

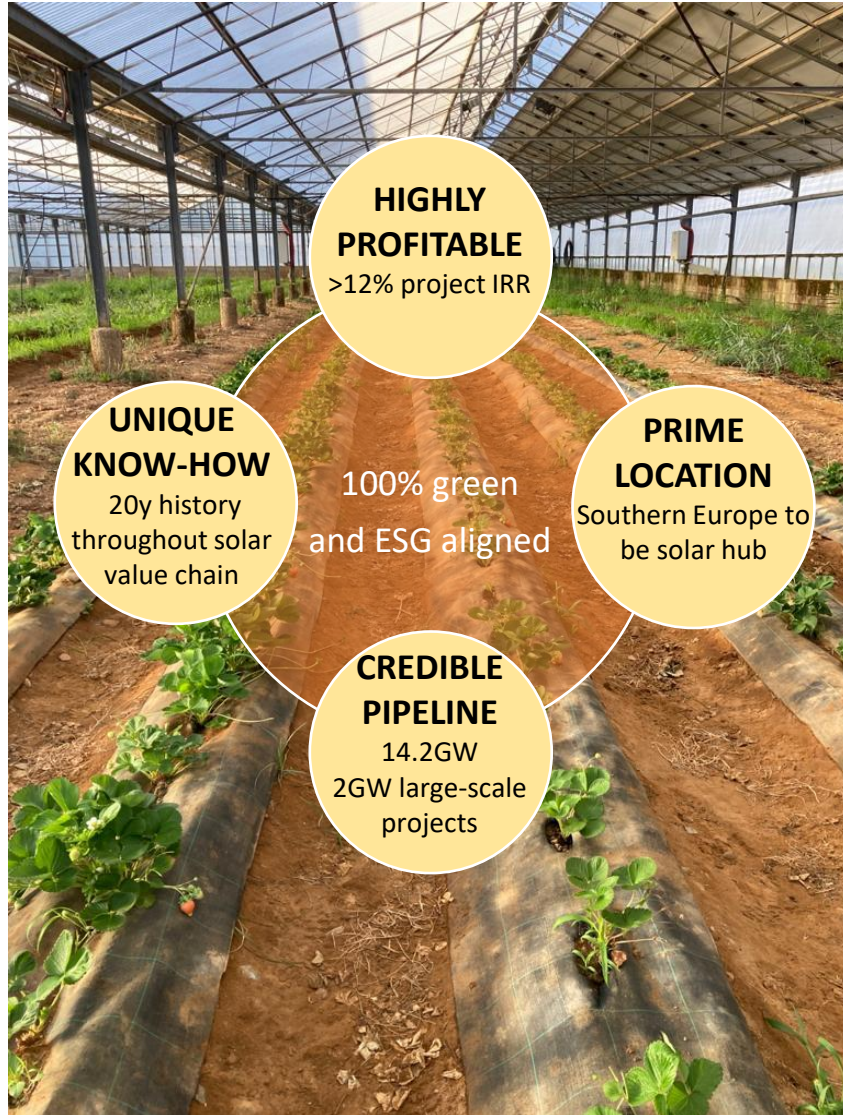


# H1 2021 RESULTS

September 29, 2021



# Solaria is a unique growth platform in Europe – Impressive start of the year



## IMPRESSIVE START OF THE YEAR MARKED BY COVID NORMALIZATION

### Solar PV is the solution

To rationalize electricity price in Europe and meet EU targets  
Temporary inflation and new Spanish regulation do not threaten Solaria profitability

### Outstanding earnings

Production and EBITDA **x2**  
Profit before tax **x3**

### Increasing visibility on installation targets

Clear visibility on installation targets  
New pipeline in Spain and Italy + 1.5GW. Total Pipeline = 14.2GW

### Healthy growth

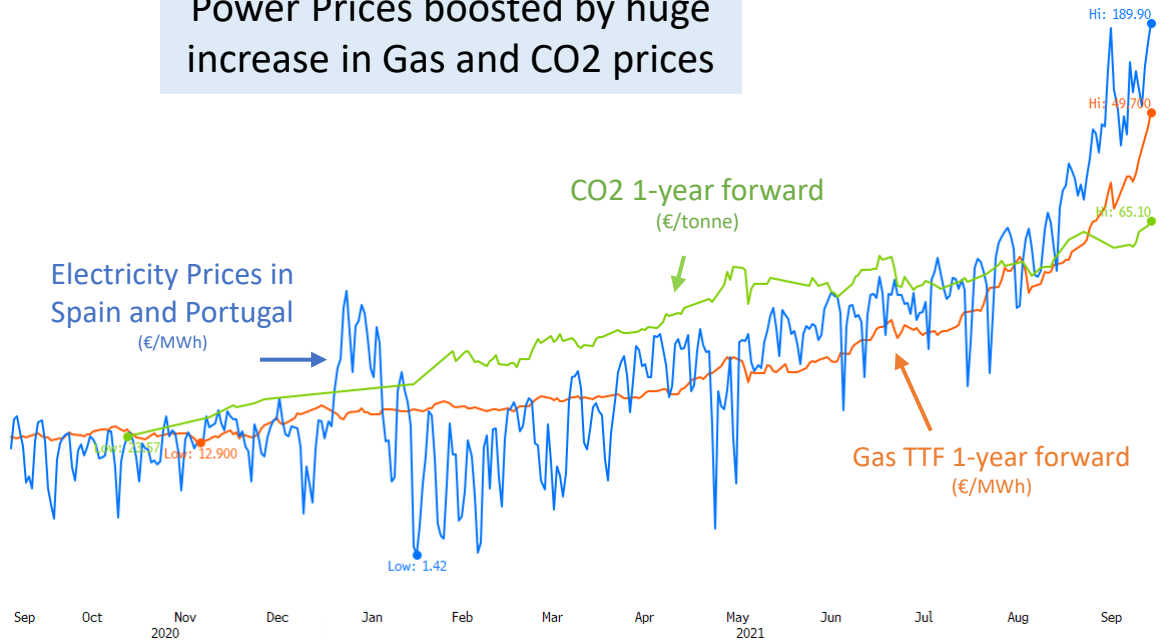
Cash is king - Debt optimization - Refinancing 360MW  
PPA yes, but not at any price

### Improving ESG commitments

Meeting ESG targets  
Always striving for best local integration of projects – Budia Example

# Solar PV is the solution – To rationalize electricity price in Europe and meet EU targets

Power Prices boosted by huge increase in Gas and CO2 prices



Country	2022 forward power price (€/MWh)
Spain	117.42
Germany	113.91
France	107.90
Italy	118.32

One-year forward price in Europe > €100



## European Green Deal

Renewable electricity production from 32% to 65%<sup>1</sup>

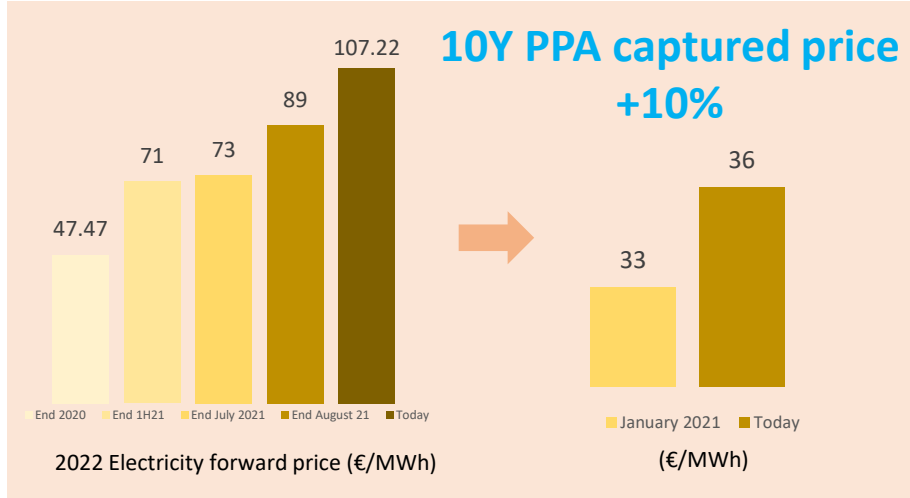
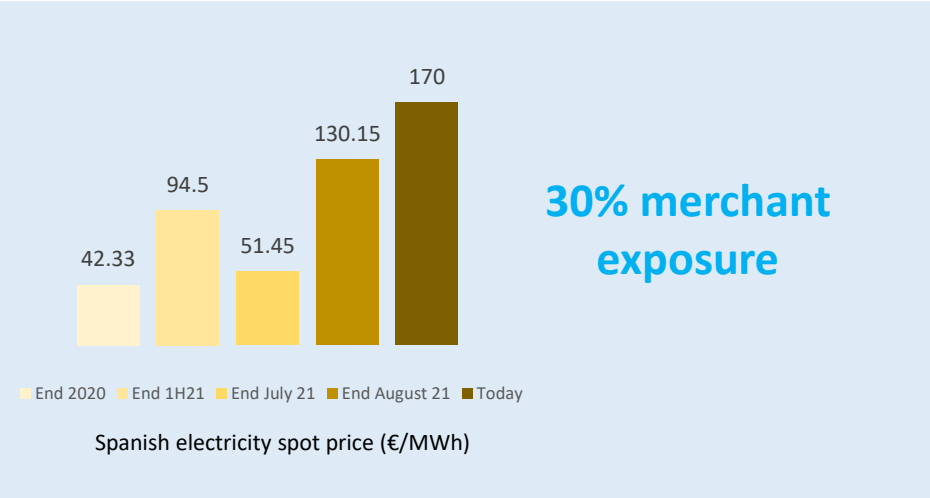
Reduction of at least 55% in greenhouse gas emissions<sup>1</sup>

IEA (2020), World Energy Outlook 2020:  
“Solar becomes the new King of electricity”<sup>2</sup>

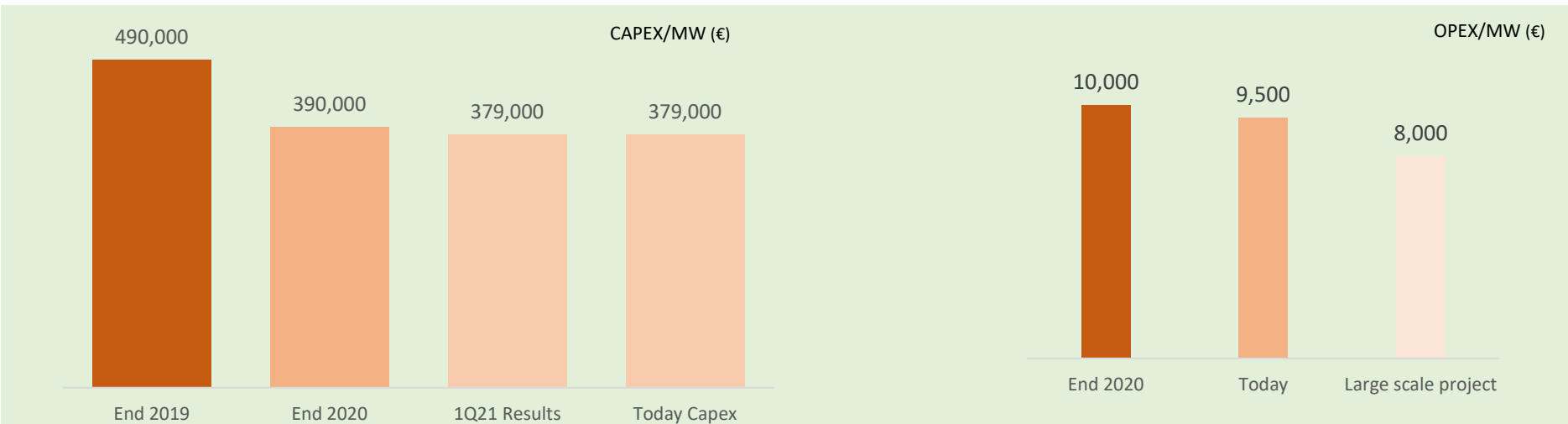
1. European Commission.  
2. IEA (2020), World Energy Outlook 2020, IEA, Paris <https://www.iea.org/reports/world-energy-outlook-2020>.

# Solar PV is the solution – Temporary inflation is not a threat to Solaria’s profitability

## Spot and forward prices are driving up PPA prices



## Capex and Opex under control



**Project IRR > 12%**

# Solar PV is the solution – New Spanish regulation is not a threat to Solaria’s profitability



**New Spanish RDL 17/2021<sup>1</sup>**  
Published on September 15 – In force since September 16  
**2 MEASURES**

**Generation tax suspension**

Suspension of the 7% generation tax for all the assets during Q3 & Q4

**Estimated positive impact > €3m**

**POSITIVE IMPACT**



**Clawback**

Regulated assets (285MW)  
Not affected

PPA assets  
Only the part not covered at fixed price is affected

**The more the merrier**

If pool prices remain higher than expected, our revenues growth will surpass expectations

1. Real Decreto-ley 17/2021, de 14 de septiembre, de medidas urgentes para mitigar el impacto de la escalada de precios del gas natural en los mercados minoristas de gas y electricidad.

# Outstanding earnings – Excellent operational performance



	H1 2021	H1 2020	% chg.
Production (GWh)	430	195.8	<b>+120%</b>
Net sales (€mn)	43.0	23.1	<b>+86%</b>

## Production

In line with the commissioning of new installations, **energy production doubled** from 195.8GWh to 430GWh in the first half of the year.

## Net Sales

Due to **highly favorable price environment** in Spain and Italia, net sales increased by 86%.

# Outstanding earnings– Robust cash generation



	H1 2021 (€mn)	H1 2020 (€mn)	% chg.
Total revenues	49.5	28.6	<b>+73%</b>
EBITDA	42.5	22.4	<b>+89%</b>
Profit before tax	25.7	8.3	<b>+210%</b>
Net profit	23.6	14.8	<b>+60%</b>

**Ebitda doubles** revenues growth due to strict control of opex.

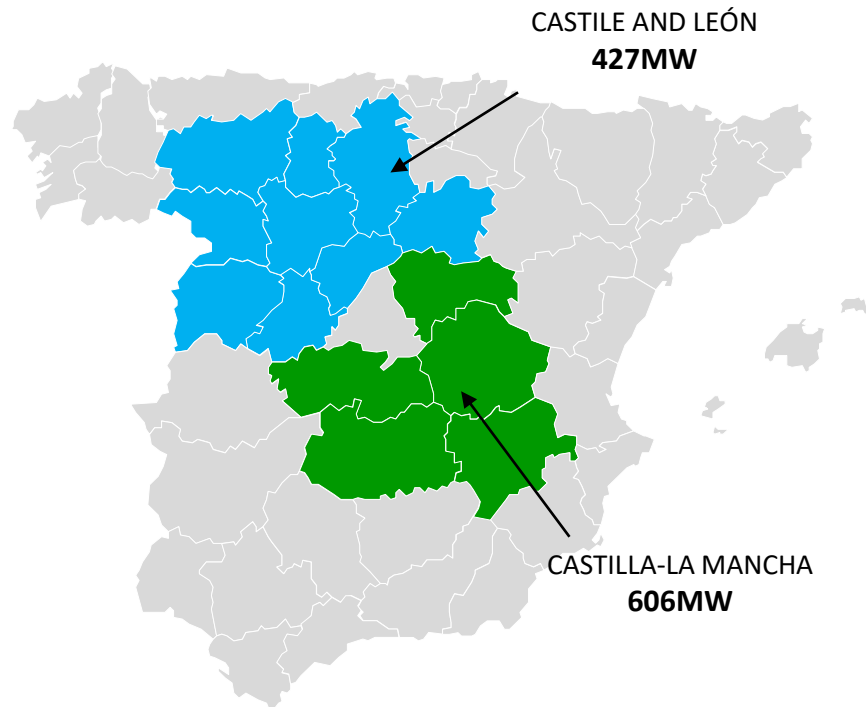
**Profit before tax amounted to €25.7mn, a threefold increase** reflecting the company's sound capacity of cash generation.

Net profit up (+60%) from €14.8mn to €23.6mn without tax-credit recording.

# Increasing visibility of installation targets – New 1.5GW pipeline to feed 2030 18GW target



**+1033MW**  
Requested in July



**+500MW**

Great acceleration in Italy 



Reinforcing local team in Lombardia – Veneto, Lazio and Sicilia regions.

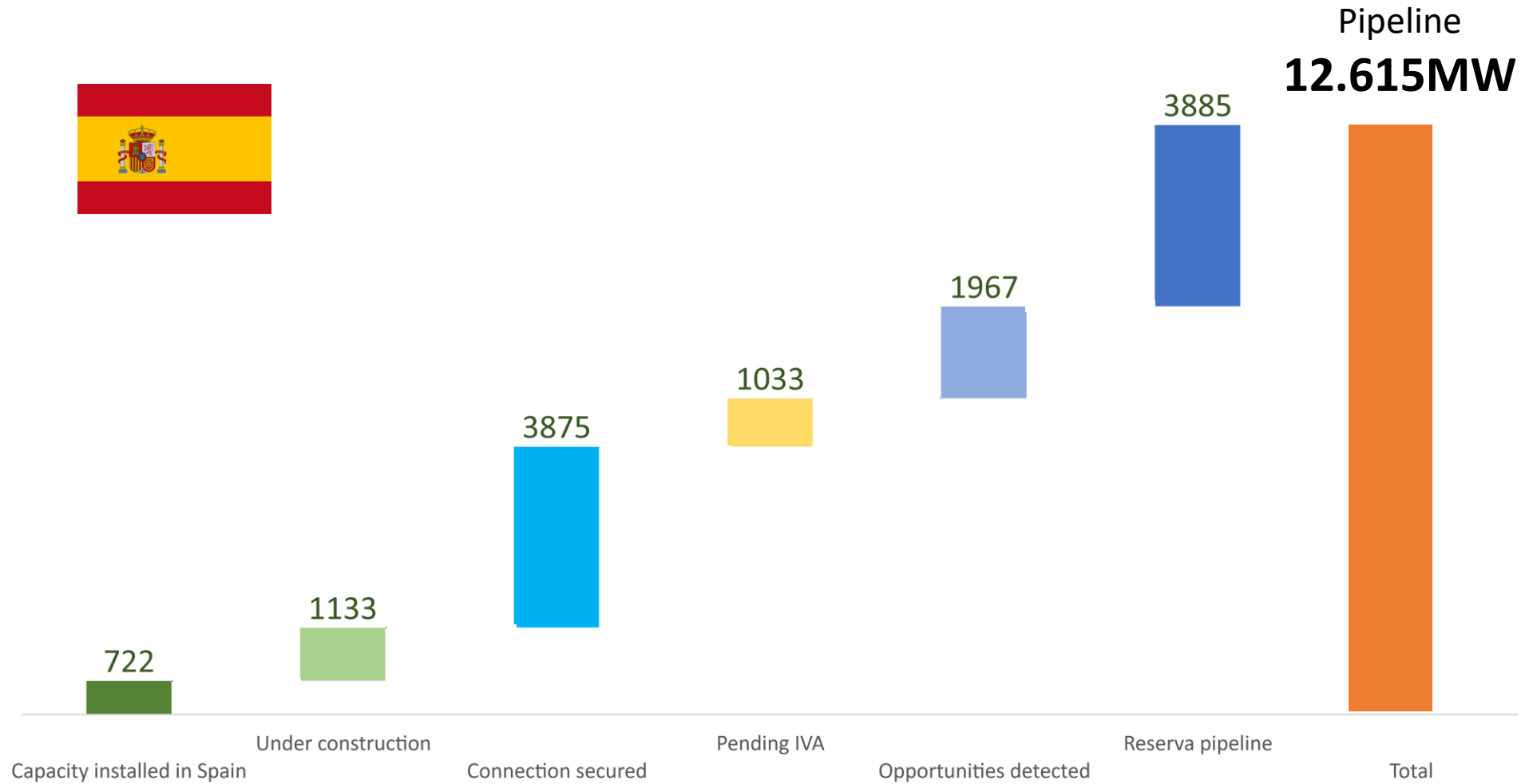
>1GW of opportunities already detected

>210MW with connection secured

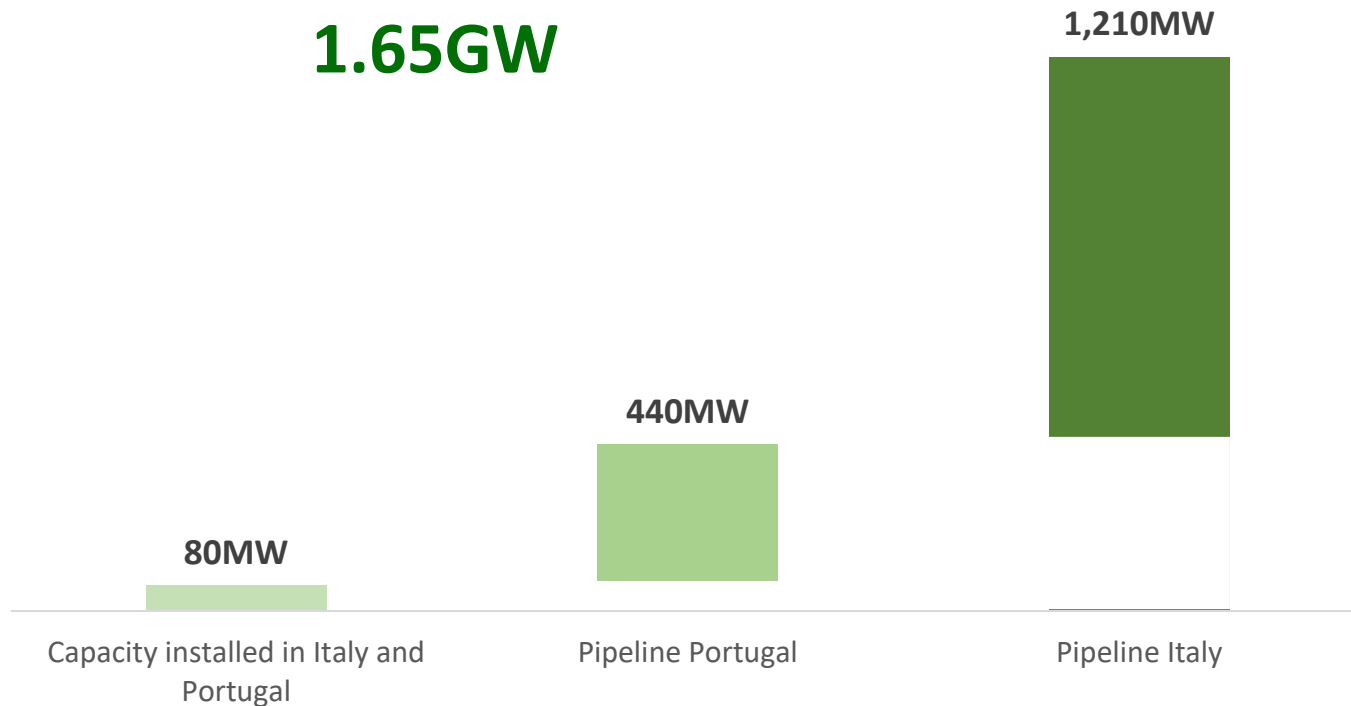
>1200 Hectares of land secured




# Increasing visibility of installation targets – 12.6 GW pipeline in Spain to feed 2030 18GW target



# Increasing visibility of installation targets – 1.65 GW pipeline in Italy and Portugal to feed 2030 18GW target




**0.44GW** Portugal 

Three projects under development

Casal da Valeira: <b>200 MW</b> <i>Chamusca, Santarém</i>	Vale Pequeno: <b>200 MW</b> <i>Chamusca, Santarém</i>	CSF Vale da Pedra: <b>40 MW</b> <i>Cartaxo, Santarém</i>
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- ✓ All projects take into account best solutions in technology, including batteries
- ✓ Secured land, via lease agreements and/or surface rights
  - ✓ Favourable previous information requests (PIP)
- ✓ Detailed engineering studies and environmental impact studies have already been started in order to follow subsequent licensing procedures.
  - ✓ Estimated COD = 2023

**1.21GW** Italy 

- >1GW of opportunities already detected
- >210MW with connection secured
- >1200 Hectares of land secured

# Increasing visibility of installation targets – Clear visibility on February 2022 target



Project status	MW
Installed	825
Under construction	+ 1,133
Installed and under construction	= 1,958
Construction to be launched in Q4 2021	+ 390MW

+60% vs. End 2020

Cifuentes-Trillo (626MW) + Toros (130MW) projects = 70%

**= 91% of FY2021 results targets**

Pegaso Solar (80MW)  
 Scorpius Solar (85MW)  
 Aquarii Solar (100MW)  
 Valentina Solar (125MW)

**= 109% of Feb 2022 target**

# Increasing visibility of installation targets – Clear visibility on February 2022 target

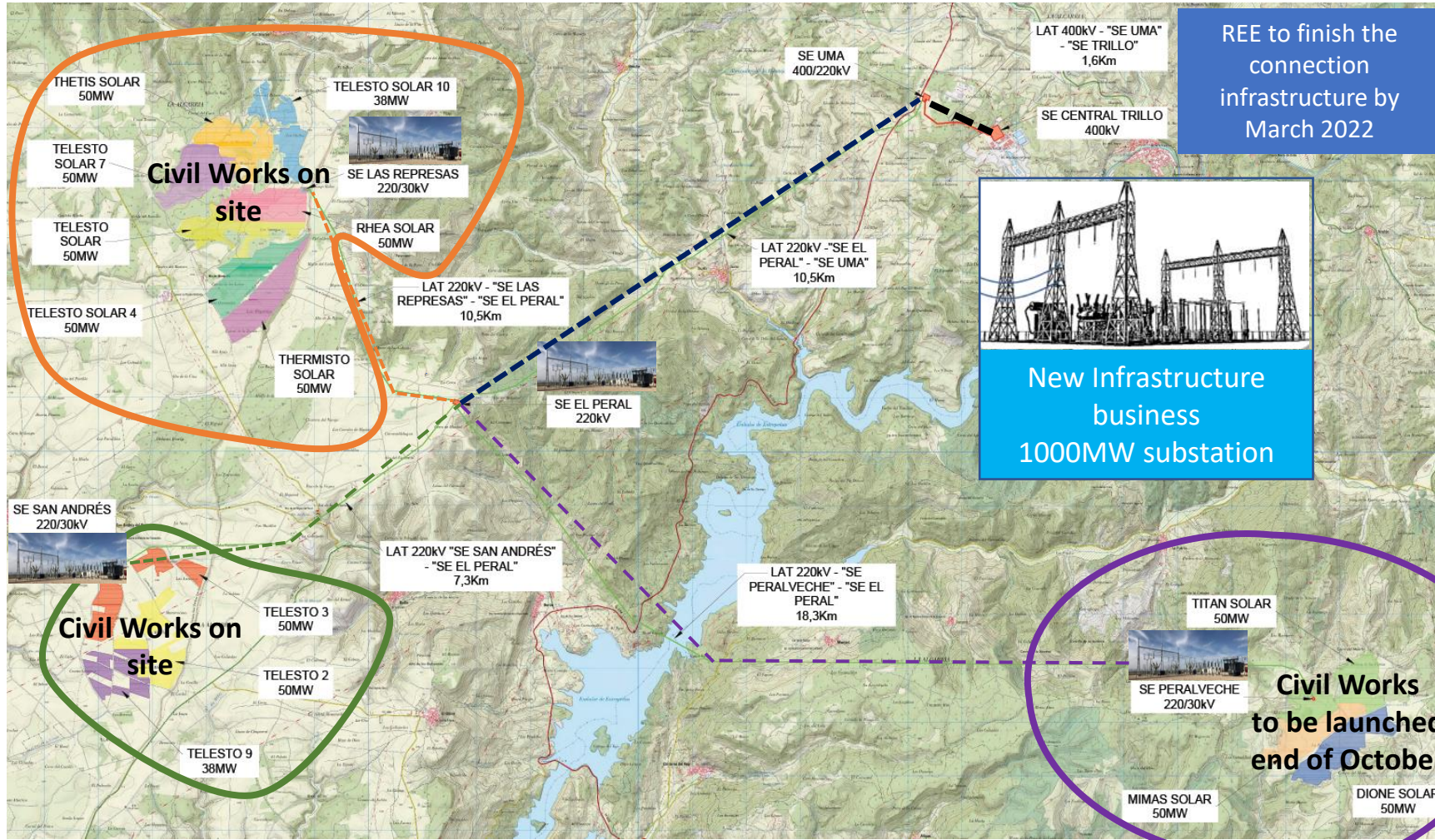
TRILLO-CIFUENTES 626MW under construction

**Budia 338MW**  
300MW in administrative authorizations already granted

- Telesto Solar 10 – 38MW
- Tethys Solar – 50MW
- Telesto Solar 7 – 50MW
- Rhea Solar – 50MW
- Telesto Solar – 50MW
- Telesto Solar 4 – 50MW
- Thermisto Solar – 50MW

**San Andrés 3138MW**  
All administrative authorizations granted

- Telesto Solar 2 – 50MW
- Telesto Solar 3 – 50MW
- Telesto Solar 9 – 38MW



**Peralveche 150MW**  
Pending administrative authorizations

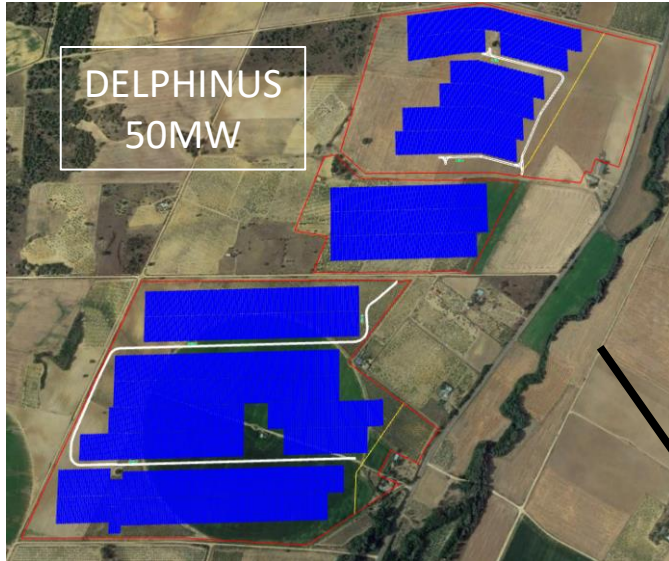
- Titan Solar – 50MW
- Mimas Solar – 50MW
- Dione Solar – 50MW

Plants can be connected separately

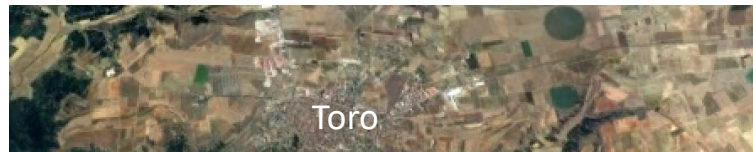


# Increasing visibility of installation targets – Clear visibility on February 2022 target

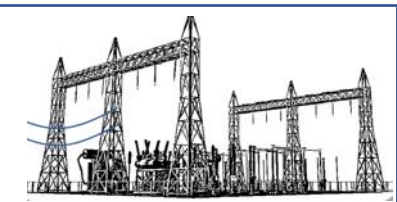
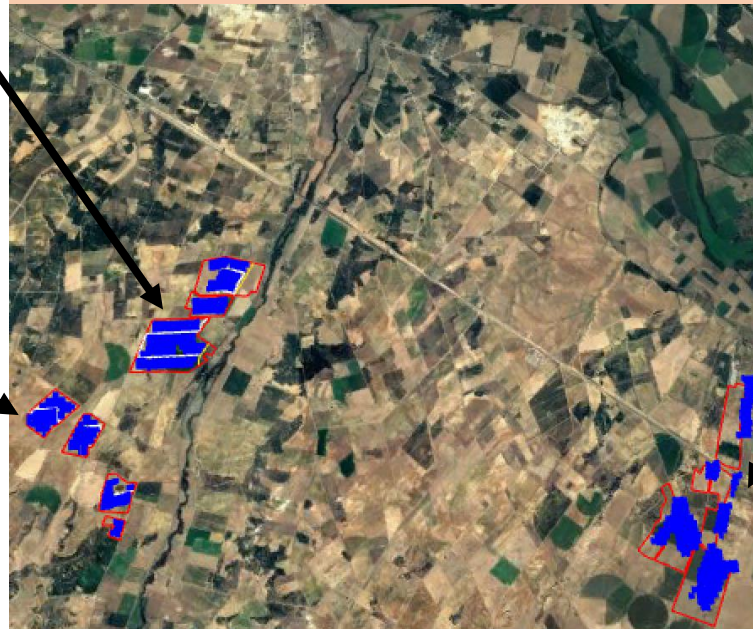
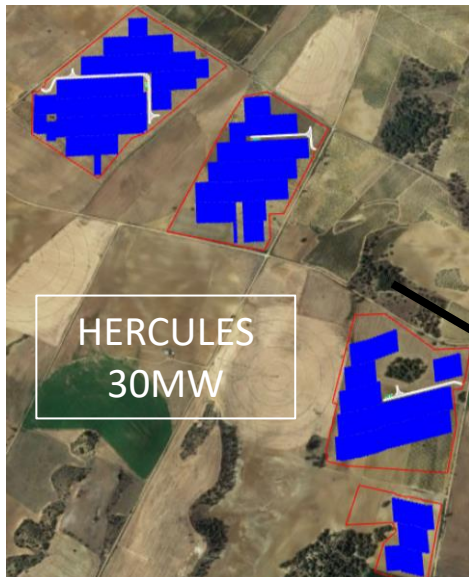
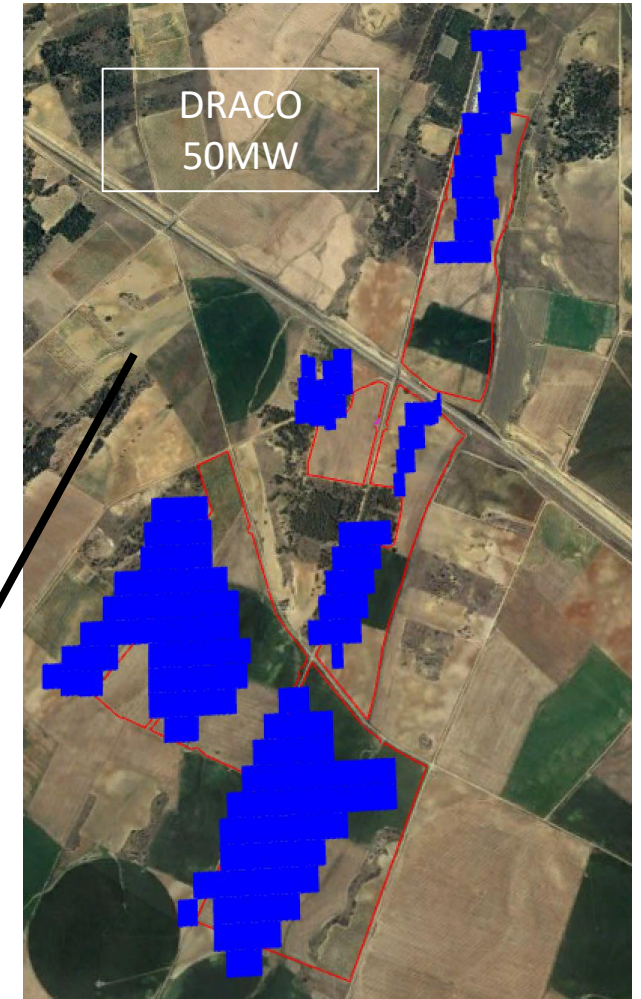
TORO 130MW under construction



TORO PROJECT  
Three plants - 130MW under construction  
fully permitted



REE to finish connection infrastructure by April 2022  
Plants can be connected separately



New Infrastructure business  
600MW substation



# Increasing visibility of installation targets – Clear visibility on February 2022 target

## TRILLO-CIFUENTES & TORO under construction



# Increasing visibility of installation targets – Clear visibility on 2022 and 2023 targets

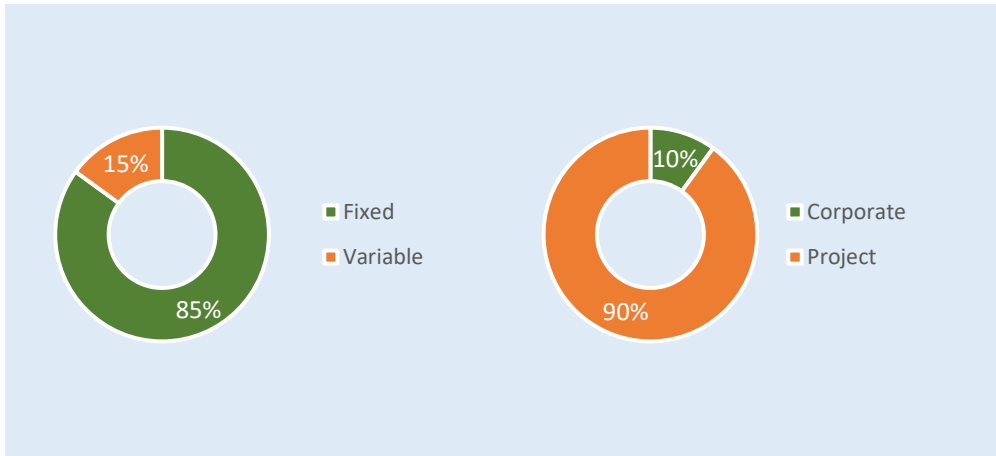


Project status	MW	Green Flag	
Installed and under construction	= 1,958		} = <b>4,508MW</b> <b>&gt;2024 Target</b>
<b>Public exposure</b> 3-12 months to reach green flag for construction	>2550		
Pegaso, Scorpius, Aquarii, Valentina	198 (390)	4Q21	} = <b>94% 2022</b> installation targets
Garoña	595	1H22	
Alcarrás	150	1H22	
Parla	150	1H22	} = <b>129% 2023</b> installation targets
Navarra	360	2H22	
Villaviciosa	782	1Q23	

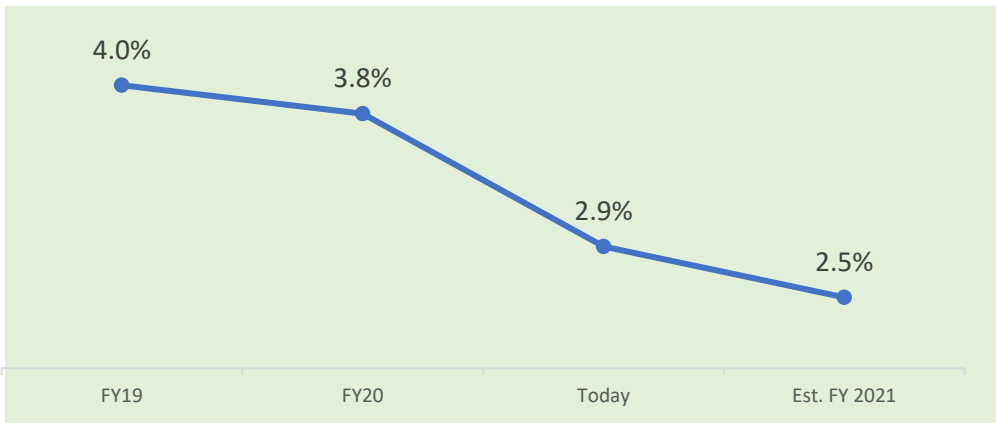
April 2022 = RDL 23/2020 deadline to obtain the environmental permit

End 2025 = RDL 23/2020 deadline to obtain the definitive operation permit

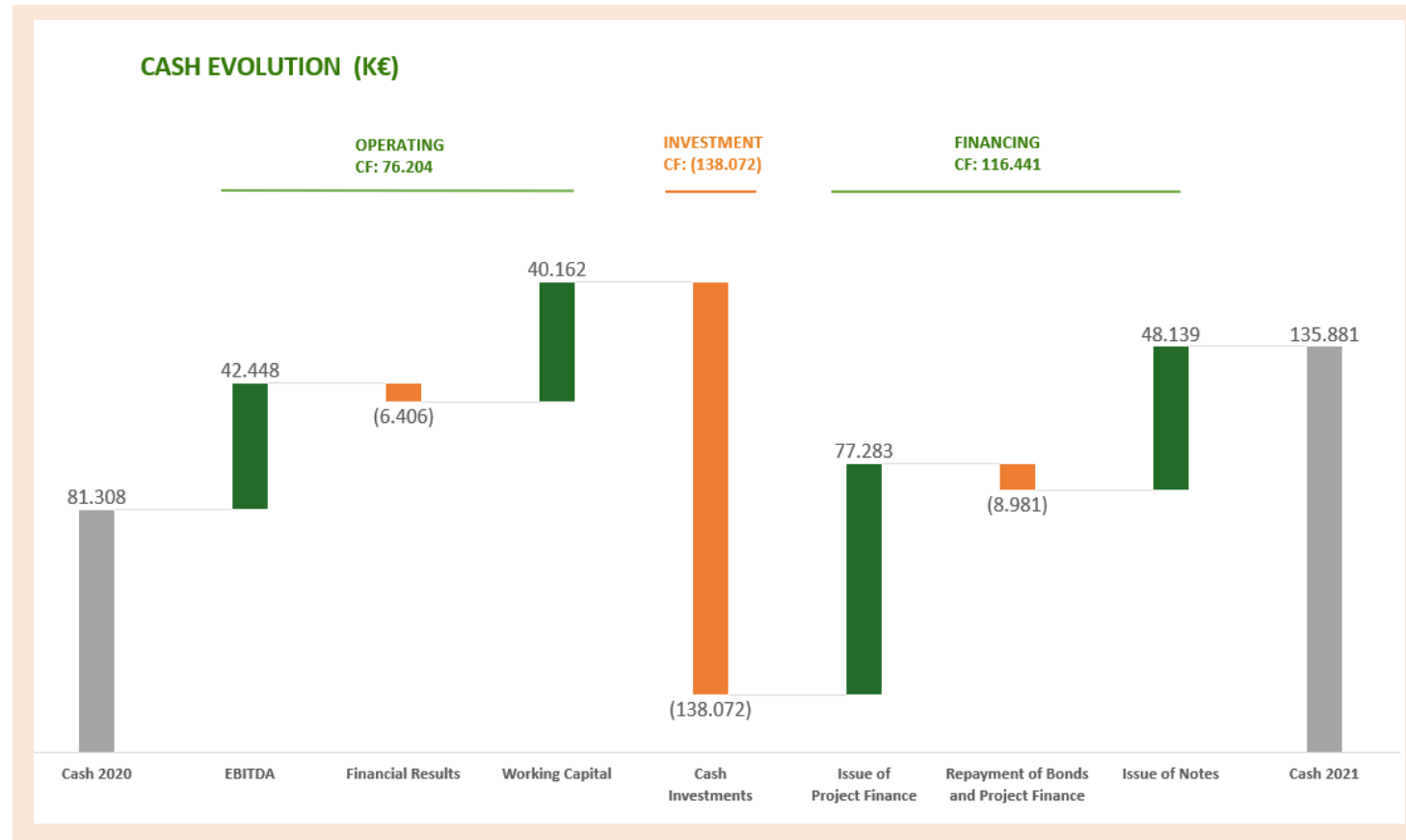
## Healthy debt structure



## Sharp reduction in cost of debt



## Generating cash





## 365MW REFINANCING

To be closed by end of year

<p><b>255MW</b></p> <p>2017 Spanish auction Still 24Y regulatory life 8 plants</p>	<p><b>110MW</b></p> <p>Repsol PPA Still 5Y 4 plants</p>
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	NOW	AFTER
<b>Structure</b>	<b>Project Finance</b>	<b>Project Bond</b>
Debt lifetime	15	24
Interest rate	>2.3%	<2%
Dividends	€8mn	<b>Est. €12mn</b>
Cash generation		<b>Est. €40mn</b>

**Projects dividends  
+50%**

**Cash generation Est.  
€40mn**

**90% Merchant  
exposure = There is  
good financing for  
merchant**

# Healthy growth – PPAs, YES but not at any price

Offtaker	Power MW	Sector	Offtaker rating	Term	Type	Supply	Status
Confidential	150	Utility	Investment grade	9	Financial	Solar profile	TS signed
Confidential	200	Oil & gas	Investment grade	10	Financial	Solar profile	TS signed
Confidential	200	Oil & gas	Investment grade	10	Physical	Solar profile	TS under negotiation
Confidential	200	Oil & gas	Investment grade	10	Physical	Solar profile	TS under negotiation
Confidential	50	Telco company	Investment grade	10	Physical	Baseload	Price under negotiation
Confidential	200	Utility	Investment grade	10	Physical	Solar profile	Price under negotiation
Confidential	600	Industrial	Investment grade	10	Financial	Solar profile	Price under negotiation
Confidential	250	Utility	Investment grade	10	Financial	Baseload	Price under negotiation
Confidential	90	Utility	Investment grade	10	Physical	Solar profile	Price under negotiation
Confidential	100	Utility	Investment grade	10	Physical	Solar profile	Price under negotiation
<b>TOTAL VOLUME ≥</b>	<b>2040</b>	<b>MW</b>					

New PPA signings on hold

1. Need to reevaluate prices considering surge in spot and forward prices
2. New Spanish auction in October

## 3.3GW new Spanish public PPA auction on October 14

1.3GW for Solar PV

700MW for assets onstream prior to May 2023

600MW for wind and solar for assets onstream prior to July 2022

# Improving ESG commitments – Meeting ESG targets

## DECARBONIZATION

**-45%**

CO2 emissions reduction **Surpassing Target** ✓  
*From 0.68 tn CO2/GWh in 1H2020 to 0.37 tn CO2 / GWh in 1H2021*



**87%** of our electricity consumption is from renewable sources



**20% of our fleet is hybrid**  
*From 0 to 8 hybrid cars*



**107.000 tonnes CO2 avoided**  
*from generation*



**Offsetting of 161 tonnes of CO2**  
 by forest plantation in Uruguay  
*Moving towards carbon neutrality*

**GUANARÉ' Forest Plantations on Degraded Grasslands under Extensive Grazing**

<b>1,000</b>	<b>21,298</b>	<b>2,877,745</b>
Jobs are planned	Hectares of land previously under extensive grazing	Anthropogenic GHG removals by sinks

## OUR PEOPLE IS OUR BEST RESOURCE



**+69% of employees**

**+40%**

**Promotion of women** **Target achieved** ✓  
*Comparing with no. of women in middle management in 2020*



New **satisfaction surveys** with all employees



More internal communication and training

## GOOD GOVERNANCE



New policies and internal procedures



Contributing to SDGs  
*Solaria is a signatory of the UN Global Compact*

# Improving ESG commitments – Always striving for best local project integration with fauna and flora

## CASE STUDY

### Flora-protection measures

Protecting power lines and fencing from collisions



Reforestation of the area of vegetation removed



Respecting large trees, especially oaks and bushes in the area



Construction of a perimeter firebreak

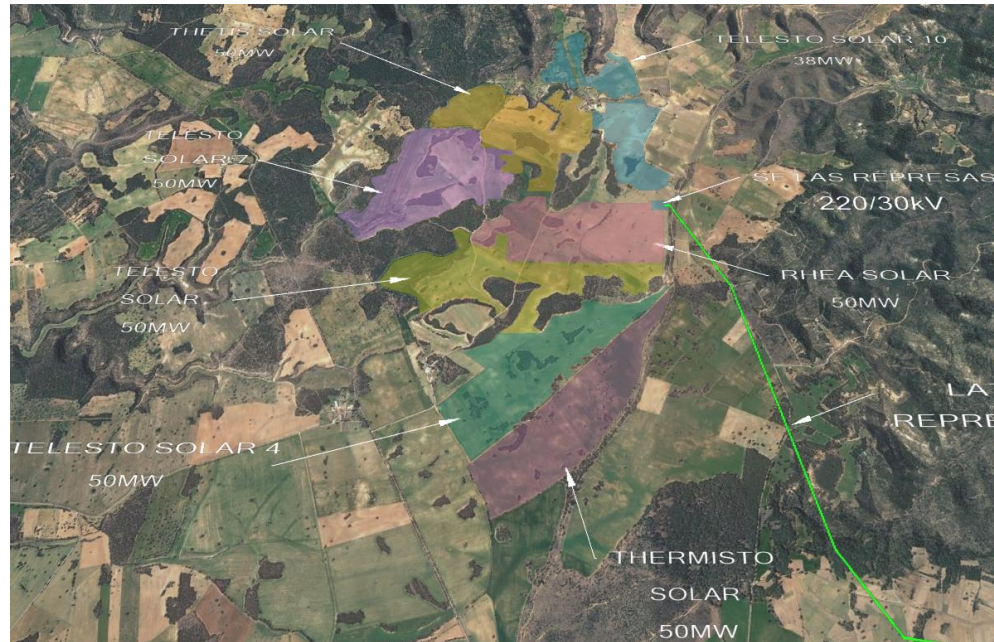


Waste-management and material-recycling plan



### BUDIA 338MW

Part of Cifuentes-Trillo 626MW complex



### Fauna-protection measures

210 nests for small and medium birds



10 cairns for rabbits and small mammals



Protection of wetlands in the area and creation of two new ponds for amphibians.



Monitoring and protection of eagles in the area.







## Appendix

# Income Statement

H1-2021 (unaudited)

	€mn		
	H1-2021	H1-2020	Relative change (%)
Net sales	42.967	23.115	86
Other income and earnings	6.531	5.527	18
<b>Total revenues</b>	<b>49.498</b>	<b>28.642</b>	<b>73</b>
Personnel expenses	(3.238)	(2.775)	17
Operating expenses	(3.812)	(3.460)	10
<b>EBITDA</b>	<b>42.448</b>	<b>22.407</b>	<b>89</b>
Amortisation	(9.115)	(7.516)	21
<b>EBIT</b>	<b>33.333</b>	<b>14.891</b>	<b>124</b>
Financial Income/Loss	(7.595)	(6.592)	15
<b>Profit before tax</b>	<b>25.738</b>	<b>8.299</b>	<b>210</b>
Tax	(2.089)	6.480	(132)
<b>NET PROFIT</b>	<b>23.649</b>	<b>14.779</b>	<b>60</b>

# Balance Sheet

H1-2021 (unaudited)

## Assets

	H1-2021	FY20	Relative change (%)
Non-current assets	802.746	609.897	32
Intangible assets	109.383	45.584	140
Tangible fixed assets	626.569	496.431	26
Deferred tax assets	66.123	67.224	(2)
Other non-currents financial assets	671	658	2
Current assets	173.188	105.611	64
Trade and other receivables	36.448	23.270	57
Other current assets	859	1.033	(17)
Cash and other equivalent assets	135.881	81.308	67
Total Assets	975.934	715.508	36

€mn



# Balance Sheet

H1-2021 (unaudited)

## Liabilities

€mn

	H1-2021	FY20	Relative change (%)
Equity	248.349	222.514	12
Capital and share premium	310.926	310.926	0
Other reserves	5.311	5.311	0
Retained earnings	(60.227)	(83.876)	(28)
Value adjustments	(7.661)	(9.847)	(22)
<b>Non-current liabilities</b>	<b>566.457</b>	<b>406.546</b>	<b>39</b>
Obligations and long-term bonds	148.316	115.753	28
Financial liabilities with credit institutions	309.680	241.540	28
Financial lease creditors	105.644	44.398	138
Derivative financial instruments	2.817	4.855	(42)
<b>Current liabilities</b>	<b>161.128</b>	<b>86.488</b>	<b>86</b>
Obligations and short-term bonds	18.490	5.781	220
Financial liabilities with credit institutions	14.108	9.403	50
Financial lease creditors	1.967	1.338	47
Derivatives instruments	772	1.044	(26)
Commercial creditors and other accounts payable	125.791	68.882	83
<b>Total Liabilities</b>	<b>975.934</b>	<b>715.508</b>	<b>36</b>

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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.

All the foregoing shall be taking into account by those persons or entities which have to take decisions or issue opinions relating to the securities issued by Solaria. All such persons or entities are invited to consult all public documents and information of the Company registered within the Spanish Securities Market Commission, including the Exchange Information.

