Solaria

H1 2023
Earnings presentation

September 28, 2023

Outstanding operational performance

	H1 2023	H1 2022	% chg.
Production (GWh)	1,003	641	**+56%**
Sales (€mn)	84.6	68.1	**+24%**
o.w Infrastructure revenues	10.6	3.4	+211%

Production record

In line with the commissioning of new installations, energy production increased by over +56% to 1 TWh in the first half of the year.

Sales

Sales increased by 24%, below production growth because of captured price decrease (-26%y/y). Infrastructure revenues partially offset this, increasing from €3.4mn to €10.6mn.

Double digits growth

	H1 2023 (€mn)	H1 2022 (€mn)	% chg.
Total revenues	99.6	75.4	**+32%**
EBITDA	89.0	68.1	**+31%**
Net profit	50.1	43.7	**+15%**

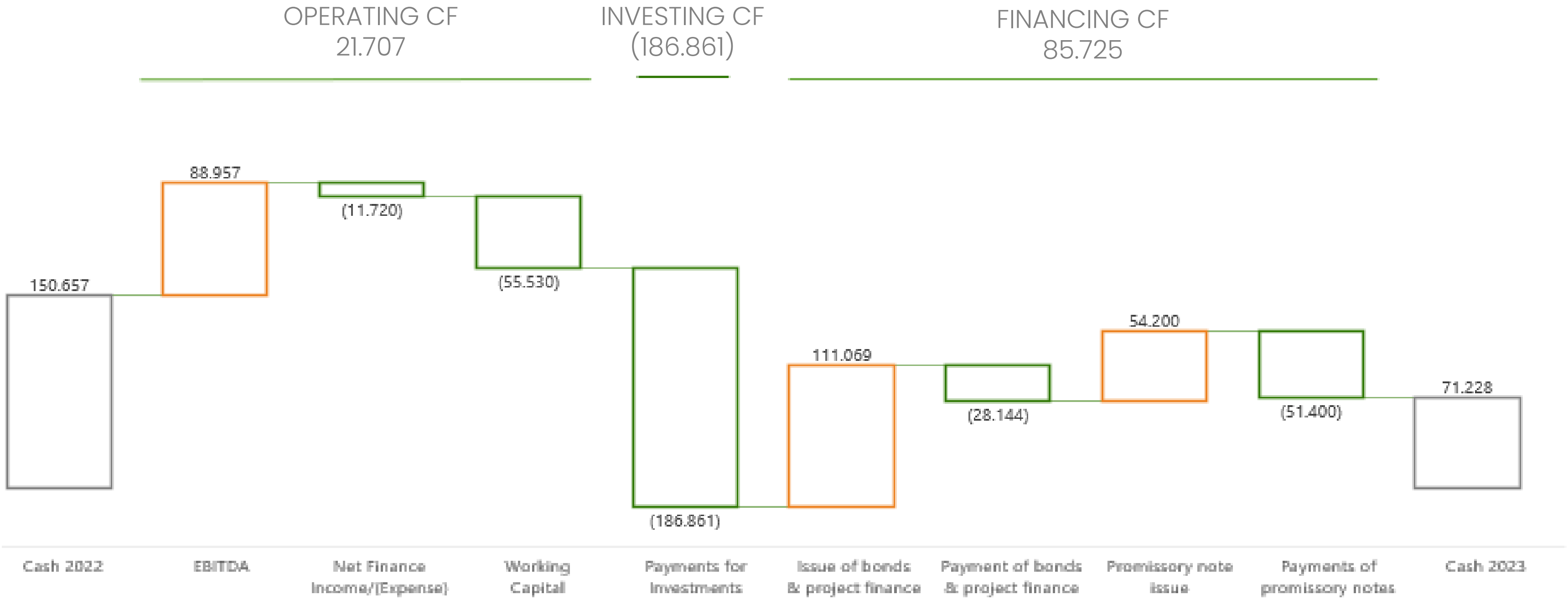
Strict control of operating costs

EBITDA stands at €89.0mn, up 31%, totally in line with total revenues growth.

Net profit increased 15% to €50.1mn.

Cash flow generation reflecting investment acceleration

H1 Cash performance (€mn)

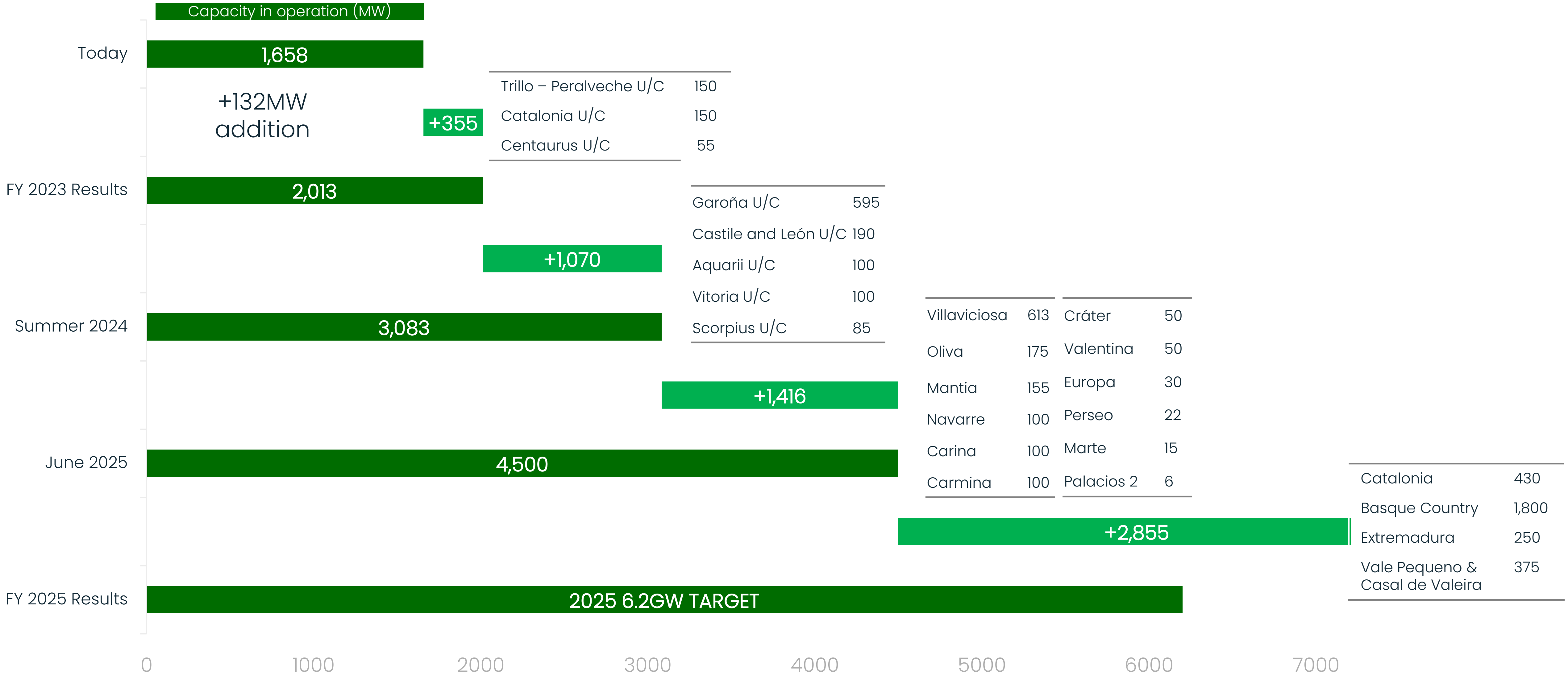


Leverage under control despite huge investment phase

	FY2021	FY2022	H1 2023
FINANCIAL DEBT[1]	€667.0mn	€881.5mn	€971.5mn
NET FINANCIAL DEBT	€514.2mn	€730.8mn	€900.3mn
NFD to LAST 12M EBITDA	5.5x	5.0x	5.4x

1. Ex derivative financial instruments

Capacity will multiply per 4 by 2025
3,083MW in operation and construction



Our flasgship projects represent 2/3 of our 2025 6.2GW target

Garoña-Maira 595MW Solar PV + 186MW Wind (Phase 1) NEW

✓**Wind hybridisation resquested**
✓**Favourable Enviromnental impact statement (DIA).**
✓Prior administrative authorisation (AAP) obtained.
✓**Final administrative construction authorization (AAC). Est. Nov 2023.**
✓Est. RtB Q4 2023.

Basque Country 1,800MW

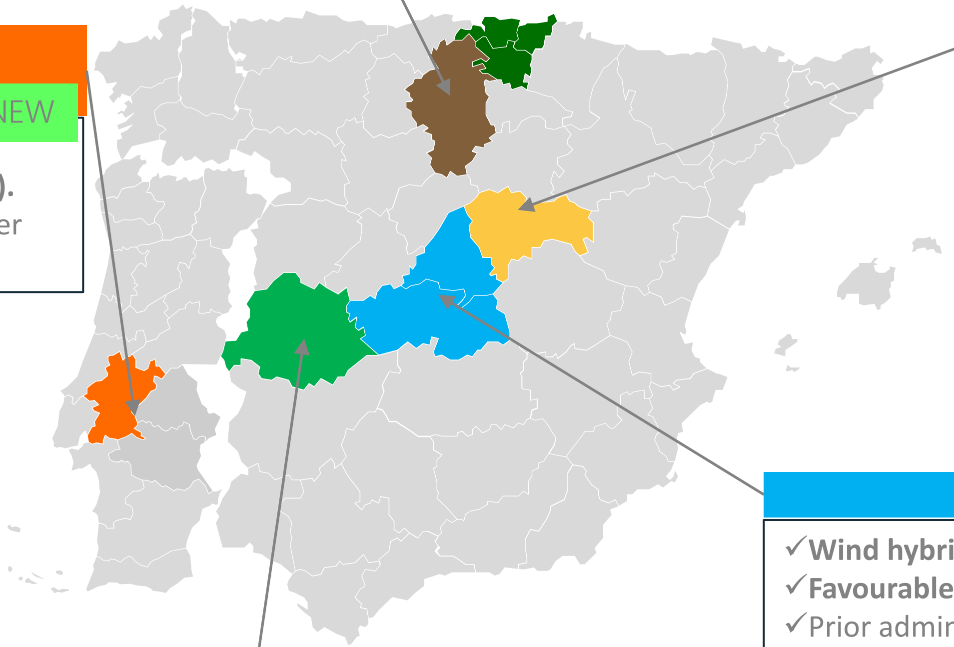
✓**Wind hybridization in study.**
✓**Securing land.**
✓Pending DIA, AAP & AAC.
✓**Est. RtB 2025**

Vale Pequeno & Casal de Valeira 375MW Solar PV + 78MW Wind NEW

✓**Batteries + wind hybridisation**
✓**Favourable Enviromnental impact statement (DIA).**
✓Conection agreement with REN signed in september 2023.

Cifuentes-Trillo 626MW

✓**Wind hybridisation in study.**
✓**476MW in operation. San Andrés and Budia islands.**
✓150MW in construction. Peralveche



Helena Solar 613.5MW

✓**Wind hybridization in study.**
✓**Favourable Enviromnental impact statement (DIA).**
✓Prior administrative authorisation (AAP) obtained.
✓**Final administrative construction authorization (AAC). Est. Dec 2023.**
✓Est. RtB Q1 2024.

NEW **PINOFRANQUEADO 250MW**

✓**Securing land.**
✓Pending DIA, AAP & AAC.
✓**Est. RtB 2025**

Appendix

Operating data

H1-2023

	H1 2023	H1 2022	% chg.
Capacity (MWh)	1,526	1,000	+52.6%
Spain	1,423	896.6	+58.7%
Portugal	63.3	63.3	-
Uruguay	22.7	22.7	-
Italy and Greece	17.1	17.1	-
Energy Sales (€mn)	74	64.45	+14.8%
Spain	64	58	+10.3%
Portugal	3.3	0.15	+2100%
Uruguay	1.7	1.5	+13.3%
Italy and Greece	5.0	4.8	+4.2%
Production (GWh)	1,002.9	641.7	+56.3%
Spain	924.2	613.5	+50.6%
Portugal	50.9	1.0	+4990%
Uruguay	16.5	15.9	+3.8%
Italy and Greece	11.3	11.3	-
Average price (MWh)	73.8	100.5	-26.6%
Spain	69.2	94.5	-26.8%
Portugal	64.8	150	-56.8%
Uruguay	103.0	94.3	+9.2%
Italy and Greece	442.5	424.8	+4.2%

Income Statement
H1-2023

€mn

	H1-23	H1-22	Relative change (%)
Net sales	84.555	68.115	24
Other income and earnings	15.003	7.325	105
Total revenues	**99.558**	**75.440**	**32**
Personnel expenses	(6.902)	(4.810)	43
Operating expenses	(3.699)	(2.500)	48
EBITDA	**88.957**	**68.130**	**31**
Amortisation	(15.704)	(11.314)	39
EBIT	**73.253**	**56.816**	**29**
Financial Income/Loss	(14.522)	(8.693)	67
Profit before tax	**58.731**	**48.123**	**22**
Tax	(8.653)	(4.389)	97
NET PROFIT	**50.078**	**43.734**	**15**

Balance Sheet

H1-2023

Assets

€mn

	H1-23	FY-22	Relative change (%)
Non-current assets	1.398.702	1.226.276	14
Intangible assets	109.760	103.970	6
Tangible fixed assets	1.146.883	973.557	18
Deferred tax assets	67.863	80.106	-15
Other non-currents financial assets (derivatives)	74.196	68.643	9
Current assets	139.235	200.682	-31
Trade and other receivables	66.445	49.155	35
Other current assets	1.562	870	80
Cash and other equivalent assets	71.228	150.657	-53
Total Assets	1.537.937	1.426.958	8

Balance Sheet

H1-2023

Liabilities

€mn

	H1-23	FY22	Relative change (%)
Equity	422.111	344.728	22
Capital and share premium	310.926	310.926	-
Other reserves	5.311	5.311	-
Non-controlling interest	1.440	1.440	-
Retained earnings	104.286	54.209	92
Value adjustments	148	(27.157)	-101
Non-current liabilities	948.933	897.010	6
Obligations and long-term bonds	125.640	128.336	-2
Financial liabilities with credit institutions	641.063	556.496	15
Financial lease creditors	104.594	99.744	4
Deferred tax liability	15.608	16.231	-4
Derivative financial instruments	62.028	96.203	-36
Current liabilities	166.893	185.220	-10
Obligations and short-term bonds	49.631	46.825	6
Financial liabilities with credit institutions	46.774	45.990	2
Financial lease creditors	3.797	4.160	-9
Commercial creditors and other accounts payable	66.691	88.245	-24
Total Liabilities	1.537.937	1.426.958	8

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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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