Solaria

FY 2023
Earnings presentation

February 28, 2024

2023 – A record year establishing the pillars of our 18GW target by 2030

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Record year	Energy generation **+62%**; Revenues **€230mn**; EBITDA **+36%**; Net profit **€107.5mn** **+66%** capacity in operation to **1,658MW** + **1,530MW** under construction
Our 2nd flagship Garoña is a reality	Start of civil works of our second flagship Garoña Capacity increase from 595 to **700MW** + Hybridisation **186MW** **Flagship-oriented** – Our flagship projects represent one third of our 18GW target
Profitable growth secured for 2024	Obtention of **1GW** of RTB in January 2024 EIB 5.6GW financing secured **500MW** of PV modules secured at a **€0.093mn/MW** Sale of a **25%** minority stake in **500MW** EBITDA targets **-7%** discounting the new generation tax
18GW by 2030 Diversifying in geography and technology	**47%** of our **18.9GW** portfolio is outside Spain **Wind hybridisation** accounts for **16%** of our portfolio **Infrastructure** business as driver of growth

1st flagship
626MW Trillo PV plant
476MW in operation/150MW under construction

2nd flagship
700MW Garoña PV plant
Start of civil works

GAROÑA – Start of civil works

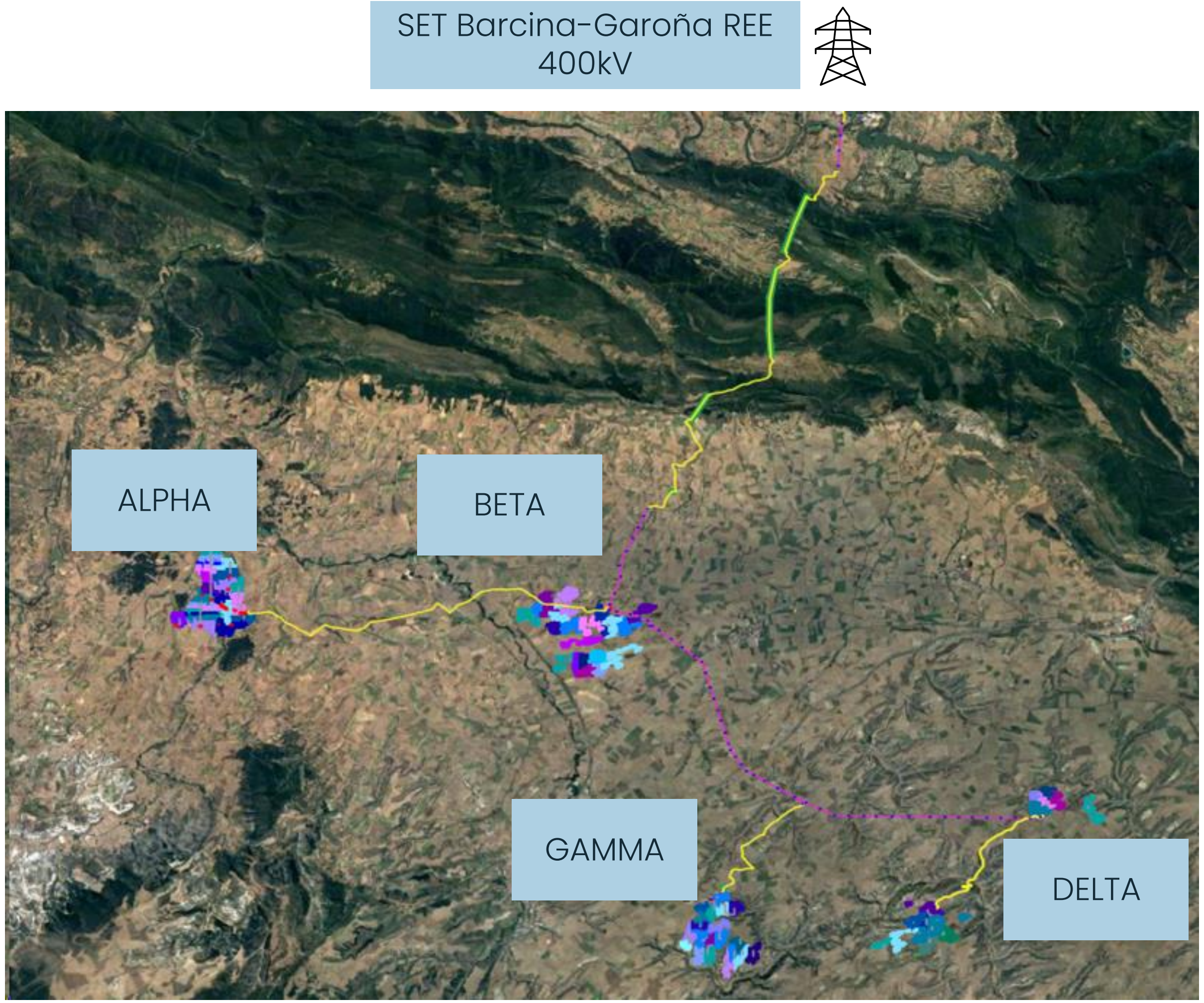
Capacity increase
from **595MW to 700MW** **+105MW**

2nd flagship

Final Administrative Authorisation (AAC)
obtained at the end of January 2024

February 24 = Start of civil works

Est. **12 months** for
construction and connection



Our second flagship GAROÑA-700MW is on track

A 18GW sustainable, diversified and profitable energy major by 2030

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SUSTAINABLE

High ESG standards

Environment

- Carbon neutral in 2030.
- Emissions intensity: 50% reduction by 2025.
- Vehicle fleet: 99% of the fleet will be electric in 2030.
- Electricity consumed: 95% will come from renewable sources by 2025.

Social

- Increase training hours per employee by 10% by 2025.
- Maintain female representation above 25%.

Good governance

- Board of Directors: 50% female representation by 2030.

One of most sustainable companies in the world

MSCI ESG RATINGS AAA

CCC | B | BB | BBB | A | AA | AAA

RATING ACTION DATE: July 14, 2023

CDP

Active contribution to SDG

TCFD

Green Loan Principles

Bloomberg Gender-Equality Index 2023

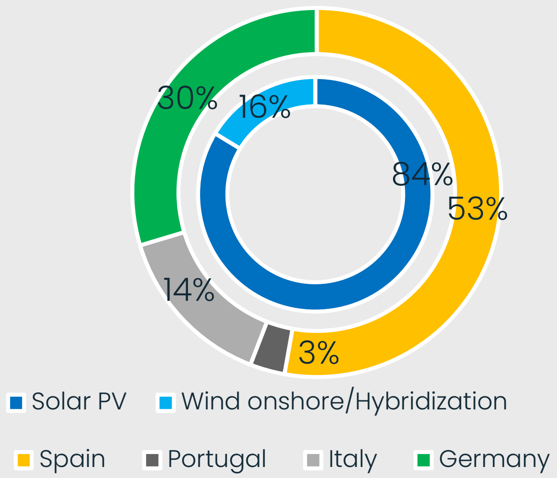
S&P Global Clean Energy Index

MSCI Europe Small Cap Index (USD)

EQUATOR PRINCIPLES

DIVERSIFIED

Portfolio by geography and technology



PROFITABLE

12% project IRR
Best-in-class Capex and opex

100% organic growth
0 acquisition of pipeline/company over last 5 years

Self-funded
0 equity requirement over last 5 years
vs. a 22-fold capacity increase from 75MW to 1,658MW

Flagship projects
Efficient in Capex and Opex

A diversified 18.9 GW portfolio

PROJECT PORTFOLIO (MW)	Spain	Portugal	Italy	Germany	RoW	Total	
In operation and construction	3,085 +105	63.3	16.7		23.1	3,188	+105
PV Solar under development	3,896	425	2,727 +307	5,600		12,648	+307
Wind under development	3,000	89				3,089	
TOTAL	9,981	577.3	2,743,7	5,600	23.1	18,925	+412

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	FY 2023	FY 2022	% chg.
Production (TWh)	2.27	1.40	+62%
Sales (€mn)	191.3	139.3	+37%

Production record

In line with the commissioning of new installations (+62% y/y), energy production increased from 1.40 TWh to record 2.27TWh in the year.

Sales

Sales increased by 37%, below production growth because of captured price decrease (-21% y/y).

Merchant exposure

In 2023, our average exposure to merchant prices has been 30%.

2023 EARNINGS – EBITDA target achieved

	FY 2023 (€mn)	FY 2022 (€mn)	% chg.
Total revenues	230.0	167.3	+37%
EBITDA	199.9	147.1	+36%
Net profit	107.5	90.0	+19%

Strict control of operating costs

EBITDA stands at €200mn, in line with the company target.

Net profit increased 19% to €107.5mn.

2023 EARNINGS – €329mn record investment

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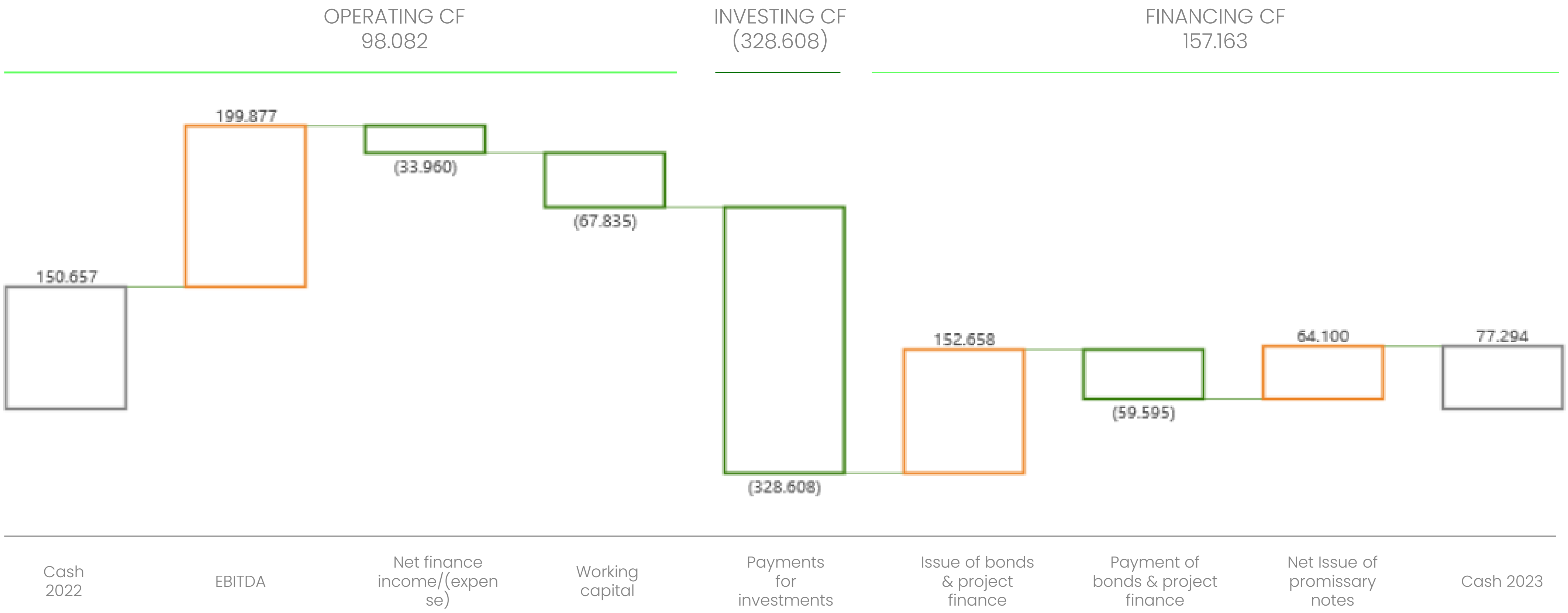
FY Cash performance (€mn)



2023 EARNINGS – Solid financial position

€982.8mn[1]
Net financial debt

3.5%
Average cost of debt

83.5%
Fixed/Swapped rate debt

4.9x
NDF EBITDA
vs. 5x in 2022

90.0%
Project debt

14.4y
Average residual tenor
of project finance debt

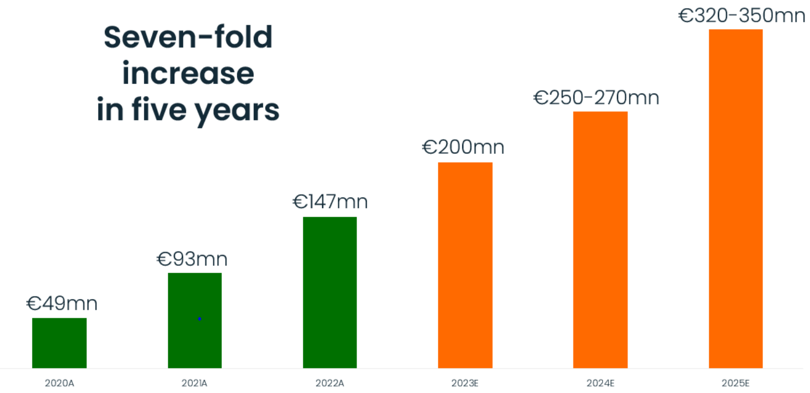
1. Ex derivative financial instruments

PROFITABLE GROWTH SECURED FOR 2024
New EBITDA targets discounting the new generation tax in Spain

NEW SPANISH LAW	Spanish Royal Decree-law 8/2023, of December 27 - Cancellation of the Iberian exception - Cancellation of the clawback - Social bond reduction (discount rate) + Reintroduction of the 7% generation tax on energy sales from 2024 (3.5% in Q1 2024, 5.25% in Q2 2024, 7% from H2 2024)

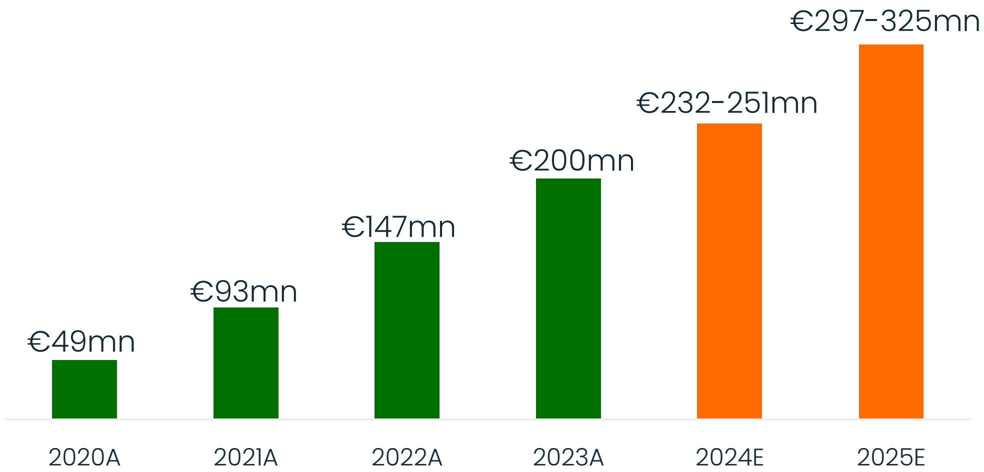
2023 CMD TARGETS

Seven-fold increase in five years



NEW TARGETS

-7% for 2024 and 2025
Est. 70% contracted/30% merchant



PROFITABLE GROWTH SECURED FOR 2024

Best-in class CAPEX makes us profitable even in low price scenario

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All-time low CAPEX

€0.375mn/MW

500MW of PV modules secured

€0.093mn/MW

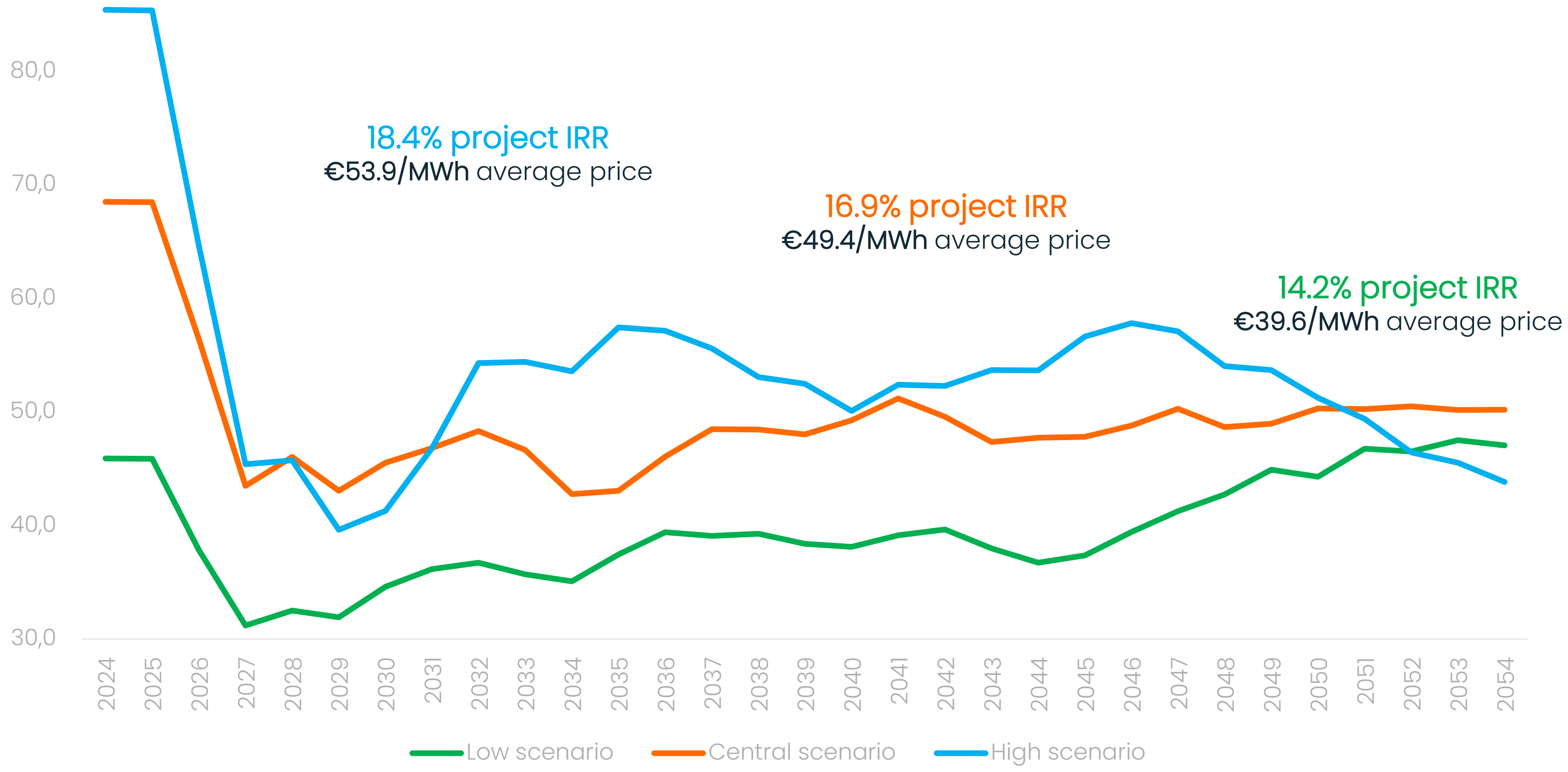
25% of our CAPEX

Tier 1 players

High ESG and banks requirements

Comprehensive supply chain mapping

We are reaching our 12% double digit return target even in a low scenario



Model inputs: Capex €375/MW, Opex €11k/year + 2% CPI, Asset lifetime and depreciation 30Y, Load factor 1900 Hours (single axis tracker), Degradation per year 0.3%, PPA/Merchant 70%/30%, PPA10y €40/MWh, Tax 12.5%

PROFILABLE GROWTH SECURED FOR 2024

Sale of a minority stake in 500MW of solar assets in Spain

Asset rotation
announced in 2022

100 MW

Sale of 25% stake [2]

Basque Country

2 plants of 50MW

RTB expected in june 2024

30% tax credit on Capex

Est. Cash proceeds **€17.5mn**
Est. Tax credits **€21mn**
Est. Total **€38.5mn** = **€0.3/share**

New asset rotation
under negotiation

500 MW

Sale of 25% stake

Basque Country

10 plants of 50MW

Expected close in next 3 months

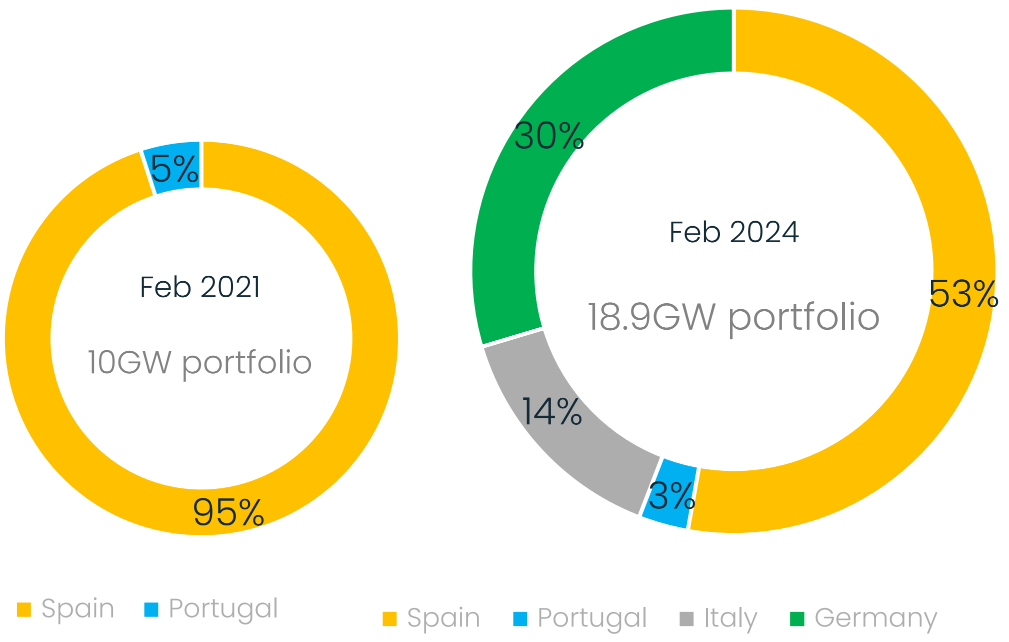
30% tax credit on Capex

Est. Cash proceeds **€87.5mn**
Est. Tax credits **€105mn**
Est. Total **€192.5mn** = **€1.55/share**

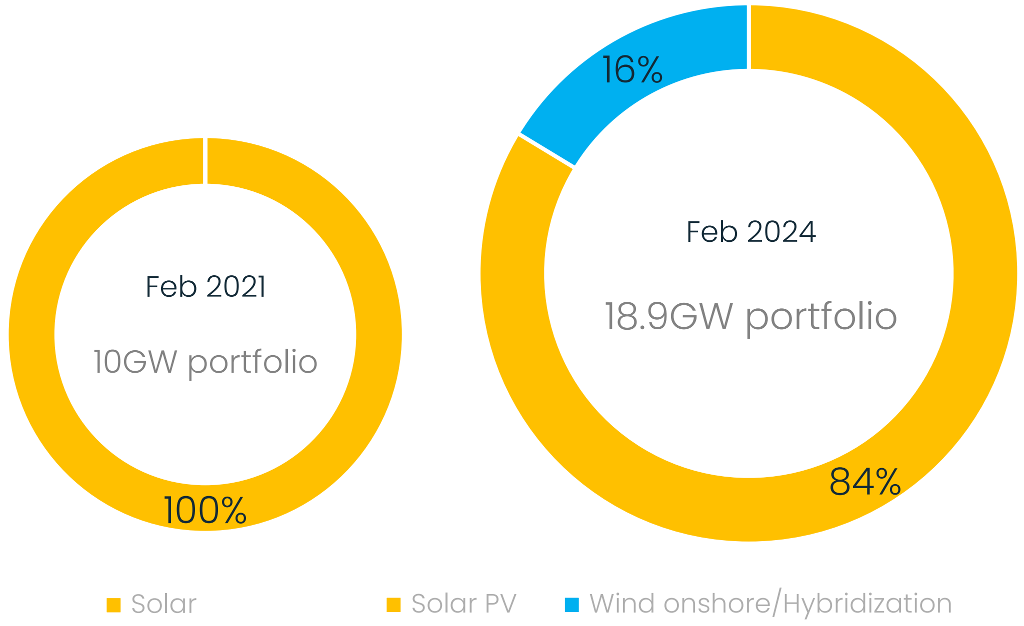
2. Reduction from 30% to 25% to consolidate tax credits.

18GW BY 2030 – DIVERSIFYING IN GEOGRAPHY AND TECHNOLOGY
We are successfully diversifying our portfolio

Portfolio by geography
GW



Portfolio by technology
GW



18GW BY 2030 – DIVERSIFYING IN GEOGRAPHY AND TECHNOLOGY

Flagship-oriented – Our flagship projects represent one third of our 18GW target

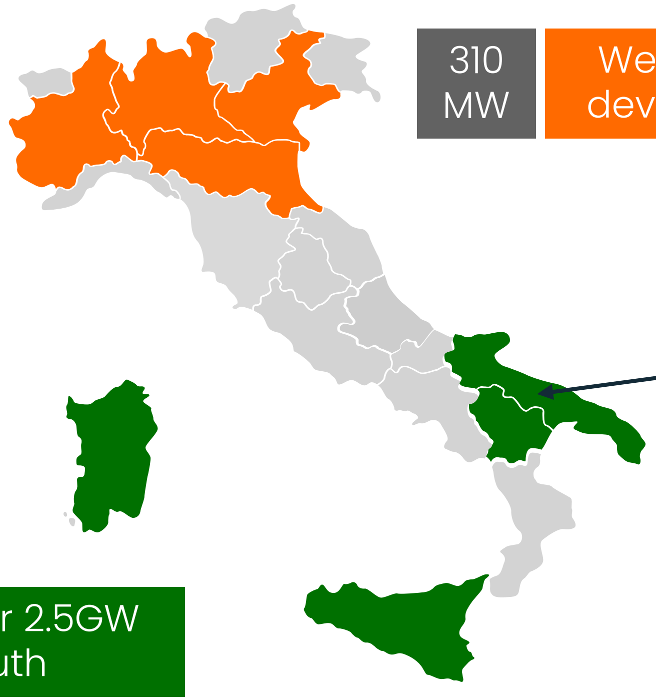
Flagship project	Solar PV and wind capacity (MW)		Status
	Solar PV	Wind Hybridisation	
Basque Country	1,800	270	Connection secured. Est. RTB 2025. Wind under study
Garoña	700	186	PV under construction. Wind under permitting
Cifuentes-Trillo	626	182	476MW in operation. 150MW under construction. Wind under permitting
Helena	613		Connection+EIA+AAP. Est. RTB Q2 2024.
La Spina	615		Land+connection. Est. RTB 2026
Vale Pequeño & Casal de Valeira	375	78	RTB achieved. Pending TSO grid improvement. Wind under permitting
Pinofranqueado	250		Land+connection. Est. RTB 2025
Palermo	241		Land+connection. Est. RTB 2026
Volans/Junos	200		150MW under construction. 50MW pending RTB Q2 2024
Il Pianozzo	200		Land+connection. Est. RTB 2026

■ Solar PV ■ Wind Hybridisation

18GW BY 2030 – DIVERSIFYING IN GEOGRAPHY AND TECHNOLOGY
Portfolio increasing

+0.3GW

2.8GW Secured vs. **5GW target**



310 MW

We are accelerating our development in the North

+307MW

New flagship project La Spina 615MW

2,490 MW

We have reached our 2.5GW target in the South

18GW BY 2030 – DIVERSIFYING IN GEOGRAPHY AND TECHNOLOGY
Storage solutions and Infrastructure division

Batteries time is coming

TODAY — **Pilot project**
Baldio 20MW PV power plant

Summer 2024 — **New regulation**
Payment for capacity to be adopted in Spain by year end

End of 2024 — **Bankable**
Considerable decrease in Capex **-50% in 12 months**
Financing available at the end of 2024

2025 — **Massive installation of batteries in Spain**

Our infra division will be a driver of growth and diversification

97 substations
31 in operation
19 under construction
47 under development

894km of power lines
160km in operation
150km under construction
584km under development

18,000 hectares of land
under Solaria management

Appendix

Operating data

FY-2023

	FY 2023	FY 2022	% chg.
Capacity (MWh)	1,658	1,000	+66%
Spain	1,555	896.6	+73%
Portugal and Greece	63.7	63.7	-
Uruguay	22.7	22.7	-
Italy	16.7	16.7	-
Energy Sales (€mn)	167.2	130.7	+28%
Spain	145.3	116.1	+25%
Portugal and Greece	7.5	1.9	+295%
Uruguay	3.4	3.2	+6%
Italy	11.0	9.5	+16%
Production (GWh)	2,271.4	1,401.0	+62%
Spain	2,122.3	1,333.7	+59%
Portugal and Greece	96.5	14.4	+570%
Uruguay	31.3	33.5	-7%
Italy	21.3	19.4	+10%
Average price (MWh)	73.6	93.3	-21%
Spain	68.5	87.1	-21%
Portugal and Greece	77.7	131.9	-41%
Uruguay	108.5	95.5	+14%
Italy	516.9	489.2	+6%

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Income Statement

FY-2023

€mn

	FY-23	FY-22	Relative change (%)
Net sales	191.322	139.281	37
Other income and earnings	38.681	28.067	38
Total revenues	**230.003**	**167.348**	**37**
Personnel expenses	(19.548)	(13.483)	45
Operating expenses	(10.578)	(6.778)	56
EBITDA	**199.877**	**147.087**	**36**
Amortisation	(31.476)	(24.989)	26
EBIT	**168.401**	**122.098**	**38**
Financial Income/Loss	(32.730)	(21.028)	56
Profit before tax	**135.671**	**101.07**	**34**
Tax	(28.157)	(11.022)	155
NET PROFIT	**107.514**	**90.048**	**19**

Balance Sheet

FY-2023

Assets

€mn

	FY-23	FY-22	Relative change (%)
Non-current assets	**1.510.585**	**1.226.276**	**23**
Intangible assets	110.507	103.970	6
Tangible fixed assets	1.276.203	976.317	31
Deferred tax assets	52.123	80.106	-35
Other non-currents financial assets (derivatives)	71.752	65.883	9
Current assets	**138.337**	**200.682**	**-31**
Trade and other receivables	59.955	49.155	22
Other current assets	1.088	870	25
Cash and other equivalent assets	77.294	150.657	-49
Total Assets	**1.648.922**	**1.426.958**	**16**

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Balance Sheet

FY-2023

Liabilities

€mn

	FY-23	FY-22	Relative change (%)
Equity	524.118	344.728	52
Capital and share premium	310.926	310.926	-
Other reserves	5.311	5.311	-
Non-controlling interest	1.200	1.440	-17
Retained earnings	161.801	54.209	198
Value adjustments	44.880	(27.157)	-265
Non-current liabilities	919.093	897.010	2
Obligations and long-term bonds	117.467	128.336	-8
Financial liabilities with credit institutions	663.682	556.496	19
Financial lease creditors	105.675	99.744	6
Deferred tax liability	26.236	16.231	62
Derivative financial instruments	6.033	96.203	-94
Current liabilities	205.711	185.220	11
Obligations and short-term bonds	111.196	46.825	137
Financial liabilities with credit institutions	56.897	45.990	24
Financial lease creditors	5.134	4.160	23
Commercial creditors and other accounts payable	32.484	88.245	-63
Total Liabilities	1.648.922	1.426.958	16

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Regulation
The development, construction and operation of solar PV parks are highly regulated activities and Solaria conducts its operations in many countries and jurisdictions, which are governed by different laws and regulations. Such laws and regulations require licenses, permits and other approvals to be obtained and maintained in connection with the operation of its activities. The procedures for obtaining such licenses, permits and other approvals vary from country to country, making it onerous and costly to track the requirements of individual localities and comply with the varying standard.

In addition, this regulatory framework imposes significant actual, day-to-day compliance burdens, costs and risks on us. In particular, in the countries where Solaria operates, solar PV parks are subject to strict EU (for those located in Spain, Italy and Greece), national, regional and local regulations relating to their operation and expansion (including, among other things, land use rights, regional and local authorizations and permits necessary for the construction and operation of facilities, permits on landscape conservation, noise, hazardous materials or other environmental matters and specific requirements regarding the connection and access to the electric transmission and/or distribution networks). Non-compliance with such regulations could result in the revocation of permits, sanctions, fines or even criminal penalties. Compliance with regulatory requirements may result in substantial costs to Solaria's operations that may not be recovered.
In addition, Solaria cannot predict whether the permits will attract significant opposition (public or otherwise including on account of litigation) or whether the permitting process will be lengthened due to administrative complexities and appeals.
Additionally, changes to these laws and requirements or of its interpretation by regulatory authorities and courts or the implementation of new such regulations affecting the solar PV parks in Solaria's portfolio may result in significant additional expenses and may have a material adverse effect on Solaria's business, financial condition, results of operations and cash flows to the extent that Solaria cannot comply with such laws. Thus, laws and regulations could be changed to provide for new rate programs that undermine the economic returns for both new and existing solar PV parks in operation by charging additional, non-negotiable fixed or demand charges or other fees or reductions in the number of solar PV projects allowed under net metering policies. These changes may make the development of a solar PV park infeasible or economically disadvantageous and any expenditure Solaria may have made on such solar PV park may be wholly or partially written off.
Solaria also faces regulatory risks imposed by various transmission providers and operators, including regional transmission operators and independent system operators, and their corresponding market rules. These regulations may contain provisions that limit access to the transmission grid or allocate scarce transmission capacity in a particular manner, which could materially and adversely affect Solaria's business, financial condition, results of operations and cash flows.
To the extent Solaria enters into new markets in different jurisdictions, Solaria will face different regulatory regimes, business practices, governmental requirements and industry conditions. As a result, Solaria's prior experiences and knowledge in other jurisdictions may not be relevant, and Solaria may spend substantial resources familiarizing itself with the new environment and conditions.
Pipeline
Solaria's current business strategy requires the successful completion of the development and operation of the projects in its portfolio and its plans to further organically grow such portfolio of solar PV parks. As part of Solaria's growth plan, Solaria may acquire solar PV parks in different development stages.
The development of the projects in Solaria's pipeline involves numerous risks and uncertainties and requires extensive funding, research, planning and due diligence. Solaria may be required to incur significant amounts of capital expenditure for land viability analysis, land and interconnection rights, preliminary engineering, permitting, legal and other expenses before it can determine whether a solar PV park is economically, technologically or otherwise feasible.
Difficulties that Solaria may face when executing this development and growth strategy include:
• obtaining and maintaining required construction, environmental and other permits, licenses and approvals; securing suitable project sites, necessary rights of way and satisfactory land rights (including land use) in the appropriate locations with capacity on the transmission grid;
• unanticipated changes in project plans;
• connecting to the power grid on schedule and within budget;
• connecting to the power grid if there is insufficient grid capacity;
• identifying, attracting and retaining qualified development specialists, technical engineering specialists and other key personnel;
• entering into PPAs or other arrangements that are commercially acceptable and adequate to obtain third-party financing therefor;
• securing cost-competitive financing on attractive terms;
• the availability of solar PV modules and other specialized equipment, increases in their prices and negotiating favorable payment terms with suppliers;
• negotiating satisfactory engineering, procurement and construction ("EPC") agreements;
• satisfactorily completing construction on schedule, avoiding defective or late execution by providers and contractors labor, including equipment and materials supply delays, shortages or disruptions, work stoppages or labor disputes;
• cost over-runs, due to any one or more of the foregoing factors;
• operating and maintaining solar PV parks efficiently to maintain the power output and system performance; and
• accurately prioritizing geographic markets for entry, including estimates on addressable market demand.
Accordingly, some of the pipeline solar PV projects may not be completed or even proceed to construction and Solaria may not be able to recover any of the amounts invested.
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Thank you.