,992                              | 2,423,246                   | 235,978,032  |
| Work performed and capitalized      | 3,335,979                                    | -                                       | -                           | 3,335,979    |
| Cost of sales                       | -168,045,024                                 | -38,335,051                             | -2,121,094                  | -208,501,169 |
| Employee benefits expense           | -9,943,890                                   | -                                       | -                           | -9,943,890   |
| Other operating income and expenses | -14,993,820                                  | -37,950                                 | -2,374,632                  | -17,406,402  |
| Other gains and losses              | -924,423                                     | -50,799                                 | 22                          | -975,200     |
| Depreciation and amortization       | -3,813,722                                   | -                                       | -6,512                      | -3,820,234   |
| OPERATING PROFIT/(LOSS)             | 769,894                                      | -23,808                                 | -2,078,970                  | -1,332,884   |
| FINANCE RESULT                      | -465,942                                     | -30,017                                 | -33,761                     | -529,721     |
| PROFIT/(LOSS) BEFORE TAX            | 303,952                                      | -53,825                                 | -2,112,731                  | -1,862,605   |
| Segment assets                      | 90,785,058                                   | 1,602,698                               | 2,757,786                   | 95,145,542   |
| Segment liabilities                 | 90,785,058                                   | 1,602,698                               | 2,757,786                   | 95,145,542   |



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

19. Information on environmental issues

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

Consequently, there have been no environmental investments during the period comprised between October 1, 2020 and December 31, 2020.

20. Related-party transactions

Company transactions with related parties in the 3-month period ended December 31, 2020, as well as the nature of the relationship, were as follows:

| <u>Related party</u>                         | <u>Nature of the relationship</u> |
|--|-----------------------------------|
| Carlota Pi Amorós                            | Shareholder and Director          |
| Ferran Nogué Collgròs                        | Shareholder and Director          |
| Oriol Vila Grifoll                           | Shareholder and Director          |
| Carles Leg Clos                              | Shareholder                       |
| Fondo Axon ICT III, FCR de Rég. Simplificado | Shareholder                       |
| Axon Capital e Inversiones                   | Shareholder and Director          |
| Geroa Pentsioak                              | Shareholder and Director          |

a) Directors and senior executives

The remuneration earned by the members of the Parent Company's Board of Directors for the 3-month period ended December 31, 2020 amount to 156 thousand euros (635 thousand euros at September 30, 2020). Senior executive duties are carried out by the members of the Board of Directors.

At December 31, 2020 and September 30, 2020 the Parent Company had no pension plans or life insurance policies for former or current members of the Board of Directors.

At December 31, 2020 and September 30, 2020 no advances or loans had been given to senior executives or members of the Board of Directors, nor had the Company given any guarantees on their behalf.

At December 31, 2020 the Parent Company's Directors' liability insurance premiums for damages arising in the performance of the Directors' duties have been paid for an amount of 10.5 thousand euros (8.5 thousand euros at 2019-20 year end).

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



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

21. Other information

The Group's average headcount by categories, and the breakdown of headcount by gender at year end, is as follows:

| December 31, 2020            |                          |                  |              |                                   |
|------------------------------|--------------------------|------------------|--------------|-----------------------------------|
| <u>Professional Category</u> | <u>Average headcount</u> | <u>Employees</u> |              |                                   |
|                              |                          | <u>Men</u>       | <u>Women</u> | <u>Disabled employees &gt;33%</u> |
| Directors                    | 3                        | 2                | 1            | -                                 |
| Production personnel         | 149                      | 71               | 78           | 4                                 |
| Sales personnel              | 48                       | 30               | 18           | 1                                 |
| Administrative personnel     | 31                       | 9                | 22           | -                                 |
| <b>Total</b>                 | <b>231</b>               | <b>112</b>       | <b>119</b>   | <b>5</b>                          |

| 09.30.2020                   |                          |                  |              |                                   |
|------------------------------|--------------------------|------------------|--------------|-----------------------------------|
| <u>Professional Category</u> | <u>Average headcount</u> | <u>Employees</u> |              |                                   |
|                              |                          | <u>Men</u>       | <u>Women</u> | <u>Disabled employees &gt;33%</u> |
| Directors                    | 3                        | 2                | 1            | -                                 |
| Production personnel         | 137                      | 65               | 71           | 4                                 |
| Sales personnel              | 37                       | 28               | 14           | 1                                 |
| Administrative personnel     | 21                       | 3                | 21           | -                                 |
| <b>Total</b>                 | <b>197</b>               | <b>98</b>        | <b>107</b>   | <b>5</b>                          |

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

The fees accrued for the audit services provided by the auditors of the Parent Company at December 31, 2020 have amounted to 55 thousand euros (95 euros in the year ended September 30, 2020).

Additionally, the fees accrued for other services provided by the auditors of the Company in the year ended September 30, 2020 amounted to 273.2 thousand euros (13.7 thousand euros for tax services, 258 thousand euros for services related to the IPO on BME Growth and 3 thousand euros for other services).

22. Subsequent events

No significant additional subsequent events have occurred.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements for the 3-month period ended**  
**December 31, 2020**

AUTHORIZATION FOR ISSUE BY THE PARENT COMPANY'S MANAGEMENT BODY OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH PERIOD ENDED DECEMBER 31, 2020

Pursuant to prevailing legislation, the consolidated financial statements for the year ended December 31, 2020 have been authorized for issue by the Directors of HOLALUZ-CLIDOM, S.A.

Additionally, the Directors hereby confirm that they have put their handwritten signature to the aforementioned documents by signing this single-sided page that accompanies the consolidated financial statements, which have been drawn up from page 1 to page 43.

Barcelona, March 24, 2021

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

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

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

\_\_\_\_\_  
Axon Capital e Inversions  
Represented by  
Mr. Alfonso Juan de León Castillejo

\_\_\_\_\_  
Ms. Isabela Pérez Nivelá

\_\_\_\_\_  
Mr. Enrique Tellado Nogueira

\_\_\_\_\_  
Geroa Pensioak  
Represented by  
Ms. Virginia Oregi Navarrete