



“Reiterating our 18GW target by 2030, we are reaffirming our commitment to energy transition and sustainability, greening the world”

Enrique Díaz-Tejeiro, President of Solaria

Q1 2021

EARNINGS

May 31, 2021

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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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Profitable growth is what matters

We reiterate our 18GW target by 2030

Profitability



Earnings surpass expectations

Energy production **+82%**
Total revenues **+90%**
EBITDA **+110%**
Adjusted Net profit **x5**

Highly efficient cash management

Financing through very attractive project finance, non-recourse debt
Cash +75% from €81mn to €142mn

Profitable in context of inflation

Best in class in Capex and Opex
Operating cost only up **26%**
Project IRR > **12%**

Growth



Regaining rate of installation

807MW installed

Growth reflected in asset base

Assets +53% YoY to €920mn

Delivery of flagship projects

Our **Cifuentes-Trillo 626MW** flagship project is **under construction**

Our other two flagship projects **Garoña 595MW** and **Villaviciosa 782MW** are already in public exposure period

Sustainable growth

Reinforced commitment to human rights of Solaria and its suppliers

International expansion

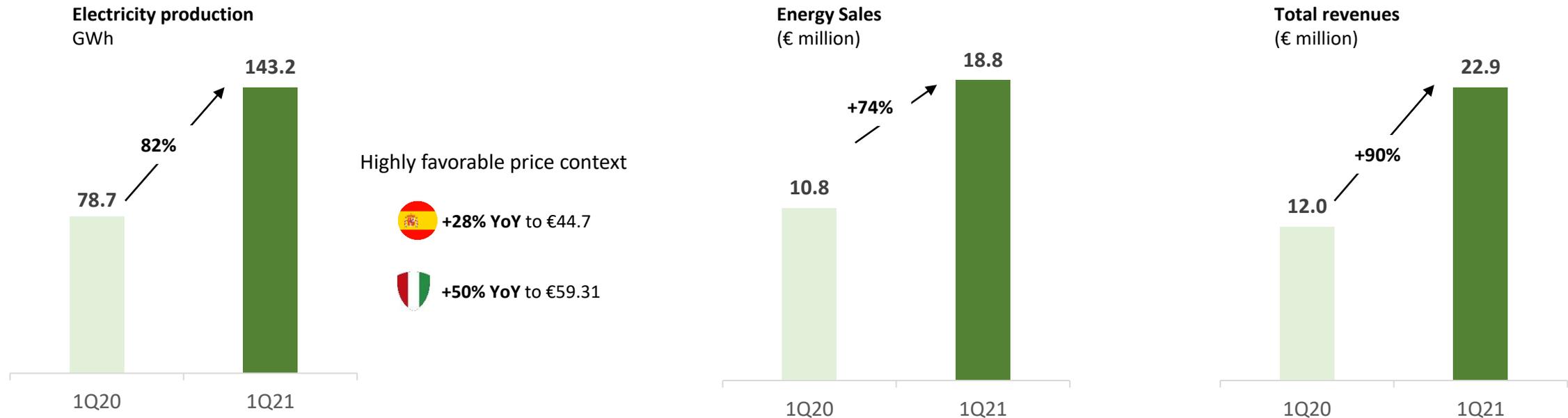
63MW under construction in Portugal
440MW under development

PROFITABILITY – 1Q21 Earnings surpass expectations

Strong operational quarter



Leap in revenues fuelled by huge in energy production and favorable price context



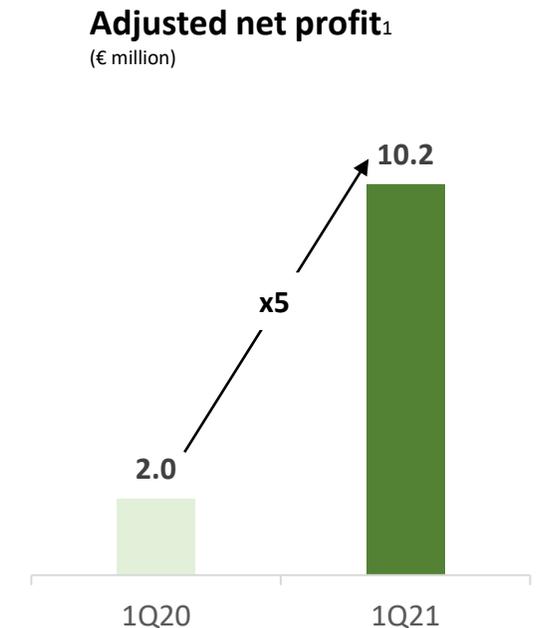
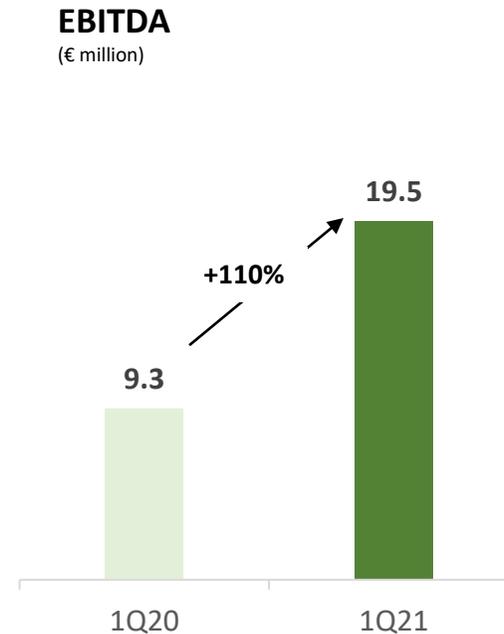
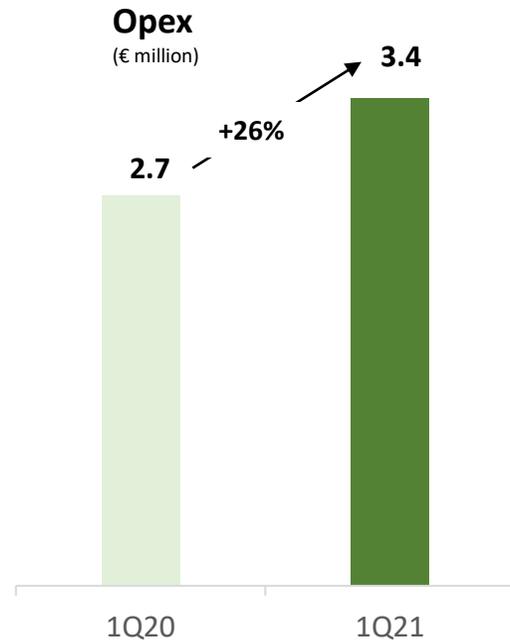
In the first quarter of the year, Solaria produced 143.2GWh of clean energy, avoiding 29,000 tonnes of CO₂ emissions

PROFITABILITY – 1Q21 Earnings surpass expectations

Outstanding profit



Fivefold increase in adjusted net profit owing to stringent control of operating expenses



Delivering sustainable and recurrent profitability

1. Without effect of DTAs

PROFITABILITY – Highly efficient cash management

Strong cash increase +€61mn +75%



Cash Flow evolution

(€ million)



Hefty investment in Q1

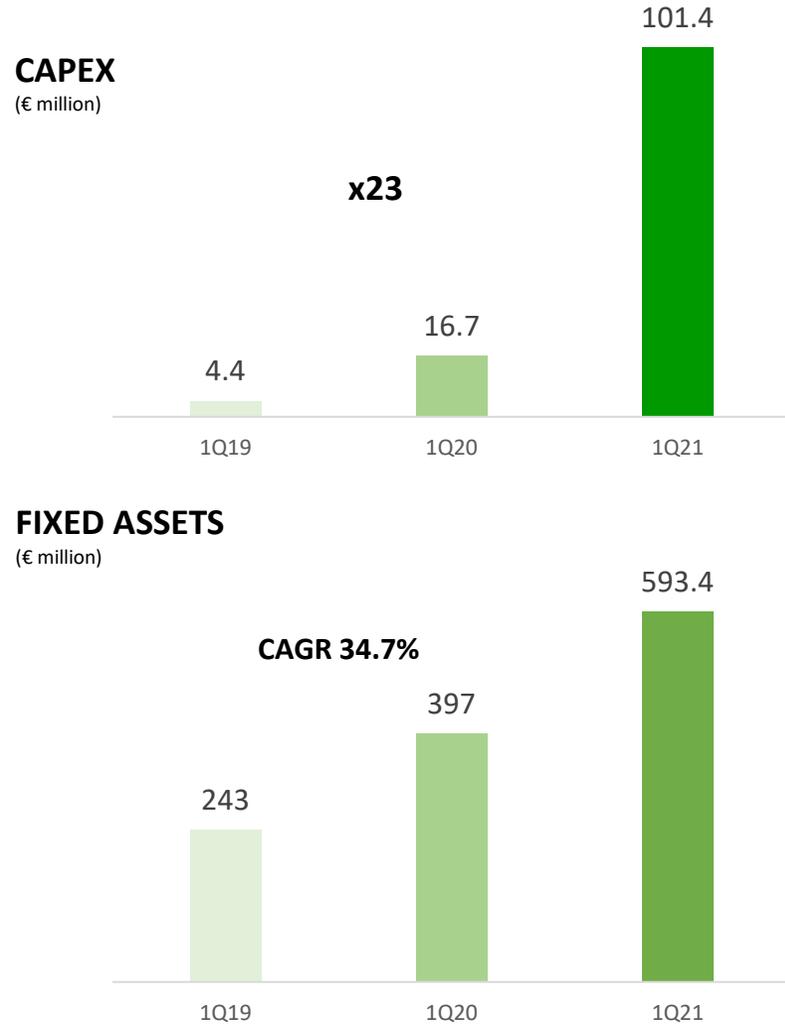
Project finance disbursement

Short-term papers issued in March with 12 to 18 months tenor below 1%
Net proceeds=€48.14mn

PROFITABILITY – Highly efficient cash management

Cash stable for last three years despite hefty investment

HEFTY INVESTMENT



CASH PERFORMANCE



PROFITABILITY – Still profitable in potential scenario of inflation

Our business model is prepared for inflation



FINANCING

85% of our financing is fixed rate
Banks' project-finance offering is not evolving

Agreement signed in April with Banque Postale

New



Project finance pre-agreement signed in April
Up to €23 million
Very attractive interest rate below 1.75%
63MW Portuguese assets

ELECTRICITY PRICE

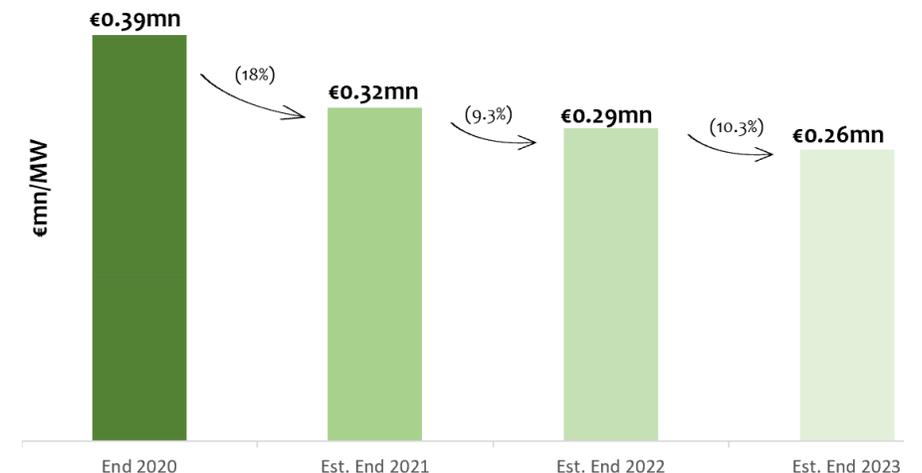
Taking advantage of pool price increase = Around 30% of our capacity has merchant exposure

CAPEX

CAPEX ASSOCIATED WITH PIPELINE AND COUNTRY

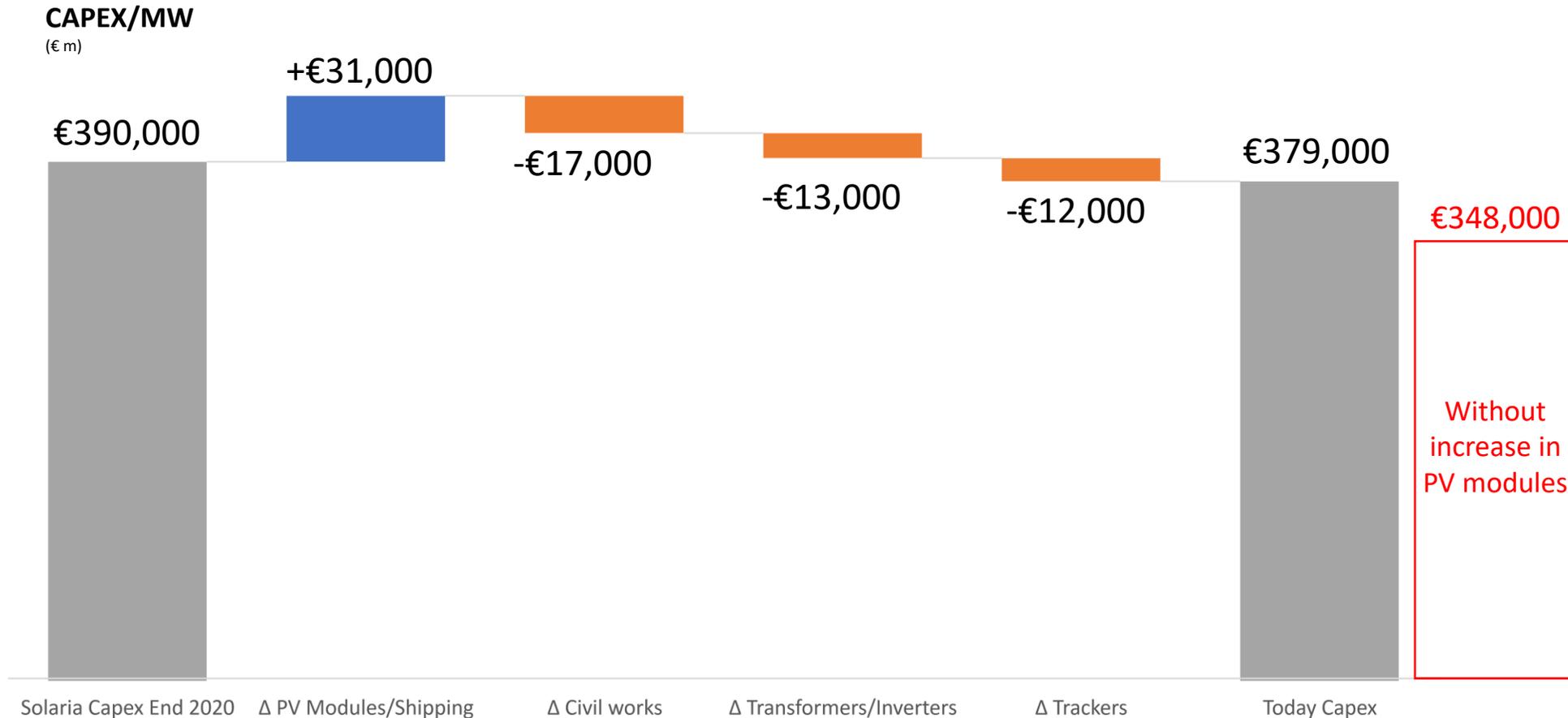
| | |
|--------------------------------|--|
| Country | Iberia has one of the best combination size/Opex/Capex in the world |
| High-quality pipeline | We do not buy the pipeline Low cost of construction |
| We don't pay EPC margin | We buy all components directly We do our own EPC for our projects |
| Economy of scale | 626MW = Biggest project in Europe |

WE REITERATE OUR CAPEX TARGETS



PROFITABILITY – Still profitable in potential scenario of inflation

Increase in PV modules (40% of Capex) offset by decrease in others costs (60% of Capex)

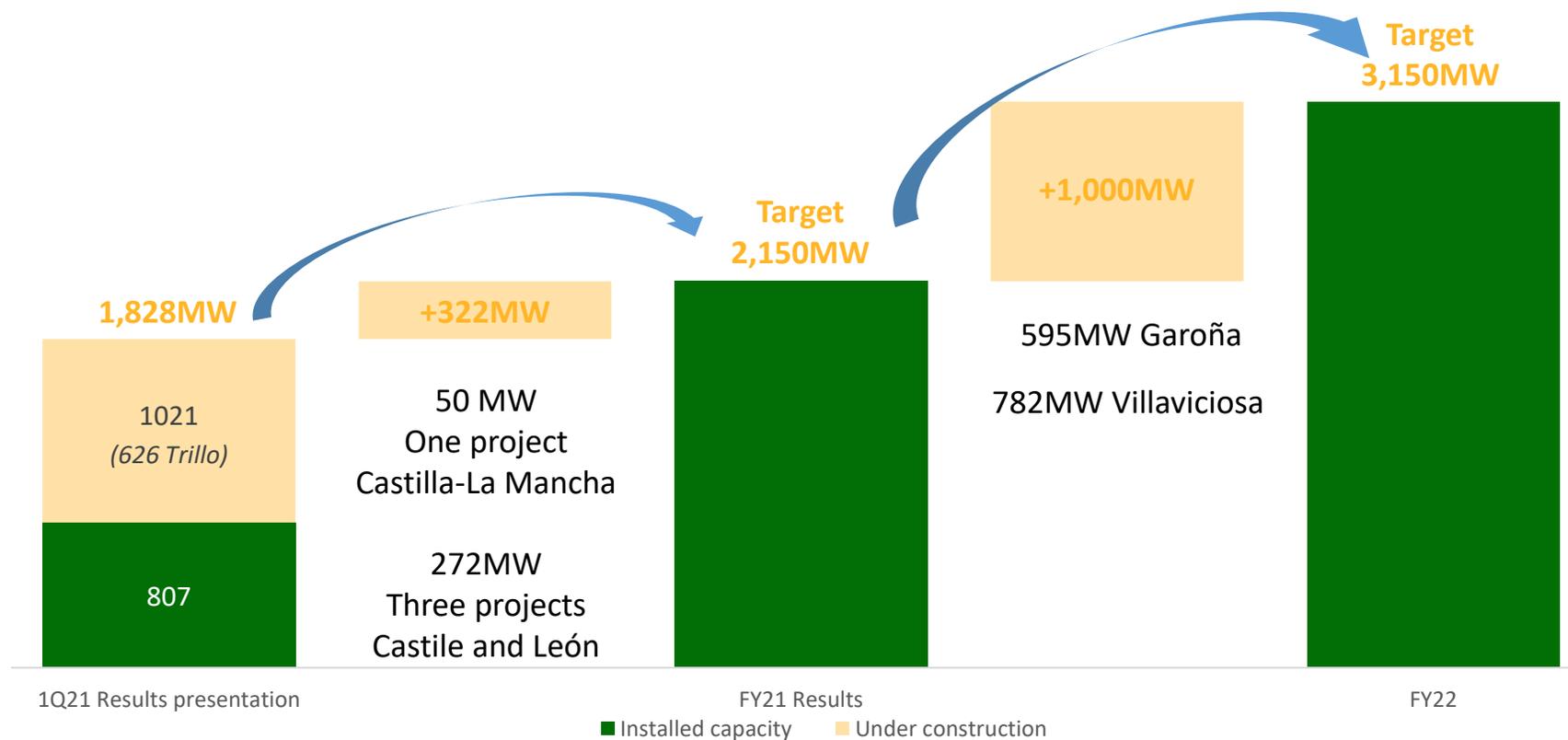


WE MAINTAIN €350,000/MW TRILLO CAPEX TARGET BEING A UNIQUE PROJECT FOR ITS SIZE AND LOCATION

GROWTH – Strong recovery in installation

We reiterate installation targets

2,150MW by end of 2021 and 3,150MW by end of 2023



GROWTH - Strong recovery in installation

1828MW installed and under construction
807MW installed

FY20 Earnings

Installed capacity 545 MW

505.4 MW



22.7 MW



16.7 MW

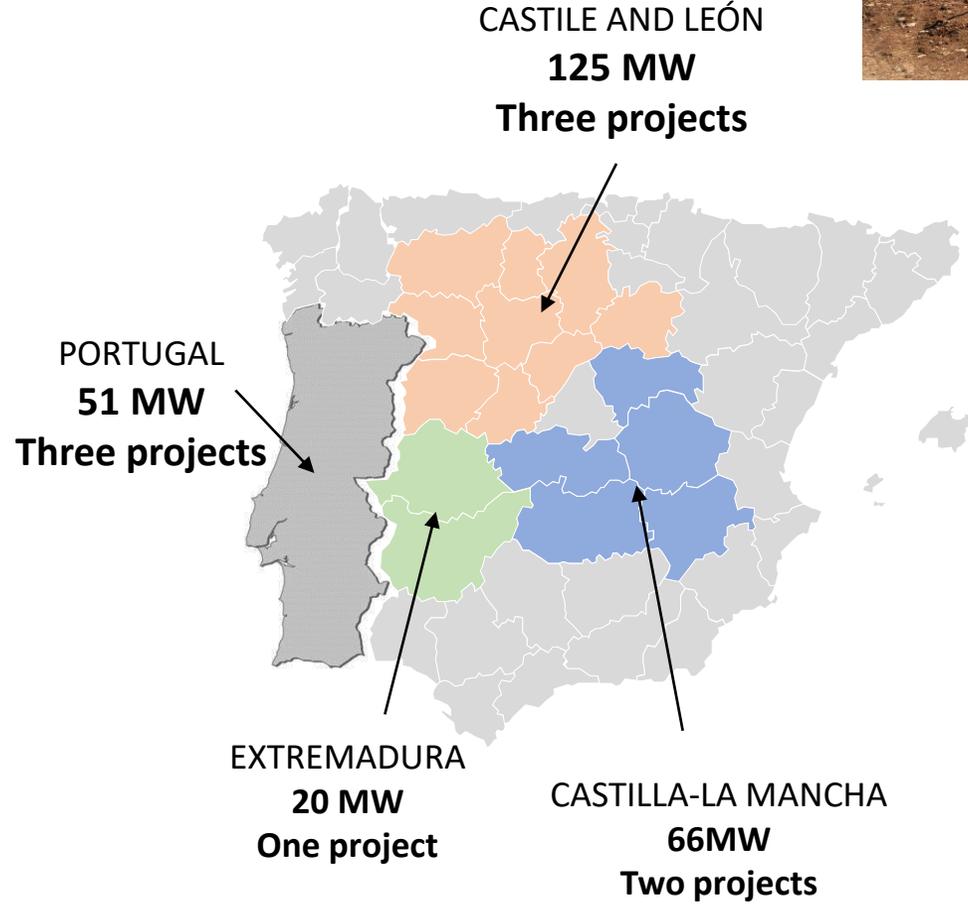


0.4 MW



New

+262MW addition



GROWTH - Strong recovery in installation

1828MW installed and under construction

1021MW under construction

626MW Cifuentes-Trillo

COMMENCING CONSTRUCTION OF
LARGEST PV POWER PLANT IN EUROPE

INAUGURATION

June 25



CONSTRUCTION TO START

June 25



One of the 626MW Cifuentes-Trillo project transformer

GROWTH - Strong recovery in installation

1828MW installed and under construction

1021MW under construction

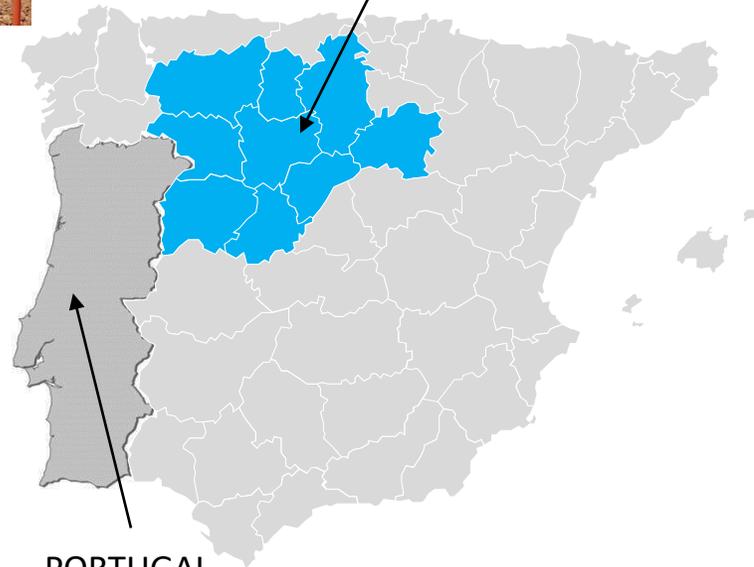


395MW

CASTILE AND LEÓN

380 MW

Seven projects



PORTUGAL

15 MW

One project



GROWTH - Strong recovery in installation

With Trillo, 2GW in flagship projects on track



595MW Garoña Update

Permitting: In public exposure

New

Ready-to-build status expected in 4Q21

Est. Construction to start in December 2021

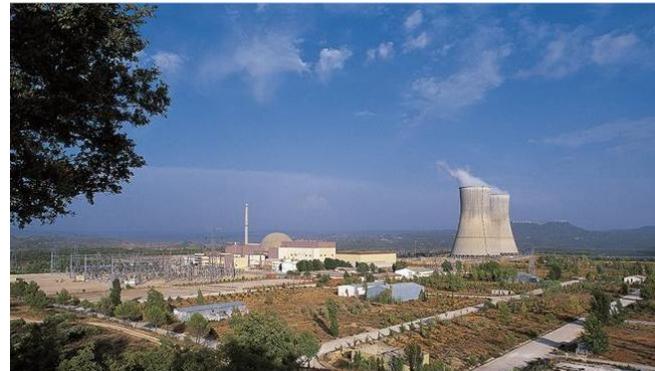
782MW Villaviciosa Update

Permitting: In public exposure

New

Ready to build status expected in 1H2022

Est. Construction to start in mid-2022



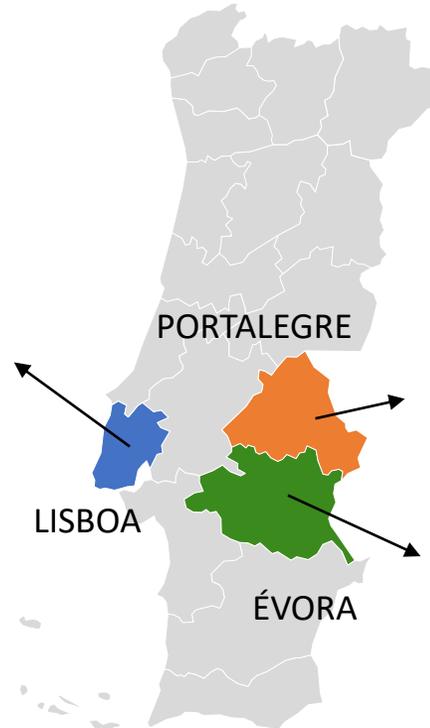
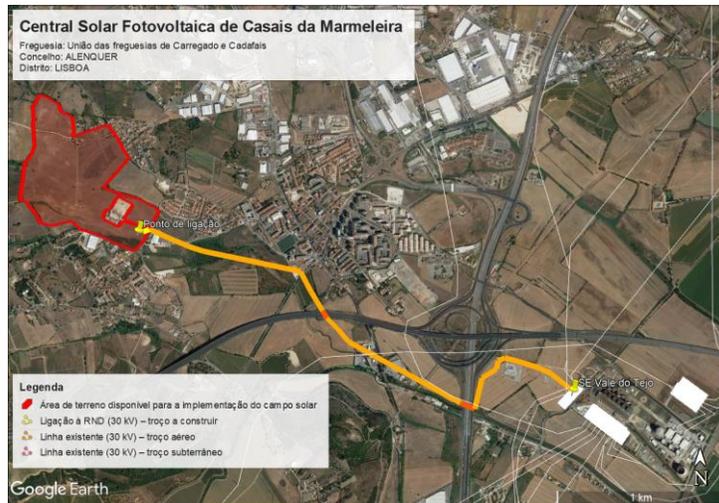
2GW in flagship projects on track
64% of our 3.15GW target by end 2022

GROWTH – International expansion - PORTUGAL

51.1MW installed

12.1MW construction to commence before end of year

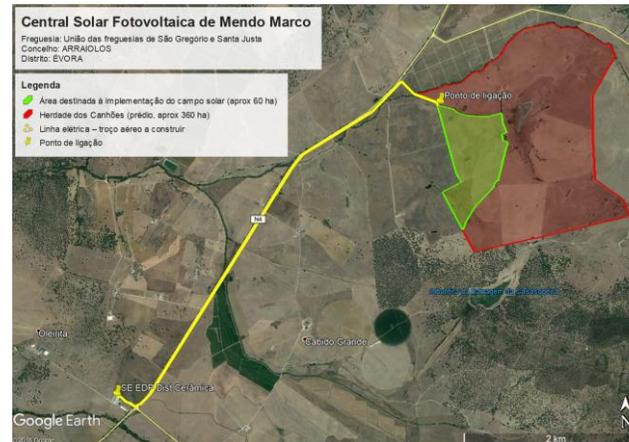
Casais da Marmeleira = 12,1 MW



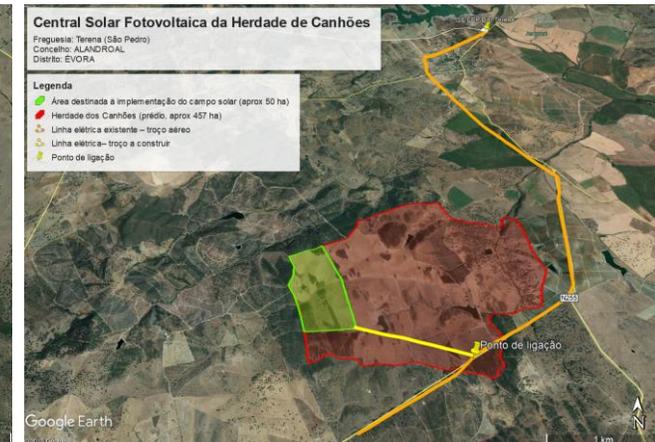
Monte Falcato = 14,1 MW



Mendo Marco = 23,3 MW



Herdade dos Canhões = 13,7 MW



GROWTH – International expansion - PORTUGAL

440MW in development. Estimated COD 2023



Three projects under development

Casal da Valeira: 200 MW
Chamusca, Santarém

Vale Pequeno: 200 MW
Chamusca, Santarém

CSF Vale da Pedra: 40 MW
Cartaxo, Santarém

- ✓ **All projects take into account best solutions in technology, including batteries**
- ✓ **Secured land, via lease agreements and/or surface rights**
- ✓ Preliminary studies and projects carried out
- ✓ Favourable previous information requests (PIP)
- ✓ **Awaiting official information on final results of qualification process to start talks with grid operators. However, detailed engineering studies and environmental impact studies have already been started in order to follow subsequent licensing procedures.**
- ✓ Estimated COD = 2023

GROWTH – Sustainability

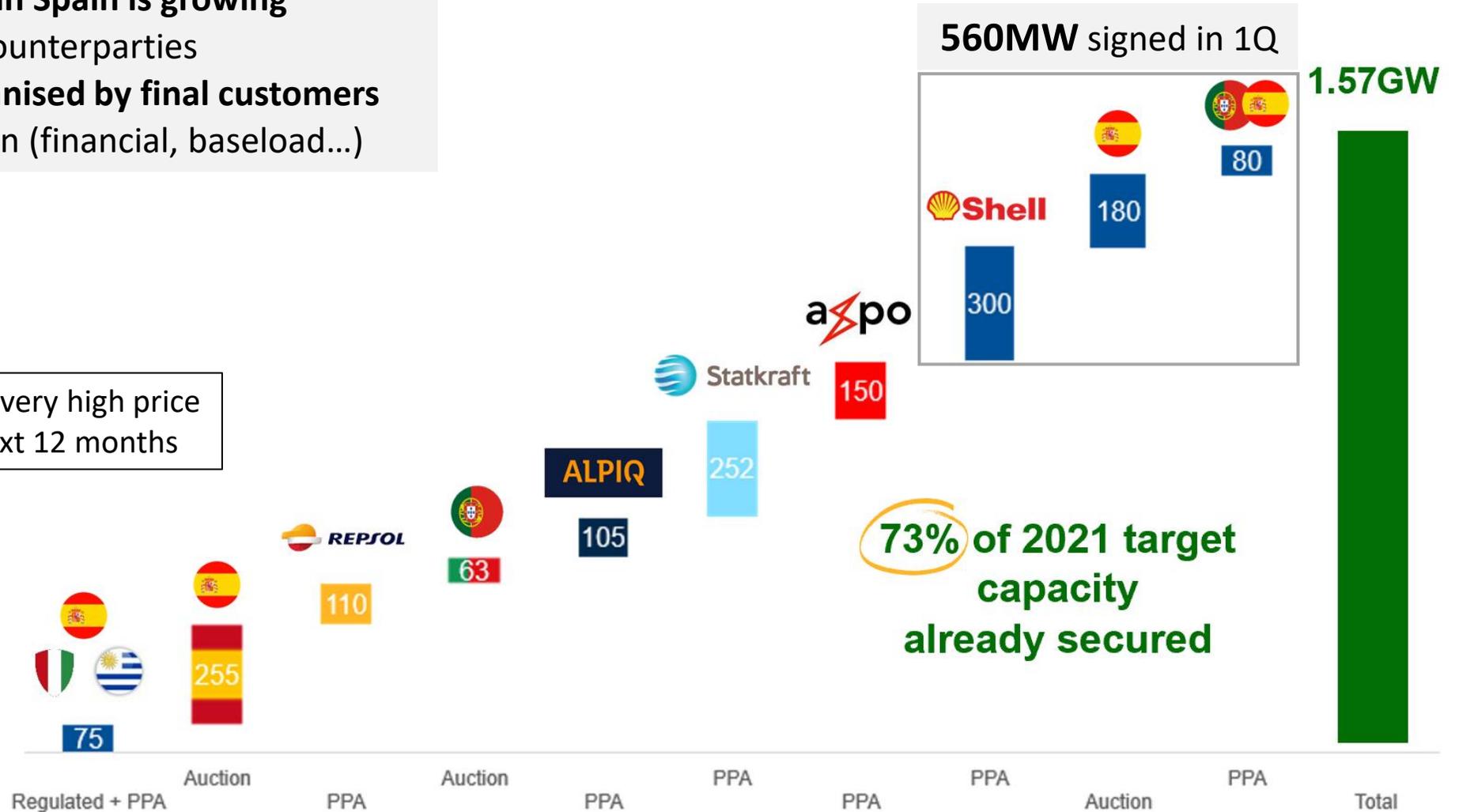
560MW PPAs secured in the first quarter



PPAs market in Spain is growing
More counterparties
More auctions organised by final customers
More sophistication (financial, baseload...)

Price optimization

We hedged very high price
€63 for next 12 months



GROWTH – Sustainability

Over 2.1GW under negotiation



| Offtaker | Power MW | Sector | Offtaker rating | Term | Type | Supply | Status |
|-------------------------------|----------|----------------------|-------------------------|------|------------------|----------------------|--------------------------------|
| <i>Confidential</i> | 200 | <i>Utility</i> | <i>Investment grade</i> | 9 | <i>Financial</i> | <i>Solar profile</i> | <i>PPA agreed</i> |
| <i>Confidential</i> | 50 | <i>Oil & gas</i> | <i>Investment grade</i> | 10 | <i>Financial</i> | <i>Solar profile</i> | <i>PPA agreed</i> |
| <i>Confidential</i> | 200 | <i>Oil & gas</i> | <i>Investment grade</i> | 10 | <i>Physical</i> | <i>Solar profile</i> | <i>TS signed</i> |
| <i>Confidential</i> | 200 | <i>Oil & gas</i> | <i>Investment grade</i> | 10 | <i>Physical</i> | <i>Solar profile</i> | <i>TS agreed</i> |
| <i>Confidential</i> | 75 | <i>Utility</i> | <i>Investment grade</i> | 10 | <i>Physical</i> | <i>Solar profile</i> | <i>Price under negotiation</i> |
| <i>Confidential</i> | 75 | <i>Utility</i> | <i>Investment grade</i> | 10 | <i>Financial</i> | <i>Baseload</i> | <i>Price under negotiation</i> |
| <i>Confidential</i> | 600 | <i>Oil & gas</i> | <i>Investment grade</i> | 10 | <i>Financial</i> | <i>Baseload</i> | <i>Price under negotiation</i> |
| <i>Confidential</i> | 80 | <i>Industrial</i> | <i>Investment grade</i> | 10 | <i>Physical</i> | <i>Solar profile</i> | <i>Tender. Shortlisted.</i> |
| <i>Confidential</i> | 100 | <i>Utility</i> | <i>Investment grade</i> | 10 | <i>Financial</i> | <i>Solar profile</i> | <i>TS under negotiation</i> |
| <i>Confidential</i> | 250 | <i>Utility</i> | <i>Investment grade</i> | 10 | <i>Financial</i> | <i>Baseload</i> | <i>Price under negotiation</i> |
| <i>Confidential</i> | 90 | <i>Utility</i> | <i>Investment grade</i> | 10 | <i>Physical</i> | <i>Solar profile</i> | <i>Price under negotiation</i> |
| <i>Confidential</i> | 100 | <i>Utility</i> | <i>Investment grade</i> | 10 | <i>Physical</i> | <i>Solar profile</i> | <i>Price under negotiation</i> |
| <i>Confidential</i> | 150 | <i>Oil & gas</i> | <i>Investment grade</i> | 10 | <i>Physical</i> | <i>Solar profile</i> | <i>Price under negotiation</i> |
| TOTAL VOLUME ≥ 2170 MW | | | | | | | |

GROWTH - Sustainability

86% of the Capex of Cifuentes-Trillo close to be financed



Financing of just 350MW
(56% of 626MW)



May receive €190mn in debt



**86% of estimated
Cifuentes-Trillo Capex**

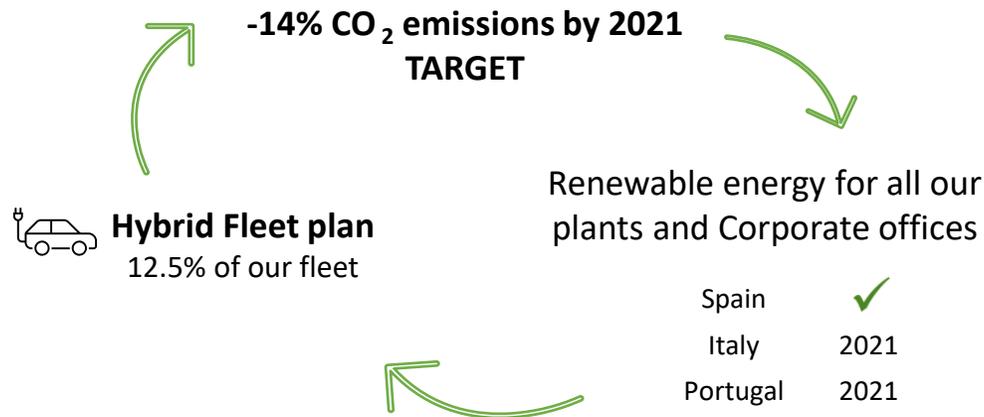


GROWTH - Sustainability

Fully aligned with best ESG practices



New ESG targets approved in May



Stricter internal health and safety audit
New Health and Safety Committee



Women account for over 25%

Reinforced commitment to human rights of Solaria and its providers



NEW HUMAN RIGHTS POLICY APPROVED IN MAY

NEW CODE OF ETHICS FOR SUPPLIERS



United Nations Global Compact
Signatory member from March 2021



OUTLOOK



Flashship projects on track

Cifuentes-Trillo 626MW
Garoña 595MW
Villaviciosa 783MW

- ✓ Three flagship projects (2GW) on track for on-time delivery
- ✓ 64% of our 2022 target of 3,150MW

International expansion

Portugal

- ✓ We are the first player constructing assets in relation to 2019 auction
- ✓ 500MW to come onstream before 2025, meeting target
- ✓ New auctions coming

Italy

- ✓ Accelerating pipeline development and looking for new opportunities

Greece

- ✓ Large portfolio analysis

News drivers of growth

Batteries

- ✓ This is second revolution of PV energy after Capex decrease
- ✓ News on EU funds by end of year
- ✓ Avoiding power price cannibalization

Hydrogen

- ✓ Active collaboration in hydrogen projects
- ✓ Signing of agreement with key players

Infrastructure management

Q&A





Appendix

Income Statement

Q1-2021 (unaudited)

€mm

| | Q1-2021 | Q1-2020 | Relative change (%) |
|---------------------------|---------------|---------------|---------------------|
| Net sales | 18.751 | 10.788 | 74 |
| Other income and earnings | 4.164 | 1.241 | 236 |
| Total revenues | 22.915 | 12.029 | 90 |
| Personnel expenses | (1.755) | (1.346) | 30 |
| Operating expenses | (1.659) | (1.385) | 20 |
| EBITDA | 19.501 | 9.298 | 110 |
| Amortisation | (4.546) | (4.111) | 11 |
| EBIT | 14.955 | 5.187 | 188 |
| Financial Income/Loss | (3.066) | (2.481) | 24 |
| Profit before tax | 11.889 | 2.706 | 339 |
| Tax | (1.522) | 4.480 | (134) |
| NET PROFIT | 10.367 | 7.186 | 44 |

Balance Sheet

Q1-2021 (unaudited)

Assets

| | Q1-2021 | FY20 | Relative change (%) |
|-------------------------------------|---------|---------|---------------------|
| Non-current assets | 744.266 | 609.897 | 22 |
| Intangible assets | 84.943 | 45.584 | 86 |
| Tangible fixed assets | 593.361 | 496.431 | 20 |
| Deferred tax assets | 65.294 | 67.224 | (3) |
| Other non-currents financial assets | 668 | 658 | 1 |
| Current assets | 175.638 | 105.611 | 66 |
| Trade and other receivables | 32.397 | 23.270 | 39 |
| Other current assets | 978 | 1.033 | (5) |
| Cash and other equivalent assets | 142.263 | 81.308 | 75 |
| Total Assets | 919.904 | 715.508 | 29 |

€mm

Balance Sheet

Q1-2021 (unaudited)

Liabilities

€mm

| | Q1-2021 | FY20 | Relative change (%) |
|---|----------------|----------------|---------------------|
| Equity | 234.865 | 222.514 | 6 |
| Capital and share premium | 310.926 | 310.926 | 0 |
| Other reserves | 5.311 | 5.311 | 0 |
| Retained earnings | (73.510) | (83.876) | (12) |
| Value adjustments | (7.862) | (9.847) | (20) |
| Non-current liabilities | 526.575 | 406.546 | 30% |
| Obligations and long-term bonds | 150.065 | 115.753 | 30 |
| Financial liabilities with credit institutions | 289.608 | 241.540 | 20 |
| Financial lease creditors | 83.701 | 44.398 | 89 |
| Derivative financial instruments | 3.200 | 4.855 | (34) |
| Current liabilities | 158.465 | 86.488 | 83 |
| Obligations and short-term bonds | 18.588 | 5.781 | 222 |
| Financial liabilities with credit institutions | 13.612 | 9.403 | 45 |
| Financial lease creditors | 1.434 | 1.338 | 7 |
| Derivatives instruments | 877 | 1.044 | (16) |
| Commercial creditors and other accounts payable | 123.954 | 68.882 | 80 |
| Total Liabilities | 919.904 | 715.508 | 29% |

