



# Earnings Presentation 2017

# Disclaimer



## **DISCLAIMER**

This presentation has been prepared by Solaria Energía y Medio Ambiente, S.A. ("the Company") to be used exclusively as a description of its activities with professional and qualified investors and investment advisors. The information and any statements made in this document have not been verified by independent third parties and no implicit or explicit guarantee is given insofar as the impartiality or accuracy of the information and statements herewith expressed. The company, its advisers or representatives do not assume any responsibility for any losses derived from the use or interpretation of this document or its contents. This document does not constitute an offer or invitation to acquire or subscribe shares, in accordance with the following Spanish regulation "Leyes del Mercado de Valores": Ley 24/1988, Real Decreto Ley 5/2005, Real Decreto Ley 13/10/2005 and other applicable legislation. This document does not constitute an offer to buy, sell or exchange shares or financial instruments, nor is it a request for votes to be delegated or approved under any jurisdiction, nor does this document or any part of it constitute a contract, nor may it be used as a basis for interpretation of any contract, agreement or commitment.

## **IMPORTANT INFORMATION**

This communication does not constitute an offer to buy, sell, exchange or ask for an offer to buy, sell or exchange shares or financial instruments. The shares of Solaria Energía y Medio Ambiente, S.A. cannot be offered or sold in the United States of America unless done through an effective notice as regulated in the Securities Act or under a valid exemption of the obligation to notify.

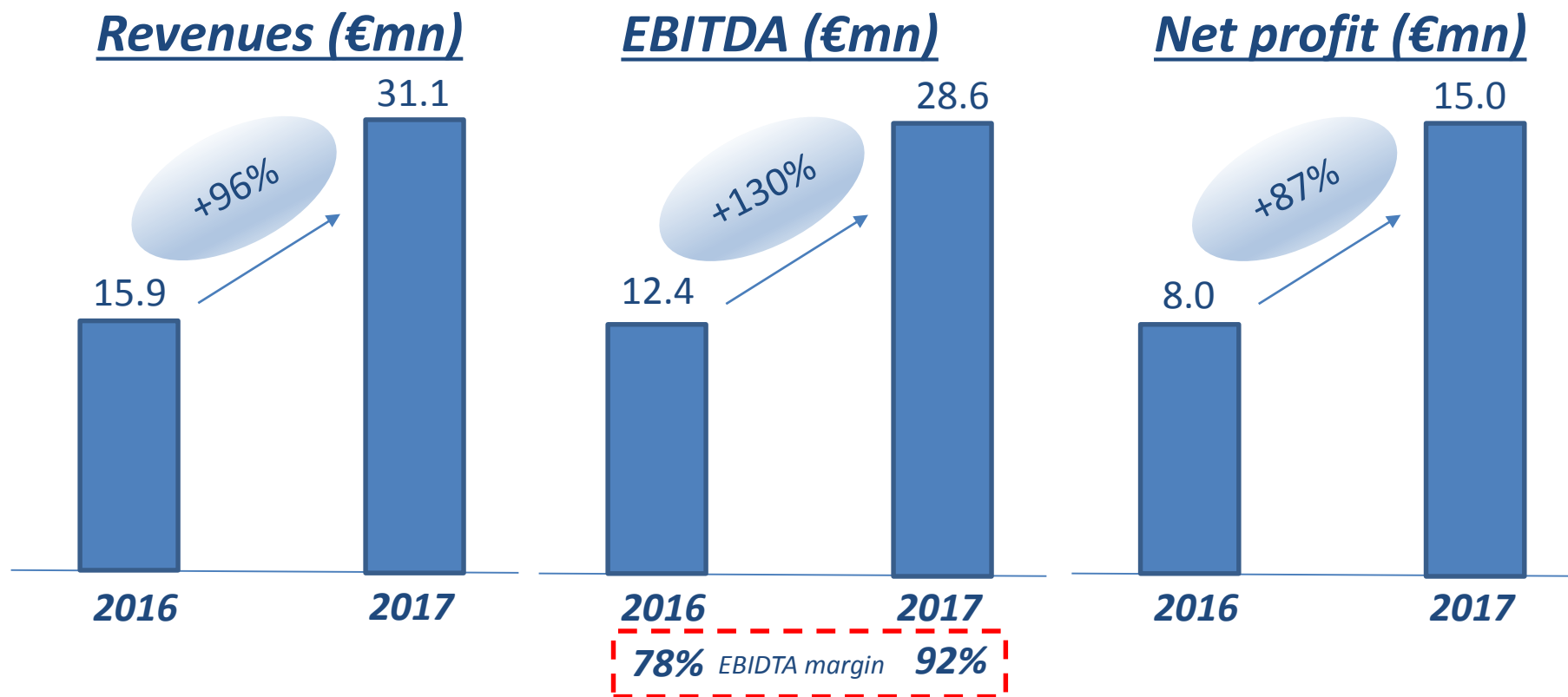
## **FORWARD LOOKING STATEMENTS**

This communication contains information, claims and opinions which include forward-looking statements about Solaria Energía y Medio Ambiente, S.A. Such information includes or may include projections and financial estimates, with their underlying assumptions, statements or announcements related to projects, targets and expectations related to future delays, investments, synergies, products, services and declarations regarding future results. Declarations containing future projections and estimates are not historic facts or results and are generally identified by the use of words such as "expects", "anticipates," "believes," "pretends," "estimates" and similar. Although Solaria Energía y Medio Ambiente, S.A. considers that the expectations reflected by such claims are reasonable, investors and shareholders of Solaria Energía y Medio Ambiente, S.A. must be aware that any forward-looking statement is subject to risks and uncertainties, most of which are difficult to anticipate and are, generally, outside the control of Solaria Energía y Medio Ambiente, S.A., and are risks which may cause real results and future performance to differ substantially from those expressed, implied or projected in the information and forward-looking statements herein. Such risks and uncertainties include those identified in the public information submitted by Solaria Energía y Medio Ambiente, S.A. to the Spanish regulator Comisión Nacional del Mercado de Valores. Forward-looking statements or projections do not constitute a guarantee of future performance and results and have not been revised by the auditors of Solaria Energía y Medio Ambiente, S.A. It is recommended not to take any decisions on the basis of declarations or statements or forward-looking statements. All forward-looking statements included in this document made or issued by Solaria Energía y Medio Ambiente, S.A. or any of its board members, directors, employees or individuals acting as representatives of the company are expressly subject to the warnings included in this notice. The claims or forward-looking statements included in this document are based upon information available on the date of release of this document. Unless obliged by applicable law, Solaria Energía y Medio Ambiente, S.A. does not assume the commitment to update publicly its claims or revise any forward-looking statements, not even if new data, facts or information become available.

- ✓ **Earnings have more than doubled** vs. 2016 with the acquisition of brownfield projects in Spain and Italy and entry into operation of new assets in Uruguay
- ✓ **Successful refinancing** of projects in Spain with issuance of **three project bonds in Frankfurt and MARF** and disbursement of IIC loan in Uruguay
- ✓ Pipeline secured with **250MW of new projects awarded** in July in the Spanish renewable auction

	<i><b>2017</b></i>	<i><b>vs. 2016</b></i>
Electricity output	86.7 GWh	+124%
Total revenues	€31.12mn	+96%
EBITDA	€28.56mn	+130%
Net profit	€15.01mn	+87%

# Revenues, EBITDA and Net Profit

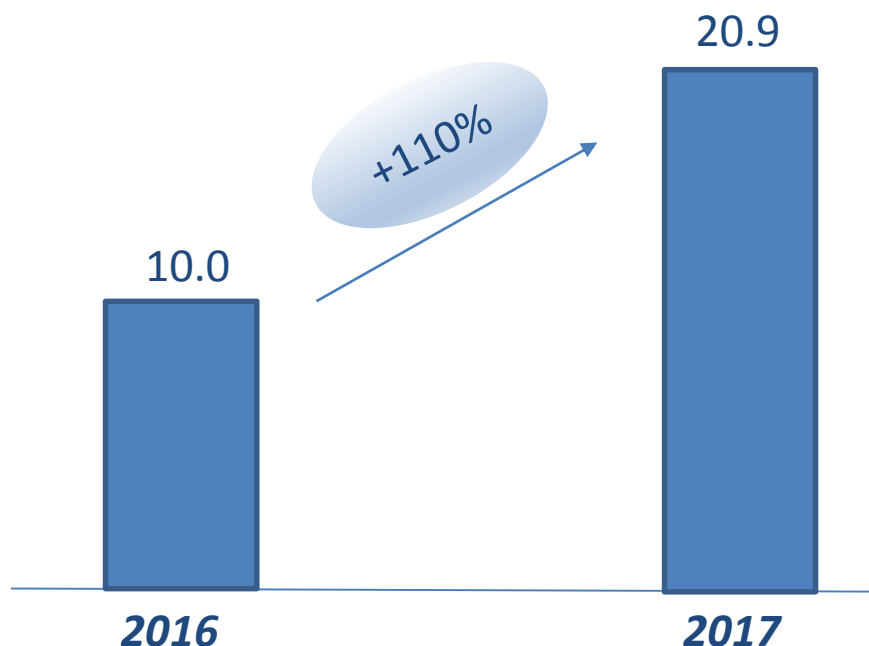


- ✓ Exponential soar of revenues, EBITDA and net profit, based on:
- Acquisition of brownfield projects in Spain (Magacela/TAN) and Italy (Uta)
  - Start of operation of Uruguayan projects (Yarnel and Natelu)
  - OPEX optimisation of portfolio (O&M, external services...)

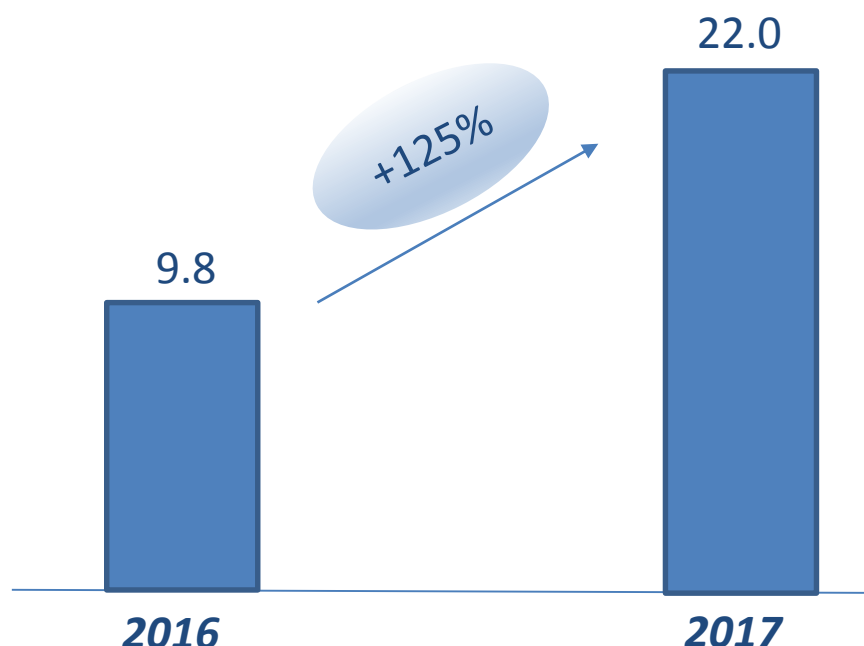
# Working Capital and Cash Position



## Working Capital (€mn)



## Cash Position (€mn)



- ✓ Refinancing of existing assets has allowed significant improvement of recurrent cash flow
- ✓ After 2017 investment for new projects, which rose from 37 to 71 MW installed, Solaria has increased its net cash position by 125%

# Debt Analysis



	Dec. 2016	Dec. 2017
1 Generation Assets	Non-recourse debt (€mn) 101.5 185.1	
2 Corporate Debt	Recourse Debt (€mn) 18.6 1.9	
Total Debt (€mn)	120.1	187.0

# Bond Issuance Reference in Market



- ✓ We are now a reference in the renewable project-bond market, with four offerings in the last 18 months, acquired by institutional investors such as Rivage and Blackrock

May 2016

Feb 17

July 17

Dec 17

GLOBASOL Green Project Bond	
TERM SHEET	
Emisor	Globasol Villanueva 1, S.A.U.
Tipo de emisión	Bono Senior
Rating	BBB- Outlook estable emitido por Avesor Ratings (Certificada por ESMA)
Importe de la emisión	€ 45.300.000
Características	453 bonos de € 100.000 de valor nominal
Fecha de emisión	4 de Mayo 2016
Fecha de desembolso	17 de Mayo 2016
Fecha de vencimiento	31 de Enero 2037
Cupón	4,20% nominal anual
Pago y Amortización	Mensual (base 30/360)
Entidades coordinadoras, y colocadoras	Beka Finance S.V., S.A. , Intermoney Valores S.V., S.A.
Asesores legales	Baker&McKenzie y CMS Albiñana & Suarez de Lezo
Legislación aplicable	España
Mercado de cotización	MARF (Mercado Alternativo de Renta Fija)

Senior Secured Notes PSP6 February 2017	
TERM SHEET	
Emisor	Planta Solar Puertollano 6, S.A.U.
Tipo de emisión	Secured Notes Senior
Rating	BBB- Outlook estable emitido por Avesor Ratings (Certificada por ESMA)
Importe de la emisión	€ 45.100.000
Características	451 bonos de € 100.000 de valor nominal
Fecha de emisión	22 de Febrero de 2017
Fecha de desembolso	27 de Febrero de 2017
Fecha de vencimiento	31 de Diciembre de 2037
Cupón	3,75% nominal anual
Pago y Amortización	Mensual (base 30/360)
Entidad coordinadora y colocadora	Beka Finance S.V., S.A
Asesores legales	Cuatrecasas y CMS Albiñana & Suarez de Lezo
Legislación aplicable	España
Mercado de cotización	MARF (Mercado Alternativo de Renta Fija)

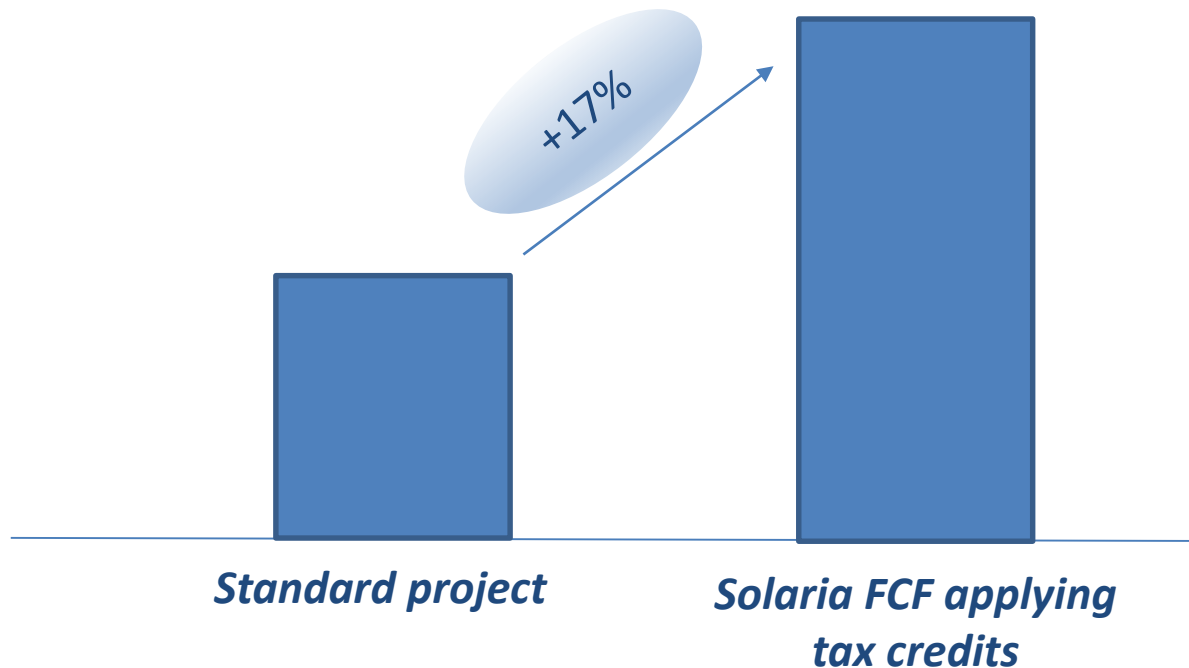
Senior Secured Notes Magacela Solar 1, S.A.U 2017	
TERM SHEET	
Emisor	Magacela Solar 1, S.A.U.
Tipo de emisión	Secured Notes Senior
Rating	Sin rating
Importe de la emisión	€ 47.100.000
Características	471 bonos de € 100.000 de valor nominal
Fecha de emisión	24 de Julio de 2017
Fecha de desembolso	24 de Julio de 2017
Fecha de vencimiento	30 de Junio de 2037
Cupón	3,769% nominal anual
Pago y Amortización	Mensual (base 30/360)
Entidad coordinadora y colocadora	JB Capital Markets, S.V., S.A
Asesores legales	Baker & McKenzie Madrid, S.L.P.
Legislación aplicable	Reino Unido
Mercado de cotización	Frankfurt Stock Exchange Open Market (Freiverkehr)

Senior Secured Notes Solaria Casiopea December 2017	
TERM SHEET	
Emisor	Solaria Casiopea S.A.U., S.A.U.
Tipo de emisión	Senior Secured Notes
Rating	BBB- Outlook estable emitido por Avesor Ratings (Certificada por ESMA)
Importe de la emisión	€ 9.200.000
Características	92 bonos de € 100.000 de valor nominal
Fecha de emisión	19 de Diciembre de 2017
Fecha de desembolso	21 de Diciembre de 2017
Fecha de vencimiento	30 de Septiembre de 2040
Cupón	4,15% nominal anual
Pago y Amortización	Mensual (base 30/360)
Entidad coordinadora y colocadora	Beka Finance S.V., S.A
Asesores legales	Baker & McKenzie Madrid, S.L.P.
Legislación aplicable	España
Mercado de cotización	MARF (Mercado Alternativo de Renta Fija)

- ✓ In 2017, with leading multilateral institutions, we also financed USD25mn in projects of Uruguay, the disbursement of which took place in February.

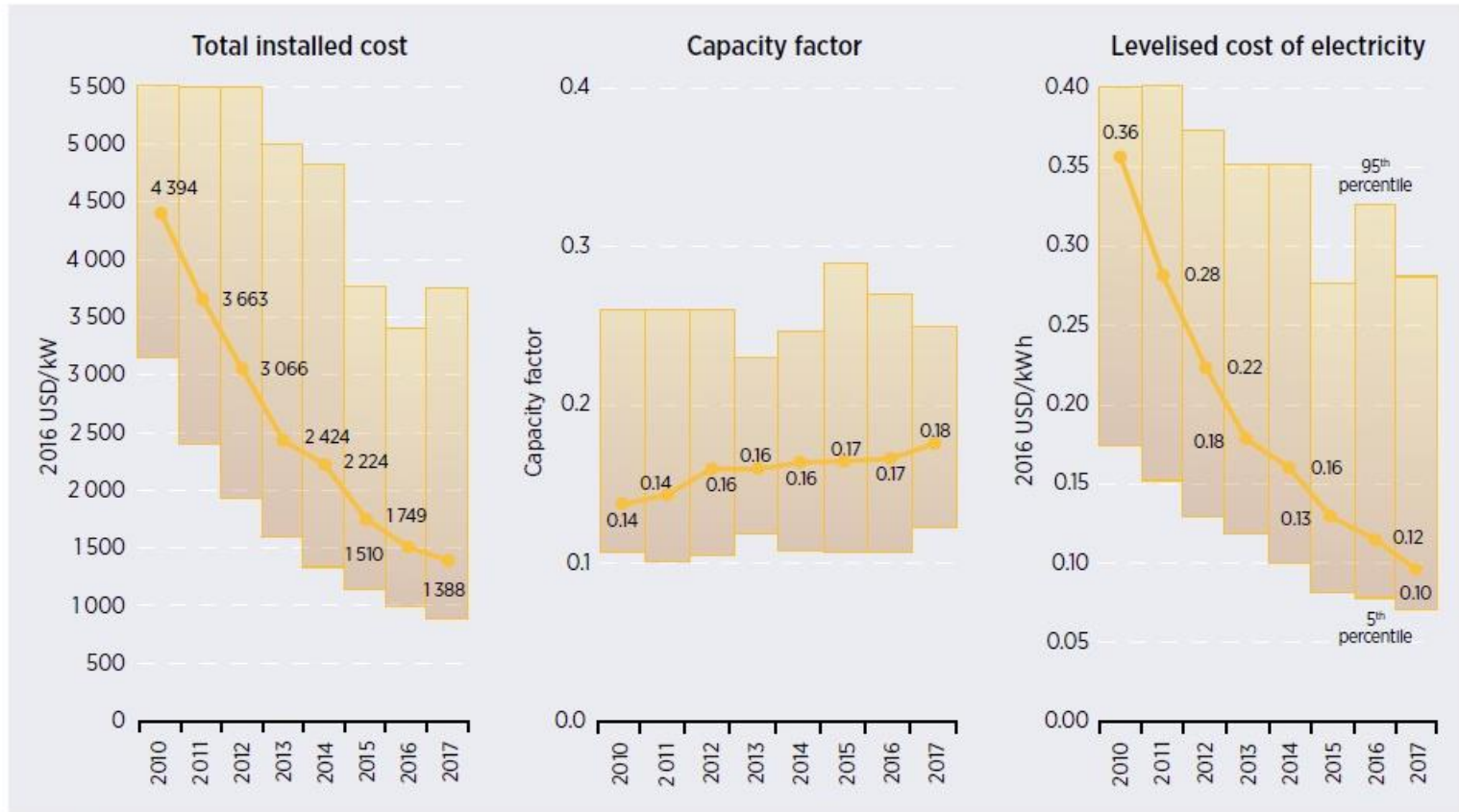


## *Effect of tax credits on FCF*



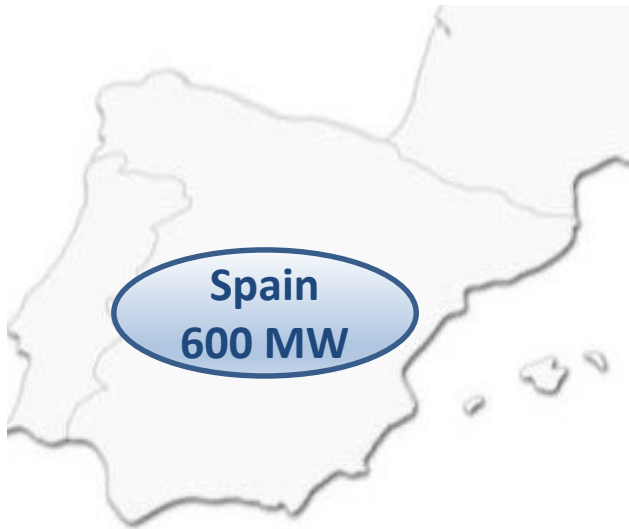
- ✓ Solaria tax credits as of December 2017: €152.5mn (gross)
- ✓ No expiration date of tax credits, and deductions to result in significant FCF increases for Solaria entities in Spain
- ✓ Up to €38.1mn in potential cash savings in Spain due to tax credits

# PV Business Update



Source: IRENA Renewable Cost Database.

- ✓ With continued downtrend of PV costs, these projects require no subsidisation



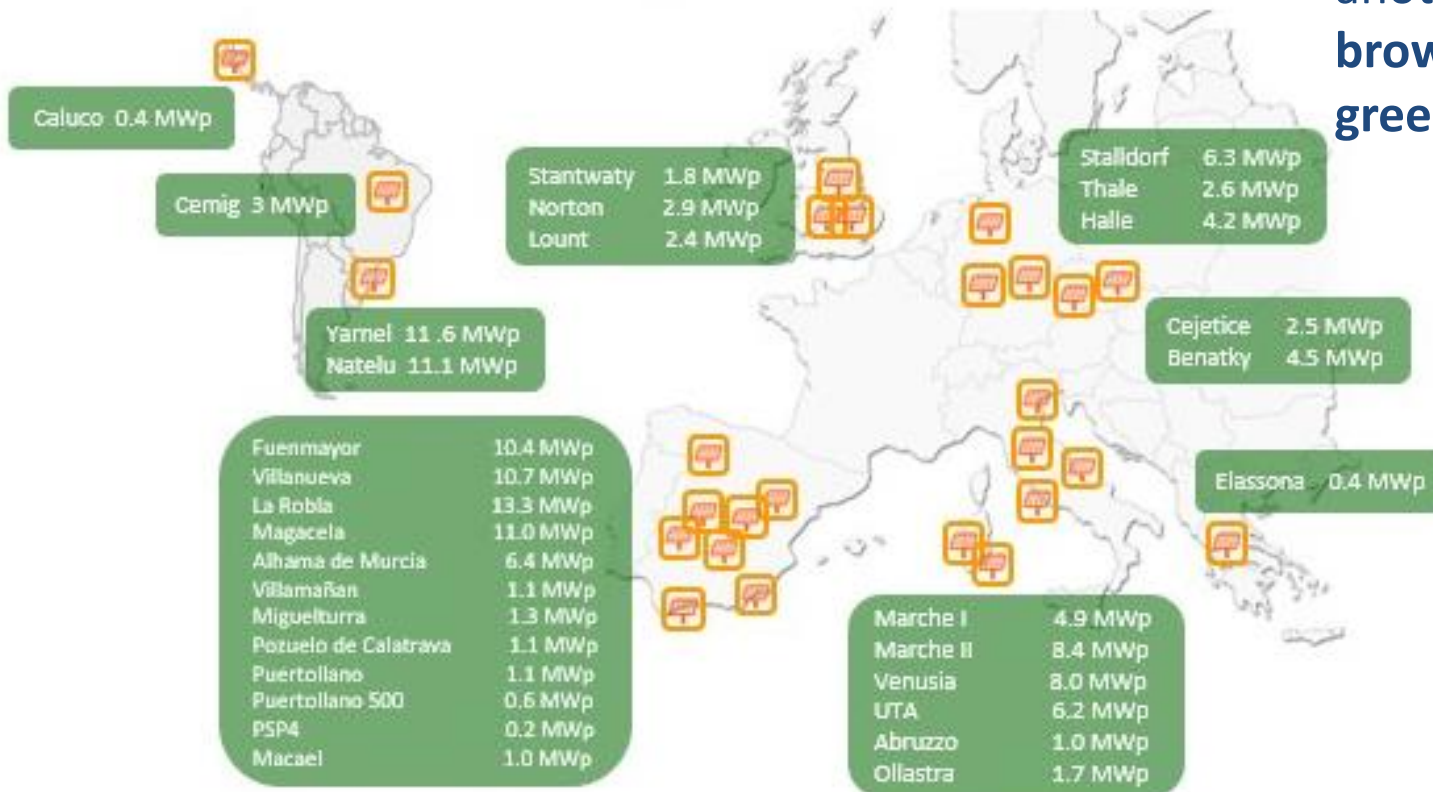
- ✓ In July 2017, we **obtained 250MW** in the Spanish renewable auction, to be **constructed and connected in 2018 and 2019**
- ✓ Total project pipeline in Spain is 600MW for coming years

In April, auction project locations to be disclosed in observance of RD 650/2017 and ETU/615/2017

# International Project Pipeline



More than 150 MW in projects successfully developed and executed in Europe and Latin America



✓ Total project pipeline outside Spain reaches another **500MW** in **brownfield** and **greenfield** projects:

France / Italy  
100MW

Mexico  
120MW

Chile  
180MW

Brazil  
100MW

## 2017 Financials

### CONSOLIDATED PROFIT AND LOSS ACCOUNT

Thousands of Euros	2017	2016	Absolute change	Relative Change
Net sales	31.124	15.874	15.249	96%
Cost of sales	1.168	289	878	304%
<b>Gross sales margin</b>	<b>32.291</b>	<b>16.164</b>	<b>16.128</b>	<b>100%</b>
Other income	4.670	2.562	2.108	82%
Personnel expenses	(2.758)	(2.818)	61	-2%
Other operating expenses	(5.645)	(3.488)	(2.157)	62%
<b>EBITDA</b>	<b>28.559</b>	<b>12.419</b>	<b>16.140</b>	<b>130%</b>
EBITDA / Net sales	92%	78%		
Amortisation, impairment and provisions	(10.308)	(5.276)	(5.032)	95%
<b>EBIT</b>	<b>18.251</b>	<b>7.143</b>	<b>11.108</b>	<b>156%</b>
EBIT / Net sales	59%	45%		
<b>FINANCIAL INCOME/LOSS</b>	<b>(10.340)</b>	<b>(3.454)</b>	<b>(6.886)</b>	<b>199%</b>
Equity-accounted earnings	(191)	641	(833)	-130%
<b>Profit before tax</b>	<b>7.720</b>	<b>4.331</b>	<b>3.389</b>	<b>78%</b>
Tax	7.291	3.695	3.596	97%
<b>NET PROFIT / (NET PDA)</b>	<b>15.011</b>	<b>8.026</b>	<b>6.985</b>	<b>87%</b>
Net profit / Net sales	48%	51%		

<i>Thousands of Euros</i>	<i>31/12/2017</i>	<i>31/12/2016</i>	<i>Absolute change</i>
<b><i>Non-current assets</i></b>	<b>246.080</b>	<b>149.968</b>	<b>96.112</b>
<i>Intangible assets</i>	80	80	-
<i>Tangible fixed assets</i>	226.596	135.269	91.327
<i>Equity-accounted investments</i>	748	7.454	(6.707)
<i>Deferred tax assets</i>	16.745	6.341	10.404
<i>Other non-current financial assets</i>	1.911	824	1.087
<b><i>Current assets</i></b>	<b>34.807</b>	<b>40.333</b>	<b>(5.526)</b>
<i>Stocks</i>	( )	22.284	(22.284)
<i>Commercial debtors and other accounts receivables</i>	12.478	8.084	4.394
<i>Other current financial assets</i>	77	77	
<i>Other current assets</i>	280	119	161
<i>Cash and other equivalent liquid assets</i>	21.972	9.769	12.203
<b><i>TOTAL ASSETS</i></b>	<b>280.887</b>	<b>190.301</b>	<b>90.586</b>

<i>Thousands of Euros</i>	<i>31/12/2017</i>	<i>31/12/2016</i>	<i>Absolute change</i>
<b>Net equity</b>	<b>55.698</b>	<b>48.393</b>	<b>7.304</b>
<i>Capital and issue premium</i>	221.926	221.926	( )
<i>Other reserves</i>	5.311	5.311	-
<i>Own shares</i>	(2.245)	(2.245)	-
<i>Retained earnings</i>	(163.214)	(171.848)	8.634
<i>Adjustments due to change in value</i>	(6.080)	(4.751)	(1.330)
<b>Non-current liabilities</b>	<b>211.323</b>	<b>111.545</b>	<b>99.778</b>
<i>Non-current provisions</i>	1.094	1.404	(310)
<i>Obligations and long-term bonds</i>	132.499	41.859	90.640
<i>Financial liabilities with credit institutions</i>	44.521	39.833	4.688
<i>Debt with related entities</i>	30.336	23.503	6.833
<i>Derivative financial instruments</i>	577	2.607	(2.030)
<i>Other financial liabilities</i>	2.296	2.339	(43)
<b>Current liabilities</b>	<b>13.866</b>	<b>30.363</b>	<b>(16.497)</b>
<i>Financial liabilities with credit institutions</i>	3.734	4.889	(1.155)
<i>Obligations and short-term bonds</i>	6.205	1.579	4.626
<i>Derivative financial instruments</i>	156	705	(549)
<i>Debt with related entities</i>	-	93	(93)
<i>Commercial creditors and other accounts payable</i>	2.981	22.506	(19.525)
<i>Other current liabilities</i>	790	591	199
<b>TOTAL LIABILITIES</b>	<b>280.887</b>	<b>190.301</b>	<b>90.585</b>

