soltec

Q1 2024 TRADING UPDATE

18 June 2024

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The financial information contained in this document has not been audited. EY has performed an Agreed Upon Procedures review on a sample of Soltec Energías Renovables' first quarter turnover.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the businesses included and the local accounting principles applicable in our subsidiaries in those geographies. Consequently, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

This document contains certain financial measures of the Company that are not based on International Financial Reporting Standards (IFRS), but rather on its accounting records, which the Company considers as alternative performance measures (APMs) as defined in the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures of 5 October 2015. Accordingly, the APMs have not been and will not be audited or reviewed by our auditors.

DISCLAIMER

The Company understands that alternative performance measures should be considered by users of financial information as complementary to the magnitudes presented in accordance with the presentation bases of the consolidated annual accounts, but in no case as substitutes for them. The Company is not responsible for the decisions that users make based on alternative performance measures. These measures should not be considered as alternatives to those established in accordance with IFRS, have a limited use as analysis tools, should not be considered in isolation, and may not be indicative of operating results.

Other companies, including some in our industry, may calculate such measures differently, reducing their usefulness for comparison purposes. The audited semi-annual and annual Results Report issued by the Company and this document include a list and definition of alternative performance measures (APMs).

The definition and classification of the backlog and pipeline (project portfolio) of the industrial division and photovoltaic project development division may not necessarily be the same as that used by other companies engaged in similar businesses. Therefore, Soltec's estimated pipeline capacity may not be comparable to the estimated pipeline capacity disclosed by those other companies. Likewise, given the dynamic nature of the pipeline, Soltec's pipeline is subject to both changes without notice and based on certain projects classified in a certain pipeline category, as previously identified, they could be reclassified in another pipeline category or could be discontinued in case of unexpected events, which may be beyond Soltec's control and will be periodically reported in communications relating to business operational information.

This document includes forward-looking statements, which are based on current expectations, projections and assumptions about future events. These forward-looking statements include all matters that are not historical facts. The words "believe", "expect", "anticipate", "intends", "estimate", "forecast", "project", "plan", "will", "should", "target", "pipeline", "plan", "will", "may" and similar expressions identify forward-looking statements. Other forward-looking statements can be identified from the context in which they are made. These forward-looking statements, as well as those included in any other information discussed in this document, are subject to known or unknown risks, uncertainties and assumptions about the Company, its investments and its business strategy, regarding, among other matters, relevant industry, regulatory and economic trends and the Company's ability to successfully fund and carry out its strategic plan, meet its targets and deliver on its pipeline. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur and actual results, performance or achievements may materially differ from any future results, performance or achievements that may be expressed or implied in this document. No representation or warranty is made that any forward-looking statement will come to pass. Forward-looking statements speak as of the date of this document and no one undertakes to publicly update or revise any such forward-looking statement, whether as a result of new information, future events or otherwise. None of the Company, its subsidiaries or affiliates, or any of their respective directors, officers, employees, advisers or agents, accepts any responsibility or liability whatsoever or makes any representation or warranty, expressed or implied, as to the truthfulness, fairness, accuracy, completeness or verification of such information. Accordingly, undue reliance should not be placed on any forward-looking statement contained in this document.

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AGENDA

Q1 2024
TRADING UPDATE

01

KEY HIGHLIGHTS

KEY HIGHLIGHTS

BEST Q1 PERFORMANCE IN THE HISTORY OF SOLTEC

- **Record revenues** in a first quarter, with **+58% growth YoY** up to €121 Mn.
- **EBITDA** reached **€11 Mn** with a positive contribution from both divisions.
- **Net profit** of **€1.3 Mn.**

STRONG OPERATING PERFORMANCE IN BOTH DIVISIONS

STRONG VOLUMES AND MARGINS IN THE TRACKERS DIVISION

- 813 MW supplied in Q1 2024.
- Gross margins in the trackers supply business remain high (24%).
- Backlog of €619 Mn provides good visibility on the company's revenues.

PORTFOLIO EVOLVING IN THE ENERGY DIVISION

- Adding YTD 4.9 MW of new capacity under operation, reaching 234 MW of operating assets.
- 40 MW under construction + 326 MW in pre-construction YTD.
- 13 GW pipeline of projects under development.

A NEW MANAGEMENT STRUCTURE to be proposed to the AGM:

- Mariano Berges as CEO.
- Raúl Morales remains as Executive Chairman.

Q1 2024 INCREASING VOLUMES AND PROFITABILITY

KEY FINANCIAL METRICS

€ Mn	Q1 2024	Q1 2023	*Chg.*	
Revenues	121.0	76.8	*+44.2*	58%
Adj. EBITDA	11.0	(4.6)	*+15.6*	
Net Profit	1.3	(9.6)	*+10.9*	

TRACKERS

	Q1 2024
Backlog	€619 Mn
Pipeline	€16.8 Bn
Trackers supplied Q1 2024	813 MW
EBITDA margin	5.7%

ENERGY

	Q1 2024
Pipeline	13 GW
Assets rotated Q1 2024	400 MW
Assets under operation	234 MW
Energy sales	€3 Mn

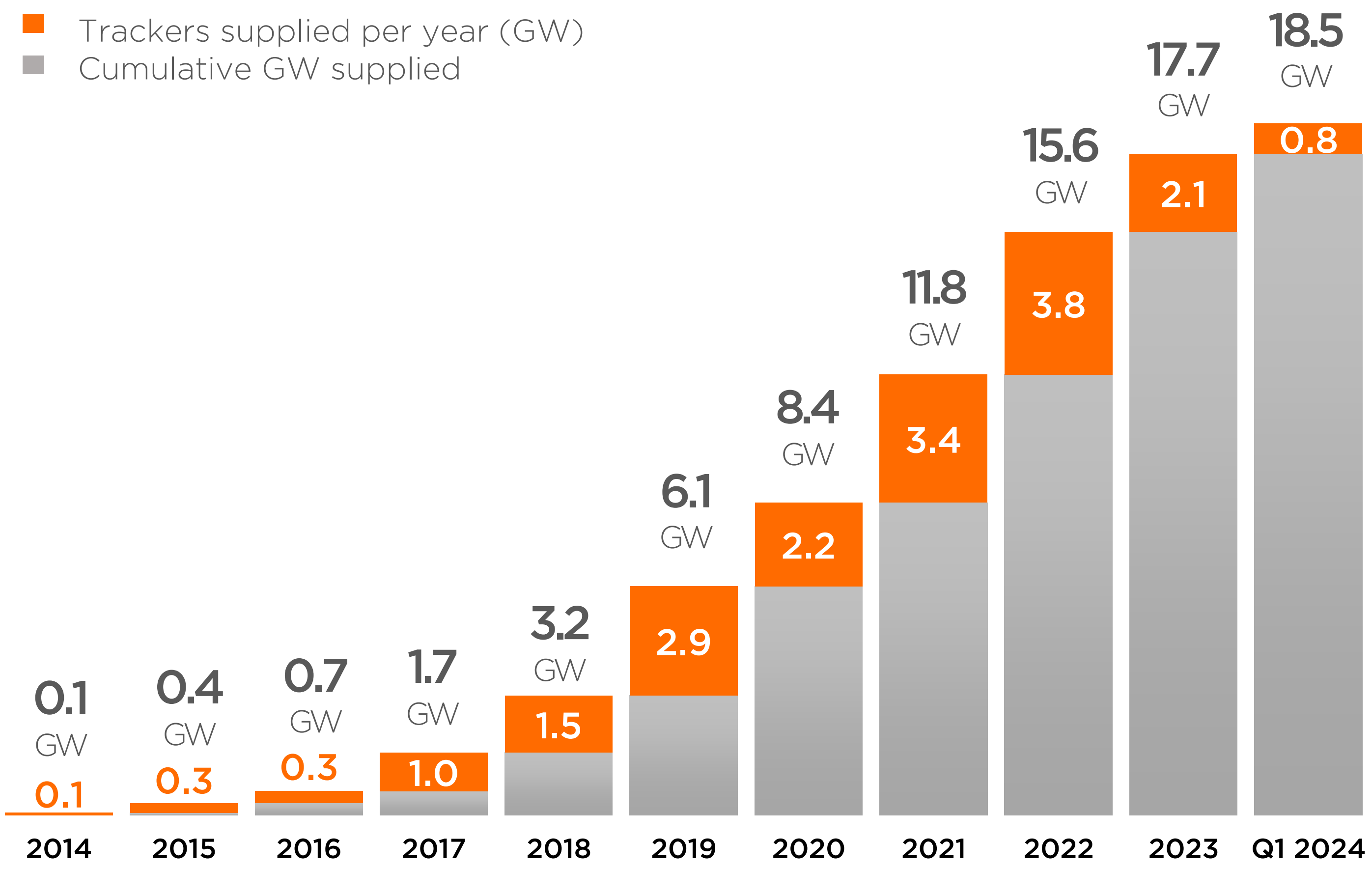
02

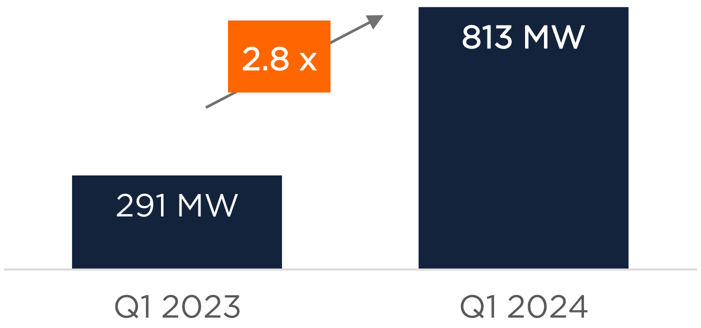
BUSINESS UPDATE

TRACKERS

TRIPLING THE TRACKERS SUPPLIED VOLUMES YOY

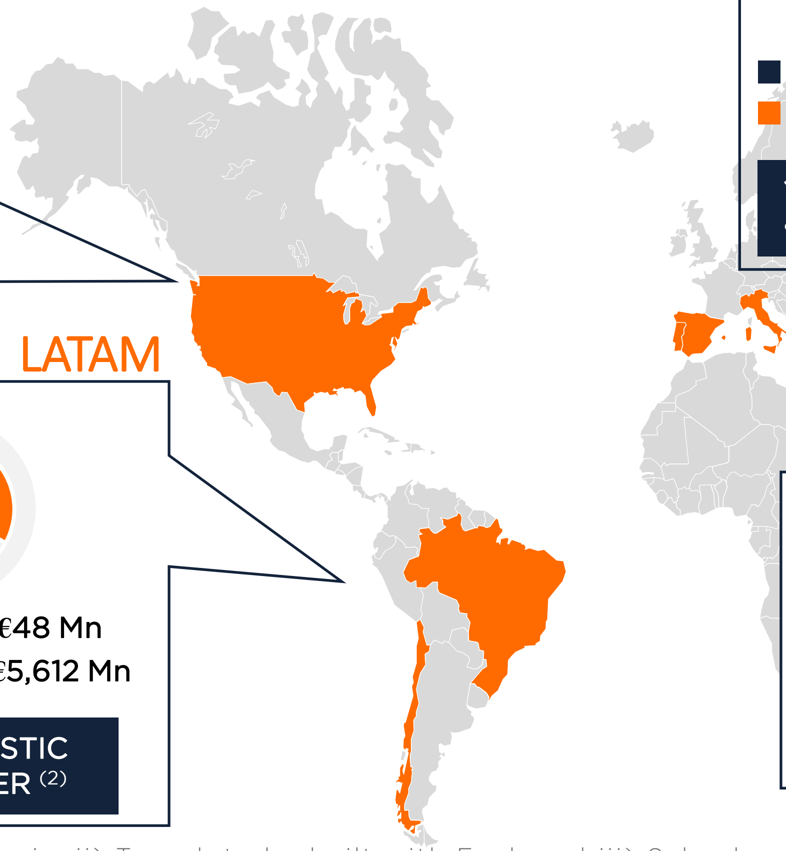
813 MW OF TRACKERS SUPPLIED IN Q1 2024





STRONG POSITIONING OF THE TRACKER BUSINESS

DIVERSIFICATION BY COUNTRY



USA

- MW supplied: **252 MW**
- Revenues: **€39 Mn**
- Backlog: **€72 Mn**
- Pipeline: **€5,458 Mn**

1 LOGISTIC CENTER (2)

NEW SUPPLY AGREEMENTS

LATAM

- MW supplied: **245 MW**
- Revenues: **€38 Mn**
- Backlog: **€48 Mn**
- Pipeline: **€5,612 Mn**

1 PRODUCTION FACILITY (1)

1 LOGISTIC CENTER (2)

EUROPE

- MW supplied: **317 MW**
- Revenues: **€40 Mn**
- Backlog: **€499 Mn**
- Pipeline: **€3,745 Mn**

2 PRODUCTION FACILITIES (1)

1 LOGISTIC CENTER (2)

OTHERS

- Revenues: **€0.1 Mn**
- Pipeline: **€1,946 Mn**

(1) Production facilities located in Spain and Brazil: i) Murcia; ii) Teruel, to be built with Enel, and iii) Salvador; (2) Logistic centers located in Spain, United States and Brazil

BACKLOG AND PIPELINE

STRONG AND WELL DIVERSIFIED OPERATIONAL INDICATORS

€619 Mn BACKLOG (1) | **€16,761 Mn** PIPELINE (2)

UNITED STATES

UNITED STATES
Backlog: €72 Mn
Pipeline: €5,458 Mn

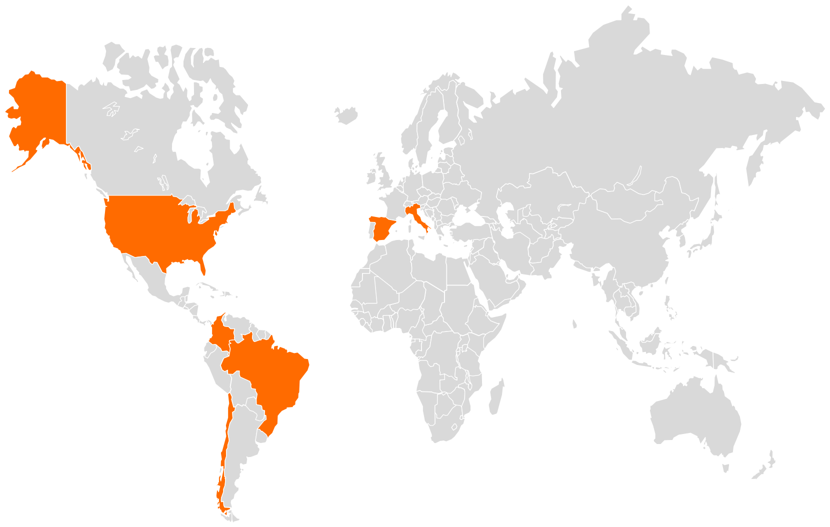
LATAM

BRAZIL
Backlog: €29 Mn
Pipeline: €4,805 Mn

CHILE
Backlog: €6 Mn
Pipeline: €227 Mn

COLOMBIA
Backlog: €10 Mn
Pipeline: €243 Mn

OTHER
Backlog: €3 Mn
Pipeline: €337 Mn



EUROPE

SPAIN
Backlog: €339 Mn
Pipeline: €2,165 Mn

ITALY
Backlog: €146 Mn
Pipeline: €1,115 Mn

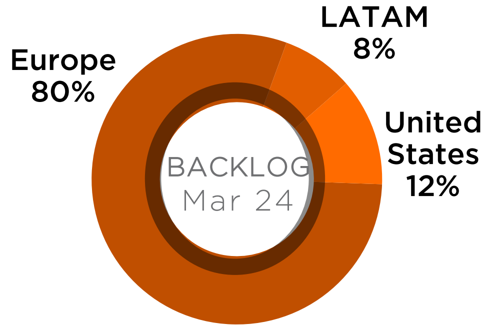
PORTUGAL
Backlog: €14 Mn
Pipeline: €182 Mn

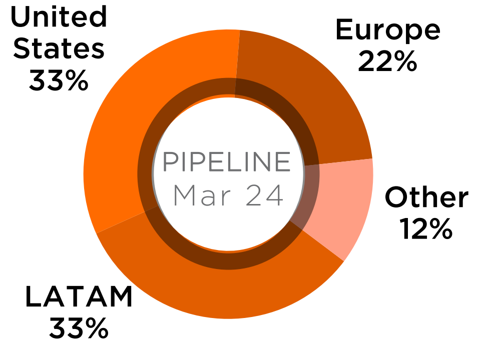
OTHER
Pipeline: €282 Mn

REST OF THE WORLD

MIDDLE EAST & AFRICA
Pipeline: €1,117 Mn

ASIA PACIFIC
Pipeline: €829 Mn





(1) Backlog: : Contracts signed pending execution. Backlog includes executed contracts or purchase orders and specific bills of materials for EPCs, and Volume Commitment Agreements.
(2) Pipeline: Future potential contracts (not signed) with a certain probability of success

REINFORCING OUR POSITIONING IN THE US

Alma Miller
New CEO Soltec Trackers Inc

LOCAL TEAM	OFFICE IN FLORIDA	LOGISTIC CENTER IN TEXAS

SUPPLY CHAIN SECURED	STATE OF THE ART TECHNOLOGY 1P & 2P TRACKERS

NEW AGREEMENTS
With key suppliers

INCREASING REVENUES UP TO 50%

REVENUES Q1 2024

REVENUES TARGET

252 MW SUPPLIED IN Q1 2024	2.6 GW TRACK-RECORD IN THE U.S.
€72 Mn BACKLOG	€5,458 Mn PIPELINE

INTRODUCING A NEW SOLAR TRACKER

A unique solution for large-scale solar projects:

- **125 meters length**
  The largest dual-row system from Soltec.
- **Terrain adaptability**
  Minimizes the need for civil works.

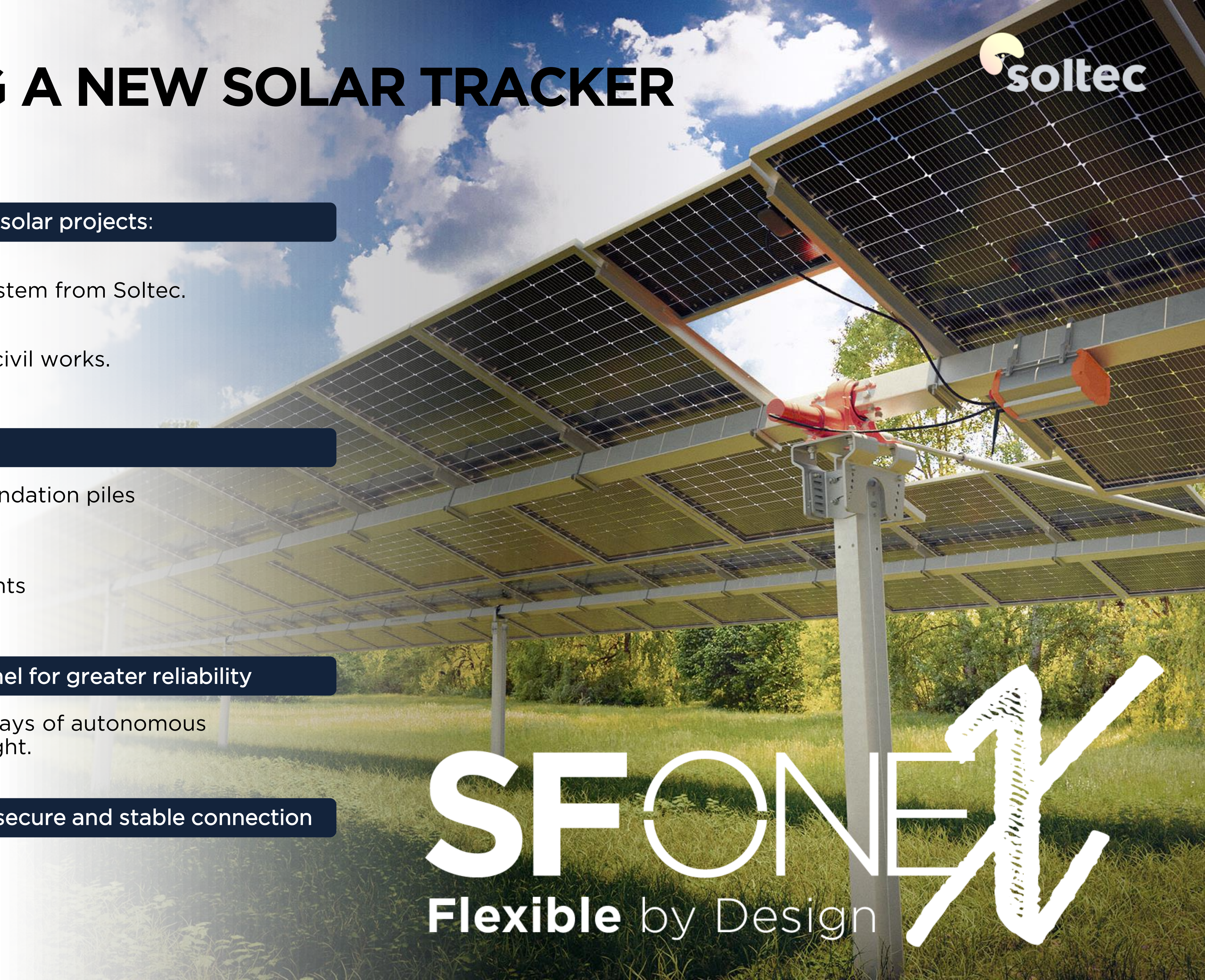
Cost-effective solution

- Reduced number of foundation piles
- Pre-assembled sets
- Standardized components

Self-powered with dedicated panel for greater reliability

- Guarantees up to four days of autonomous operation without sunlight.

Full-wireless communication for secure and stable connection



TAILORMADE AND INNOVATIVE SOLUTIONS

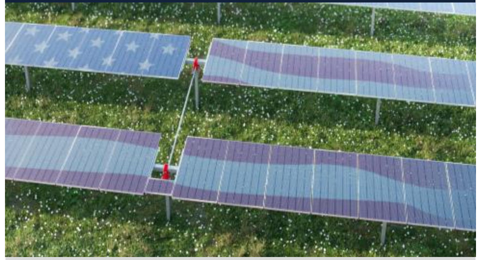
soltec

Trackers 1-in-Portrait

SFONE

- SIMPLIFIED ENGINEERING
  5% fewer piles then competitive trackers.
- ROBUSTNESS
  Design for longer 72 and 78 cell modules.
- TERRAIN ADAPTABILITY
  Adapted to extreme orographic and meteorological conditions.
- FAST AND EASY INSTALLATION
  40% reduction in assembly time.

SFONE-USA



TAILORED FOR U.S. PROJECTS

- Reduced number of components: pre-assembled sets and simpler installation.
- Dual-row tracker with 50% less of electronics and motors.
- Adaptation to different terrains, slopes and soil types.

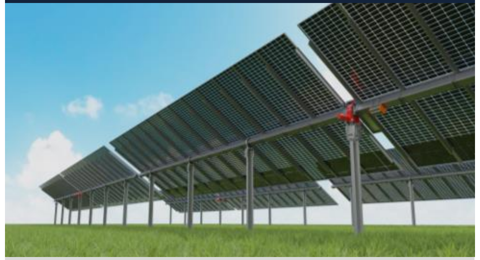
SFONEX

THE LONGEST LENGTH TAILORED FOR LARGE-SCALE PROJECTS

- Reduced number of components: pre-assembled sets and simpler installation.
- Dual-row tracker with 50% less of electronics and motors.
- Adaptation to different terrains, slopes and soil types.

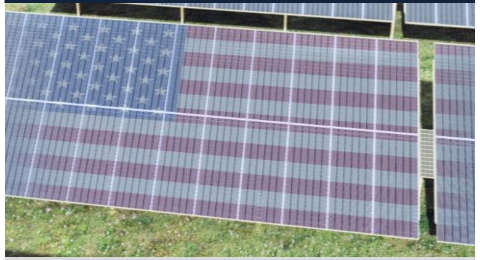
Trackers 2-in-Portrait

SF7



- PRODUCTION DENSITY
  +5-6% production thanks to more backtracking gain.
- SIMPLIFIED ENGINEERING
  46% fewer piles per MW, 17% fewer parts and
  15% fewer screws.
- TERRAIN ADAPTABILITY
  Adapted to extreme orographic and meteorological conditions.
- FAST AND EASY INSTALLATION
  40% reduction in assembly time

SF7-USA



TAILORED FOR U.S. PROJECTS

- Adapts to steep slopes and narrow soils, with mounting tolerances ranging from 20 to 40 inches.
- Project installation simplified with pre-assembled components, reducing costs and saving time.
- Wireless communication designed to withstand low temperatures.

ALGORITHMS

DIFUSE BOOSTER
Maximize the performance of the solar plant when it is cloudy and capture up to 5.2% more energy.

BIFACIAL TRACKING
Searches for the optimal position of solar trackers in a PV plant increasing production by 0.30%.

TEAM TRACK
Tracking algorithm to maximize the production of the panels avoiding any shading, increasing production by 6.2%.

Dy-WIND
Most advanced design methodology for solar trackers to avoid wind issues. Certified by RWDI and CPP WIND.

ENERGY

A QUALITY PIPELINE UNDER DEVELOPMENT

12.6 GW PIPELINE OF PROJECTS UNDER DEVELOPMENT REACHING KEY MILESTONES IN A WELL DIVERSIFIED PORTFOLIO

YTD DATA

7.5 GW

- Spain: 782 MW
- Italy: 75 MW
- Romania: 156 MW
- Brazil: 4,755 MW
- Colombia: 1,239 MW
- Mexico: 375 MW
- USA: 100 MW

Probability of completion <30%
Land secured or in process, and/or feasibility study and business case performed

2.8 GW

- Spain: 411 MW
- Italy: 2,122 MW
- Brazil: 173 MW
- Colombia: 135 MW

Expected probability of completion 50%-80%:
Land secured and Interconnection rights granted

366 MW(1)

- Construction: 40 MW
- Pre-construction: 326 MW

Projects that already started construction or are in a pre-construction phase and notice to proceed has been given to the relevant EPC contractor.

1 IDENTIFIED OPPORTUNITIES | 2 EARLY STAGE | 3 ADVANCED STAGE | 4 BACKLOG | 5 UNDER CONSTRUCTION | 6 UNDER OPERATION

Expected probability of completion 30%- 50%
Land secured and application for interconnection submitted

- Spain: 708 MW
- Italy: 387 MW
- Brazil: 725 MW

1.8 GW

Expected probability of completion >90%:
Environmental assessments completed; land secured; Interconnection rights

- Spain: 6 MW
- Brazil: 488 MW

494 MW

Projects under operation

234 MW

PROJECT DEVELOPMENT

ASSET MANAGEMENT

(1) Includes capacity under construction and pre-construction.

ASSET ROTATION IN Q1 2024

P&L impact	Cash Flow impact
▪ EBITDA €3.9 Mn	▪ Cash-in Q1 2024: €1.1 Mn ▪ Remaining 2024: €3.3 Mn [1]

▪ Additional potential impacts linked to the achievement of certain technical milestones

EXTERNAL ASSET ROTATION

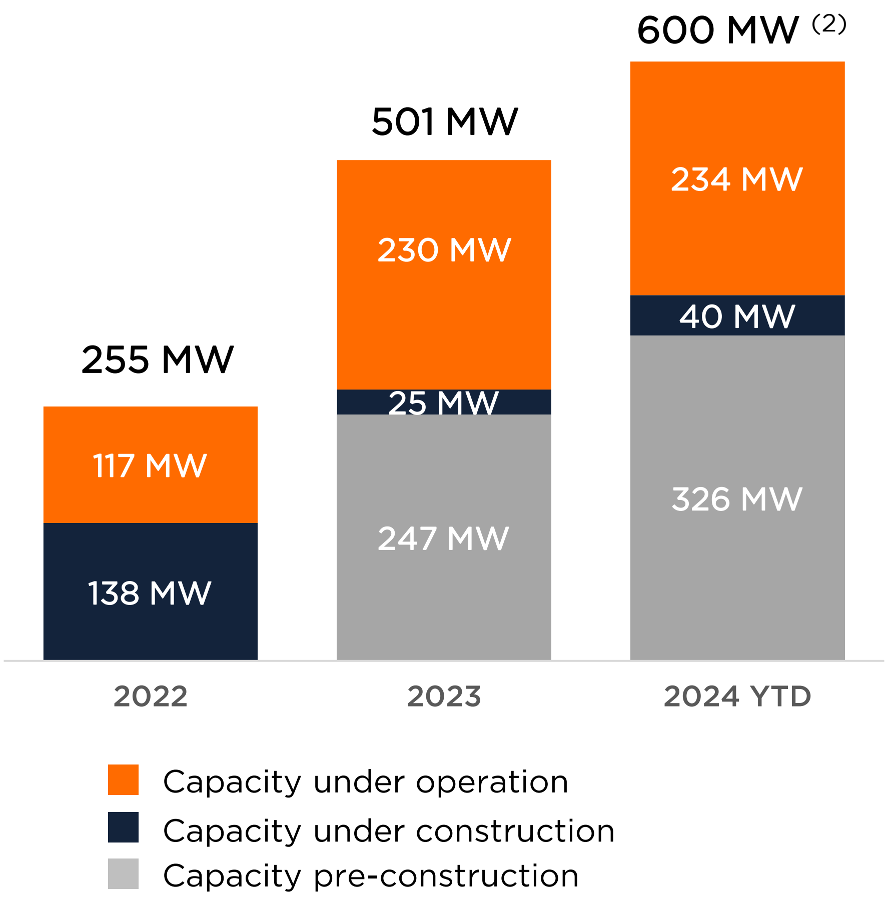
Country: Brazil	Capacity: 400 MW
Status: Early-stage project	Offtaker: Casa dos Ventos

(1) Deferred payment to be collected in FY 2024, not linked to any technical milestones.

ADDING NEW CAPACITY UNDER OPERATION

234 MW UNDER OPERATION AND 40 MW UNDER CONSTRUCTION

YTD DATA



CAPACITY UNDER OPERATION

- Pedranópolis 112.5 MW
- Araxá 112.5 MW
- La Asomada (1) 4.5 MW
- La Isla (1) 4.9 MW

CAPACITY UNDER CONSTRUCTION

- Los Valientes I & II (1) 14.9 MW
- Totana IV 5.5 MW
- El Romeral I & II (1) 20.0 MW

CAPACITY PRE- CONSTRUCTION

- Alumbres (1) 8.2 MW
- Fuente Alamo I & II (1) 19.9 MW
- San Pedro (1) 198.9 MW
- Balsicas (1) 99 MW

PROJECTS EVOLVING TO THE NEXT PHASE

(1) Ownership: 35%
(2) Weighted capacity by % ownership: 360 MW (228 MW under operation, 18 MW under construction and 114 MW in pre-construction).

ASSET MANAGEMENT EVOLVING AS EXPECTED

MOVING FORWARD IN THE OPERATION AND CONSTRUCION OF THE ASSETS

	UNDER OPERATION (3)				UNDER CONSTRUCTION (3)			PRE-CONSTRUCTION (3)			
	Pedranópolis	Araxá	La Asomada(1)	La Isla(1)	Los Valientes I&II(1)	Totana IV	El Romeral I&II(1)	Alumbres(1)	F. Álamo (1)	San Pedro(1)	Balsicas(1)
Capacity	112.5 MW	112.5 MW	4.5 MW	4.9 MW	14.9 MW	5.5 MW	20.0 MW	8.2 MW	19.9 MW	198.9 MW	99 MW
Ownership	100%	100%	35%	35%	35%	100%	35%	35%	35%	35%	35%
COD	Nov 2022	Feb 2023	Feb 2022	Apr 2024	Oct 2024	Jun 2024	2025	2025	2025	2026	2026
Status				ENGINEERING PROCUREMENT & DELIVERIES CONSTRUCTION TESTING % of progress				Construction expected to start in: Sep 2024	Sep 2024	Sep 2024	Sep 2024
PPA	180 BRL/MWh	180 BRL/MWh	Expected	Secured Tier 1 offtaker	Secured Tier 1 offtaker	54 €/MWh	Secured Tier 1 offtaker	Expected	Secured Tier 1 offtaker	Expected	Expected
Financing	Closed BNDES	Closed BNDES	Self-funded	Work in progress Expected 2024	Work in progress Expected 2024	Closed (2) Triodos B.	Work in progress Expected 2024	Work in progress - Expected 2024			

(1) Partnership with TotalEnergies. Ownership: 35%. (2) Project finance + financing from local communities (3) YTD

03

FINANCIAL UPDATE

SOLTEC (1)
INCOME STATEMENT HIGHLIGHTS

Q1 2024 VS. Q1 2023

€ Mn	Q1 2024	Q1 2023	*€ Mn Chg.*
Revenues	121.0	76.8	*+44.2*
Adj. EBITDA(2)	11.0	(4.6)	*+15.6*
Net Profit	1.3	(9.6)	*+10.9*

- Best Q1 performance in the history of Soltec.
- 58% increase in revenues YoY. Record revenues in a first quarter.
- Strong contribution in the first quarter from both divisions:
  - ✓ Trackers: Strong demand of solar trackers in the first quarter of the year with solid margins.
  - ✓ Energy: Rotation of a 400 MW project in Brazil and energy generation from the assets in operation in Brazil.

(1) Sum of the trackers and energy divisions may not match with Soltec consolidated figures due to consolidation adjustments and the impact of the corporate expenses of Soltec.
(2) Under the guidelines given by the CNMV - communicated on April 17th, 2023 - regarding alternative performance measures (APMs), Soltec promotes their usefulness and transparency, and contributes to an improvement in the comparability, reliability, and/or comprehensibility of APMs through their definition (provided on pages 35 & 36 of this document).

TRACKERS (1)
INCOME STATEMENT HIGHLIGHTS

Q1 2024 VS. Q1 2023

€ Mn	Q1 2024	Q1 2023	*€ Mn Chg.*
Revenues	117.4	71.3	*+46.1*
Adj. EBITDA(1)	6.6	(3.2)	*+9.8*
EBITDA Margin	*5.7%*	*(4.4%)*	*+10.1 b.p.*

- +65% increase in revenues in Q1 2024 with healthy volumes (813 MW supplied).
- Revenues geographically diversified with strong contribution from the US and Europe.
- Strong margins for the supply of trackers:
  - ✓ Tracker supply gross margin remains strong (24%).
  - ✓ Solid EBITDA margin of 5.7%. EBITDA margins expected to increase throughout the year.
- Good visibility for the coming quarters with a backlog of €619 Mn.

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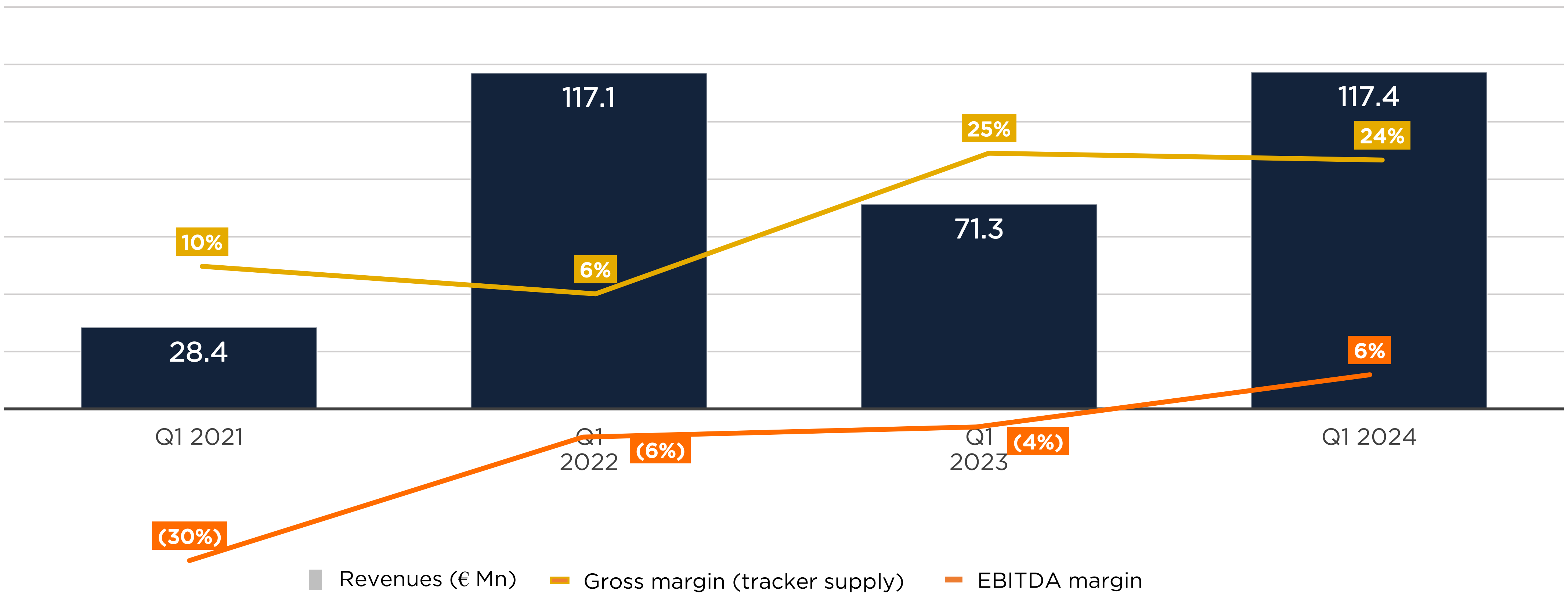
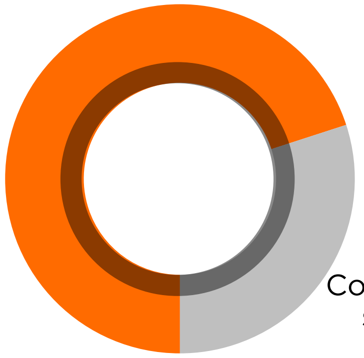
TRACKERS
EBITDA AND GROSS MARGINS

STRONG Q1 2024 WITH RECORD REVENUES AND SOLID MARGINS

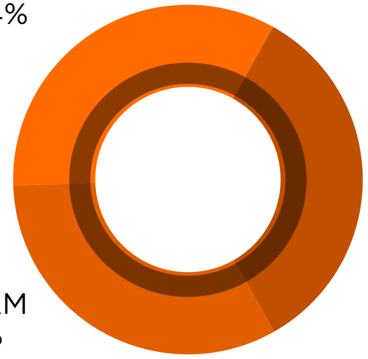


TRACKERS
REVENUE BREAKDOWN

REVENUE BREAKDOWN BY ACTIVITY



REVENUE BREAKDOWN BY GEOGRAPHY



HIGHLIGHTS

- **TRACKER SUPPLY**

Manufacture and supply of solar PV trackers account for 70% of revenues (813 MW vs 291 MW in 2023, +179% YoY growth).

- **CONSTRUCTION SERVICES**

Includes installation of solar trackers, balance-of-plant (BoP), EPC and O&M services. Construction services represented 30% of revenues and is expected to reduce its contribution to the division, offering the services just to premium clients or strategic accounts.

- **UNITED STATES**

34% of total revenues (252 MW of trackers supplied). The company expects to increase the contribution from the US up to 50% of total revenues of solar trackers in the coming years.

- **EUROPE**

34% of total revenues, mainly driven from Spain (25% of total revenues and 223 MW of trackers supplied).

- **LATAM**

33% of total revenues (245 MW of trackers supplied), mainly from Brazil (17% of total revenues).

ENERGY (1)
INCOME STATEMENT HIGHLIGHTS

Q1 2024 VS. Q1 2023

€ Mn	Q1 2024	Q1 2023	*€ Mn Chg.*
Revenues	3.2	5.5	*(2.3)*
Adj. EBITDA[1]	4.9	0.3	*+4.6*

€2.8 Mn Adj. EBITDA Development	**€2.1 Mn** Adj. EBITDA Asset Management

- **Energy sales**
  - ✓ 230 MW under operation in Brazil and Spain [2]
  - ✓ PPA 180 BRL/MWh
  - ✓ EBITDA: €2.1 Mn
- **Project development**
  - ✓ EBITDA: €2.8 Mn
  - ✓ Sale of a 400 MW project under development in Brazil to Casa dos Ventos
  - ✓ Ongoing asset rotation transactions (M&A) expected to be completed in 2024

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(2) Revenues correspond to the 225 MW in Brazil with 100% ownership.

NET DEBT

SOLTEC
31 March 2024

€ Mn

TRACKERS		ENERGY	
DEBT	94.1	DEBT LINKED TO PROJECTS	142.2
NET DEBT	75.8	NET DEBT	132.0

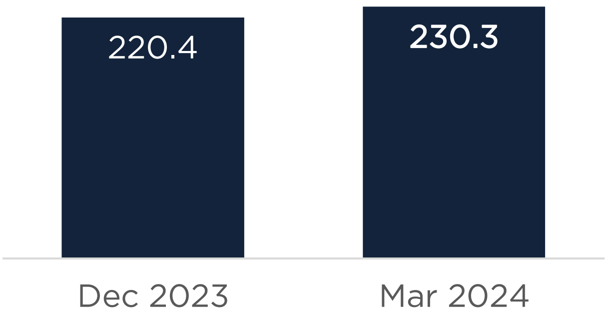
IFRS 16 (1)	22.5

GROSS FINANCIAL DEBT: 258.8

NET FINANCIAL DEBT: 230.3

NET DEBT PERFORMANCE

€ Mn



(1) Financial liabilities related to leases (IFRS 16).

SYNDICATED FACILITY EXTENDED (Trackers division)

REVOLVING CREDIT FACILITY (RCF) (+10 MN) EURIBOR 1M +2.5%	Bankable projects	€80 Mn
	Free disposal	€10 Mn
BANK GUARANTEES 0.9% P.A. (+90MN)	€110 Mn	

MATURITY EXTENSION: 30 SEP 2024
+ TACIT RENEWAL: 30 NOV 2024

ADDITIONAL BANKING RISK ALLOWED: €10 Mn

EXCEPTIONS	FX Derivatives Additional bank guarantees: €20 Mn

Covenant: NFD/EQUITY<1.5

04

CLOSING REMARKS

NEW MANAGEMENT STRUCTURE TO FOCUS IN IMPROVING OPERATIONS, INCREASING VALUE AND FINANCIAL DISCIPLINE

1
TRACKERS DIVISION

Strong operational performance with solid gross and EBITDA margins in the tracker division.

Reinforcing our positioning in the USA with a stronger team and innovative products.

2
ENERGY DIVISION

Portfolio evolving, adding new capacity in operation and under construction.

Ongoing asset rotation transactions (M&A) expected to be completed in 2024.

3
FINANCIAL DISCIPLINE

The company is currently reassessing its financing needs linked to the new business plan and to achieve cost optimization.

4
NEW MANAGEMENT STRUCTURE

The Board of Directors proposes to the AGM the appointment of:

- Mariano Berges as CEO.
- Raúl Morales remains as Executive Chairman.

5
FOCUS ON VALUE CREATION

Clear focus on activities with a strong contribution in terms of value creation.

6
BUSINESS PLAN

The company is working on the BP and will be presented to the Market in the coming months.

Q&A

05

APPENDIX

TRACKERS

PIPELINE BREAKDOWN BY PROBABILITY

PROBABILITY OF EXECUTION OF POTENTIAL PROJECTS.

- 100% Probability: €1,239 Mn
- 80% Probability: €8 Mn
- 60-70% Probability: €24 Mn
- 50% Probability: €101 Mn
- <50% Probability: €15,389 Mn

>50% Probability
€1,372 Mn

Status	Probability
Contract Signed	100%
MoU (Existing Customer)	100%
MoU (New Customer)	90%
LOI (Existing Customer)	80%
Contract under Negotiation (Existing Customer)	70%
LOI (New customer)	70%
Contract under Negotiation (New Customer)	60%
Shortlisted (2 contenders)	50%
Shortlisted (3 contenders)	33%
Shortlisted (4 contenders)	25%
Shortlisted (5 contenders)	20%
Offer (Existing Customer)	10%
Offer Updated to same client (Existing Customer)	10%
Offer (New Customer)	5%
Offer Updated to same client (New Customer)	5%

ENERGY

12.6 GW PIPELINE OF PROJECTS UNDER DEVELOPMENT IN 7 DIFFERENT COUNTRIES

MW	BACKLOG	ADV. STAGE	EARLY STAGE	ID. OPP	TOTAL PIPELINE
Probability	>80%	50-80%	30-50%	<30%	-
Spain	6	411	708	782	**2,006**
Brazil	488	173	725	4,755	**5,915**
Italy	-	2,122	387	75	**2,583**
USA	-	-	-	100	**100**
Colombia	-	135	-	1,239	**1,374**
Romania	-	-	-	156	**156**
Mexico	-	-	-	375	**375**
Total	494	2,840	1,820	7,482	12,635

ALTERNATIVE PERFORMANCE MEASURES

GROSS MARGIN

Net turnover + Changes in inventories of finished goods and work in progress - Supplies

The Parent Company as a measure of the activity's performance, since it provides information on the result or gross margin from the execution of the projects, which is obtained by taking external sales and subtracting the cost incurred to achieve those sales. This margin is the best measure of the cost of manufacturing and supplying PV trackers.

€ Mn	Q1 2024	Q1 2023
Net turnover	121.0	76.8
Changes in inventories of finished goods and work in progress	-	1.2
Supplies	(78.7)	(43.9)
Gross margin	42.3	34.0

GROSS MARGIN ON SALES

Gross margin / Net turnover

The gross margin on sales is considered by the group's management as a measure of the performance of its business, as it provides information on the percentage contribution of the gross margin to the total sales. This contribution enables comparative analysis of the project margin performance for the group's managers.

€ Mn	Q1 2024	Q1 2023
Gross margin	42.3	34.0
Net turnover	121.0	76.8
Gross margin on sales	35.0%	44.3%

NET MARGIN

Gross margin - Other personnel expenses - Other operating expenses + Losses, impairment and changes in provisions for trading operations + Work carried out by the Group for its assets + Results from the loss of control of SPVs.

The net margin is considered by the group's management as a measure of the performance of its business, as it provides information on the net margin of the projects that have been manufactured and installed during the period.
This net margin is calculated on the basis of the gross margin, net of personnel expenses and operating expenses, excluding losses, impairments and changes in trade provisions made during the year, adjusted by the allocation of guaranteed provisions.

€ Mn	Q1 2024	Q1 2023
Gross margin	42.3	34.0
Personnel expenses	(16.1)	(18.3)
Other operating expenses	(19.3)	(25.9)
Losses, impairment and changes in trade provisions	(0.6)	0.0
Works carried out by the Group for its assets	0.5	4.5
Results from loss of control of SPVs	4.5	-
Net profit margin	11.0	(5.7)

ALTERNATIVE PERFORMANCE MEASURES

NET MARGIN ON SALES

Net margin / net turnover

The net margin on sales is considered by the group's management as a measure of the performance of its activity, as it provides information on the percentage contribution of the net sales margin to the net turnover.

€ Mn	Q1 2024	Q1 2023
Net profit margin	11.0	(5.7)
Net turnover	121.0	76.8
Net margin on sales	9.1%	(7.4%)

EBITDA

Net Margin + Other operating income - Losses, impairment losses and changes in provisions for trading operations

EBITDA is considered by the group's management as a measure of the performance of its business, as it provides an analysis of the result for the year (excluding interests and taxes, as well as D&A) as a proxy for operating cash flows reflecting cash generation. Additionally, it is a metric widely used by investors when valuing companies, as well as by rating agencies and creditors to assess the level of indebtedness by comparing EBITDA to net debt and by comparing EBITDA to debt service.

€ Mn	Q1 2024	Q1 2023
Net margin	11.0	(5.7)
Other operating income	0.0	1.1
Losses, impairment and changes in trade provisions	0.6	0.0
EBITDA	11.7	(4.6)

ADJUSTED EBITDA

EBITDA + Losses, impairment losses and changes in provisions for trading operations

Adjusted EBITDA is considered by the group's management as a measure of the performance of its business, as it provides an analysis of operating results excluding commercial provisions which do not represent cash outflows.

€ Mn	Q1 2024	Q1 2023
EBITDA	11.7	(4.6)
Losses, impairment and changes in trade provisions	(0.6)	0.0
Adjusted EBITDA	11.0	(4.6)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