

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and  
subsidiaries**

**Annual financial statements  
for the year ended  
December 31, 2016**

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**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and subsidiaries**  
**Consolidated balance sheet for the year ended December 31, 2016**  
**(Thousand of euros)**

ASSETS	Notes	2016	2015 Restated
<b>NON-CURRENT ASSETS</b>		<b>149,968</b>	<b>152,543</b>
<b>Intangible assets</b>	<b>6</b>	<b>80</b>	<b>757</b>
Patents, licences, trademarks y similar rights		80	58
Computer software		-	187
Other intangible assets		-	512
<b>Property, plant, and equipment</b>	<b>7</b>	<b>135,269</b>	<b>139,776</b>
Land and buildings		30,762	32,806
Technical installations and other items		104,507	106,970
<b>Investment accounted for using the equity method</b>	<b>8</b>	<b>7,454</b>	<b>7,162</b>
<b>Non-current investments</b>		<b>824</b>	<b>2,269</b>
Equity instruments		28	28
Other financial assets	10	796	2,241
<b>Deferred tax assets</b>	<b>18</b>	<b>6,341</b>	<b>2,579</b>
<b>CURRENT ASSETS</b>		<b>40,333</b>	<b>19,275</b>
<b>Inventories</b>	<b>11</b>	<b>22,284</b>	<b>1,313</b>
Raw materials and other supplies		-	427
Work in progress / Photovoltaic Plants in progress		21,561	390
Finished goods		208	236
Advances to suppliers		515	260
<b>Trade and other receivables</b>		<b>8,084</b>	<b>6,482</b>
Trade receivables	9	4,407	4,291
Trade receivables from group companies and associates	9	788	664
Other receivables	9	251	178
Current tax assets	18	677	702
Other tax assets	18	1,961	647
<b>Current investments in group companies and associates</b>	<b>10</b>	<b>77</b>	<b>378</b>
Debt securities		-	4
Other financial assets		77	374
<b>Prepayments for current assets</b>		<b>119</b>	<b>34</b>
<b>Cash and cash equivalents</b>	<b>12</b>	<b>9,769</b>	<b>11,068</b>
Cash and cash equivalents		9,769	11,068
<b>TOTAL ASSETS</b>		<b>190,301</b>	<b>171,818</b>

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and subsidiaries**  
**Consolidated balance sheet for the year ended December 31, 2016**  
**(Thousand of euros)**

<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>2016</b>	<b>2015 Restated</b>
<b>EQUITY</b>		<b>48,393</b>	<b>40,656</b>
<b>CAPITAL AND RESERVES</b>		<b>53,144</b>	<b>45,137</b>
<b>Share capital</b>	<b>13.1</b>	<b>1,097</b>	<b>1,097</b>
Issued capital		1,097	1,097
<b>Share premium</b>	<b>13.2</b>	<b>220,830</b>	<b>220,830</b>
<b>Reserves</b>	<b>13.4</b>	<b>39,572</b>	<b>39,572</b>
Legal		5,311	5,311
Other reserves		34,261	34,261
<b>Own shares</b>	<b>13.3</b>	<b>(2,245)</b>	<b>(2,245)</b>
<b>Prior periods profit and loss</b>		<b>(214,136)</b>	<b>(220,760)</b>
<b>Profit/(loss) for the year</b>	<b>3</b>	<b>8,026</b>	<b>6,643</b>
<b>Valuation Adjustments Hedging transactions</b>	<b>14</b>	<b>(4,751)</b>	<b>(4,481)</b>
<b>NON-CURRENT LIABILITIES</b>		<b>111,545</b>	<b>94,481</b>
<b>Non-current provisions</b>	<b>15</b>	<b>1,404</b>	<b>1,498</b>
Provision for liabilities		1,404	1,498
<b>Non-current payables</b>		<b>107,802</b>	<b>90,578</b>
Bank loans and borrowings	16.1	20,065	44,107
Bonds and marketable securities	16.1	41,859	-
Finance lease payables	16.3	19,768	19,177
Derivatives	16.4	2,607	4,610
Group companies and associates, non-current	20.1	23,503	21,757
Other financial liabilities		-	927
<b>Grants</b>	<b>16.2</b>	<b>2,339</b>	<b>2,405</b>
<b>CURRENT LIABILITIES</b>		<b>30,363</b>	<b>36,681</b>
<b>Current payables</b>		<b>7,266</b>	<b>21,711</b>
Bank loans and borrowings	16.1	3,630	15,970
Bonds and marketable securities	16.1	1,579	-
Finance lease payables	16.3	1,259	4,093
Derivatives	16.4	705	1,366
Other financial liabilities	20.1	93	282
<b>Trade and other payables</b>		<b>22,506</b>	<b>13,591</b>
Suppliers	17	20,752	8,005
Suppliers, group companies and associates	17	89	1,026
Other payables	17	814	2,598
Personnel (salaries payable)	17	81	178
Current tax liabilities	18	60	51
Other tax liabilities	18	695	1,254
Advances from customers	17	15	479
<b>Current accruals</b>		<b>591</b>	<b>1,379</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>190,301</b>	<b>171,818</b>

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and subsidiaries**  
**Consolidated income statement for the year ended December 31, 2016**  
**(Thousand of euros)**

	Notas	2016	2015
<b>CONTINUING OPERATIONS</b>			
Revenue	19.1	15,874	16,535
Sales		15,669	15,857
Services rendered		205	678
Other operating income	19.1	2,183	2,997
Merchandise used		21,287	(377)
Raw materials and other consumables	19.2	(19,950)	(1,666)
Subcontracted work		(411)	(282)
Impairment of merchandise, raw materials and other supplies	11	(636)	1,807
Personnel expenses	19.3	(2,818)	(2,489)
Salaries and wages		(2,329)	(2,092)
Social charges		(489)	(397)
Other operating expenses		(3,753)	(6,117)
External services	19.4	(2,462)	(4,894)
Taxes		(1,291)	(1,223)
Losses, impairment and changes in provisions for commercial operations	9	264	(479)
Depreciation and amortization	6 and 7	(7,963)	(7,007)
Non-financial and other capital grants	16.2	62	62
Provision surpluses		318	350
Impairments and reversals	19.8	2,687	6,044
<b>RESULTS FROM OPERATING ACTIVITIES</b>		<b>7,144</b>	<b>9,378</b>
Finance income	19.6	5,725	56
Other financial income		5,725	56
Finance costs	19.7	(9,177)	(5,122)
Borrowings from group companies and associates		(927)	(493)
Third-party borrowings		(8,250)	(4,629)
Exchange gains / (losses)		(3)	7
<b>FINANCE COST</b>		<b>(3,455)</b>	<b>(5,059)</b>
Share of results of companies accounted for using the equity method after taxes		642	744
<b>PROFIT BEFORE TAX</b>		<b>4,331</b>	<b>5,063</b>
Income tax expense	18	3,695	1,580
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>8,026</b>	<b>6,643</b>
<b>PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
<b>PROFIT FOR THE PERIOD</b>		<b>8,026</b>	<b>6,643</b>
Profit / loss per share	21	0.07	0.06
Profit / loss per share from continuing operations	21	0.07	0.06

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and subsidiaries**  
**Consolidated statement of changes in equity for the year ended December 31, 2016**  
**(Thousand of euros)**

	Issued capital (Note 13.1)	Share premium (Note 13.2)	Own shares (Note 13.3)	Legal reserve (Note 13.4)	Other reserves and prior periods' profit and loss	Profit/(loss) for the year (Note 3)	Cash Flow Hedge (Note 14)	TOTAL
<b>Balances at December 31, 2014</b>	<b>1,045</b>	<b>215,868</b>	<b>(2,245)</b>	<b>5,311</b>	<b>(192,459)</b>	<b>5,985</b>	<b>(7,534)</b>	<b>25,971</b>
Total Recognised income / (expense)	-	-	-	-	-	6,643	3,053	9,696
Distribution of dividends	-	-	-	-	5,985	(5,985)	-	-
Transactions with own shares and equity holdings	-	-	-	-	-	-	-	-
Capital increases	52	4,962	-	-	-	-	-	5,014
Other transactions	-	-	-	-	(25)	-	-	(25)
<b>Balances at December 31, 2015</b>	<b>1,097</b>	<b>220,830</b>	<b>(2,245)</b>	<b>5,311</b>	<b>(186,499)</b>	<b>6,643</b>	<b>(4,481)</b>	<b>40,656</b>
Total Recognised income / (expense)	-	-	-	-	-	8,026	(270)	7,756
Distribution of dividends	-	-	-	-	6,643	(6,643)	-	-
Transactions with own shares and equity holdings	-	-	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-	-	-
Other transactions	-	-	-	-	(19)	-	-	(19)
<b>Balances at December 31, 2016</b>	<b>1,097</b>	<b>220,830</b>	<b>(2,245)</b>	<b>5,311</b>	<b>(179,875)</b>	<b>8,026</b>	<b>(4,751)</b>	<b>48,393</b>

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and subsidiaries**  
**Consolidated cash flow statement for the year ended December 31, 2016**  
**(Thousand of euros)**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Notas</b>	<b>2016</b>	<b>2015</b>
<b>Profit before tax</b>		<b>4,331</b>	<b>5,063</b>
<b>Adjustments to profit</b>		<b>8,666</b>	<b>6,096</b>
Depreciation and amortization	6/7	7,963	7,007
Grants recognised in the income statement		(62)	(62)
Impairment		(2,687)	(5,915)
Finance income	19.6	(5,725)	(56)
Finance costs	19.7	9,177	5,122
<b>Change in working capital</b>		<b>(11,995)</b>	<b>(6,925)</b>
Inventories		(20,971)	2,044
Trade and other receivables		(1,602)	3,910
Other current assets		122	538
Trade and other payables		10,456	(13,158)
Other current liabilities		-	(259)
Other non-current assets and liabilities			
<b>Other cash flows from operating activities</b>		<b>(4,953)</b>	<b>(5,329)</b>
Interest paid		(4,953)	(5,079)
Interest received		-	24
Other amounts paid		-	(274)
<b>Cash flows from operating activities</b>		<b>(3,951)</b>	<b>(1,095)</b>
<b>Cash flows from/(used in) investing activities</b>			
Payments for investment property		(95)	(183)
Payments for other financial assets		-	-
Proceeds from divestments		-	5,276
<b>Cash flows from/(used in) investing activities</b>		<b>(95)</b>	<b>5,093</b>
<b>Cash flows from financing activities</b>			
Collections and payments for own equity instruments		-	5,014
Issue of bonds and other marketable securities	16.1	43,438	-
Issue of debt with financial institutions		-	6,684
Issue of debt with group companies and associates		1,746	686
Other proceeds from/(payments for) financing activities		(42,437)	(16,443)
<b>Cash flows from financing activities</b>		<b>2,747</b>	<b>(4,059)</b>
<b>Net Increase/(decrease) in cash and discontinued operations</b>		<b>(1,299)</b>	<b>(61)</b>
<b>Cash and cash equivalents at January 1, 2016</b>	12	<b>11,068</b>	<b>11,129</b>
<b>Cash and cash equivalents at December 31, 2016</b>	12	<b>9,769</b>	<b>11,068</b>

