Solaria

1Q 2019 Earnings

May 2019



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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.

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01 KEY HIGHLIGHTS

1Q19 Highlights

Good production data

- Energy production grew by over 9% to a record high for Solaria of 26.4GWh, largely due to the high radiation in Southern Europe.

Strong P&L growth

- Surge in all P&L entries: total revenues (+11%), EBITDA (+18%) and net profit (+37%).

Solid financial position

- Robust cash position, strengthened by €15mn obtained with Italian refinancing.



More growth to come

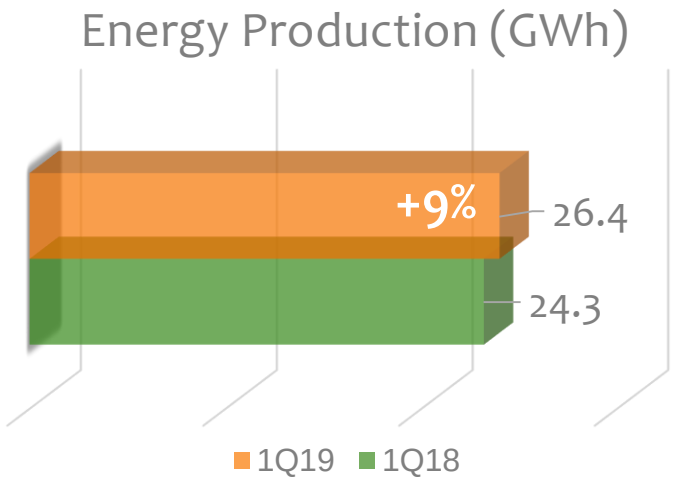
- Launch of new 650 MW EPC package.
- Investor Day to be held on 20 June at "Tordesillas 1" plant under construction.



02 FINANCIAL REVIEW

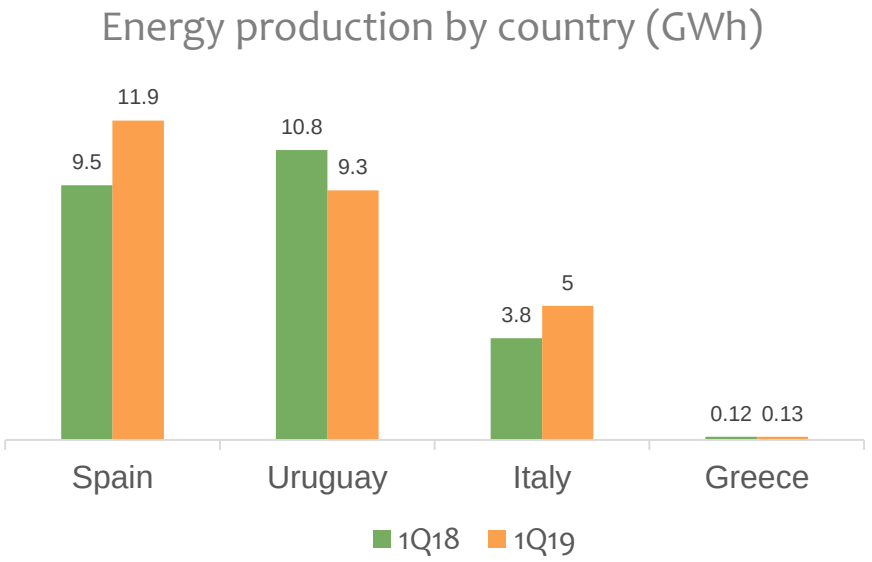
1Q19 Earnings

Solid production data



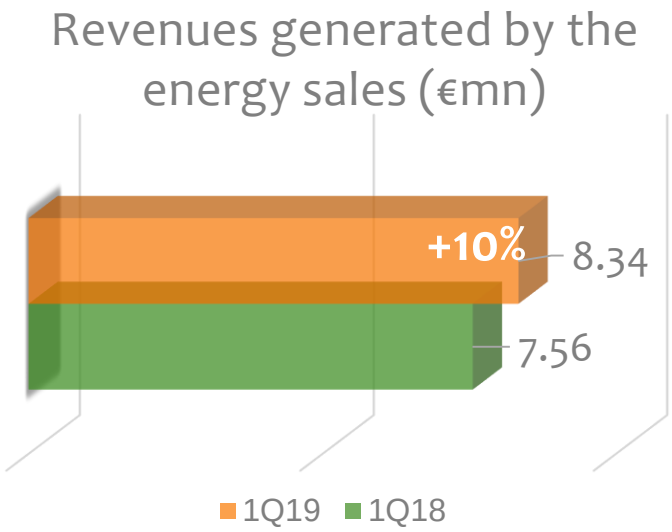
Energy production grew by over 9% reaching 26.4GWh, which is an all-time high for Solaria.

The upturns observed are largely due to abundant radiation at our plants in Southern Europe (Italy, +35%, Spain +27%, Greece +12%) in the first quarter of the year. This easily offset lower-than-average sunlight in Uruguay (+12%).

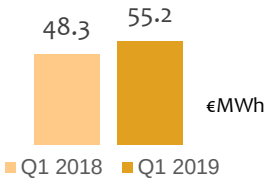


1Q19 Earnings

Surging revenues

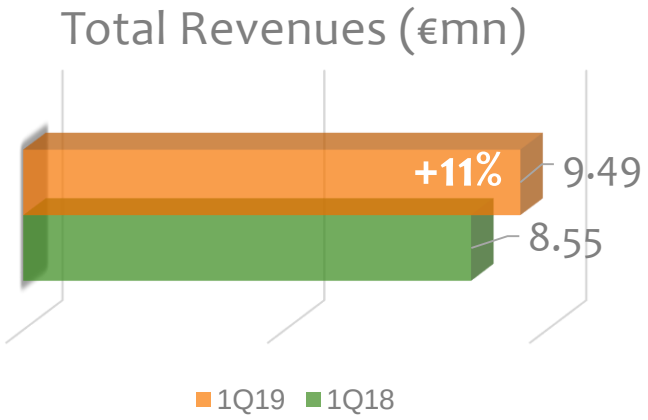


Spanish pool price
+14% Q/Q



Revenues generated by energy sales increased by 10%, underpinned by **favourable energy-price performance** in Spain.

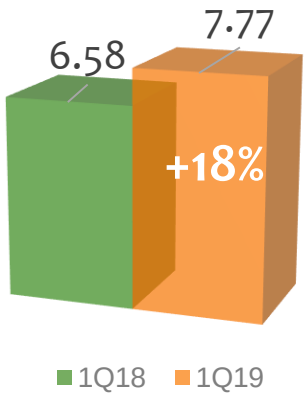
Accordingly, **total revenues increased by 11%.**



1Q19 Earnings

Remarkable profitability

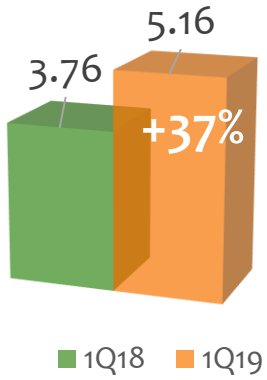
Ebitda (€mn)



EBITDA reached €7.77mn, up +18%, surpassing growth of total revenues growth due in part to the freeze of 7% power-generation tax. After a six-month suspension, **the tax was reinstated in April 2019.**

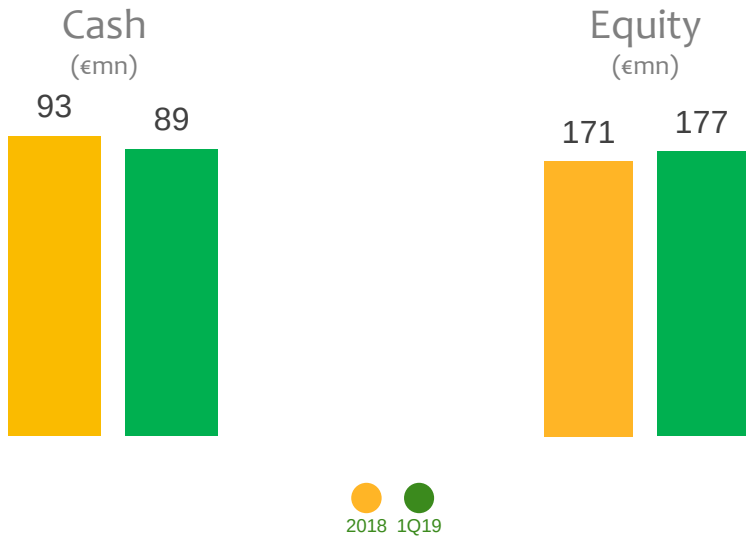
Net Profit surges (+37%) from €3.8mn to €5.2mn on activation of tax credits.

Net Profit (€mn)



1Q19 Earnings

Solid financial position



Balance sheet prepared for ramp up

Investment-grade company **BBB-** Long term rating

In March, Axesor rating assigned Solaria a BBB- credit rating with positive outlook, based on the significant visibility of the company's future cash-flow generation.

1Q19 Earnings

Securing financing of the 400MW package

Raising more cash

Financing

> 250MW from 2017 Spanish tender

Agreement signed with **Natixis** **Project finance ≈ €125mn** Highly appealing rate of interest
Duration **>15 years** Subject to satisfactory due diligence

> Repsol PPAs 102MW

Agreement with **Banco Sabadell** **Project finance ≈ €54mn** Highly appealing rate of interest
Duration **>15 years** Subject to satisfactory due diligence

Raising more cash

> Italian Assets – Dividends x2,5 – Recap €15mn

Refinanced with Banco Santander Debt duration +1.5 years
Interest rate halved (from 6 to 2.95% fixed rate) Dividends >2.5x

> Uruguayan Assets: under negotiation

We are currently negotiating refinancing of debt on Uruguayan assets.

> Sale of the industrial non operating assets: under negotiation

> Eureka Project: analyzing transaction scope

03 CONSTRUCTION PROGRESS

1Q19 Earnings

400MW package progress



Inverters



Substation



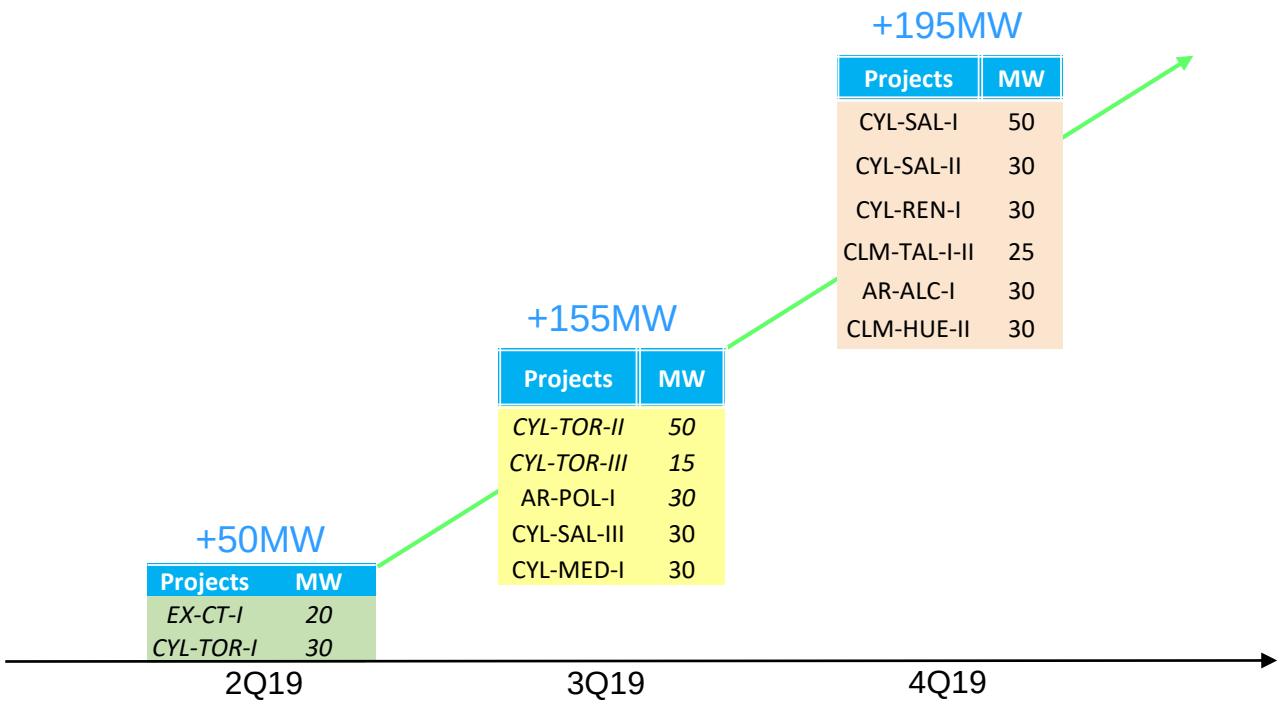
Warehouse



Piles

1Q19 Earnings

400MW package progress



04 FINAL REMARKS AND OUTLOOK

2019 Roadmap

More growth to come

New 650 MW EPC Package

Project Code	Location	Power (MWp)	Connection type
CLM - TO - I	Castilla La Mancha	50,0	Transmission
CYL - MA - I	Castilla y León	25,0	Distribution
CYL - MA - II	Castilla y León	25,0	Distribution
CLM - AN -I	Castilla La Mancha	50,0	Distribution
CYL - ZA - I	Castilla y León	50,0	Transmission
CYL - MU - I	Castilla y León	80,0	Transmission
CYL - HI - I	Castilla La Mancha	50,0	Transmission
CYL - PA - I	Castilla y León	95,0	Transmission
CYL - VI - I	Castilla y León	50,0	Distribution
CYL - ME- II	Castilla y León	43,0	Transmission
CYL - LU - I	Castilla y León	90,0	Transmission
CYL - SO - I	Castilla y León	30,0	Distribution
CYL - SO - II	Castilla y León	20,0	Distribution
Total		**658,0**	

- To reduce costs and execution period, we will split the EPC works.
- Solaria will purchase PV modules, trackers, power stations and transformers through framework agreements with Tier 1 players.
- The 650 MW EPC portfolio has been divided into 2 geographic áreas, Casilla y León and Castilla La Mancha.

2019 Roadmap

More growth to come

June Investor Day



Main themes

Pipeline update

PPA update

Business plan after 2020

Solaria

Thank You!



APPENDIX

P&L

THOUSAND OF EUROS	1Q19	1Q18	Absolute change	Relative change
Net sales	8,344	7,560	784	10%
Other income and earnings	1,148	993	155	16%
Total revenues	**9,492**	**8,553**	**939**	**11%**
Personnel expenses	(951)	(530)	(422)	80%
Operating expenses	(774)	(1,439)	666	-46%
EBITDA	**7,767**	**6,584**	**1,183**	**18%**
EBITDA / Net sales	93%	87%		
Amortisation	(3,195)	(2,874)	(321)	11%
EBIT	**4,572**	**3,710**	**862**	**23%**
EBIT / net sales	55%	49%		
Financial Income/Loss	(2,268)	(2,669)	401	-15%
Extraordinary earnings (*)	-	2,719	(2,719)	-100%
Profit before tax	**2,304**	**3,760**	**(1,456)**	**-39%**
Tax	2,860		2,860	
NET PROFIT / (NET PDA)	**5,164**	**3,760**	**1,404**	**37%**
net profit/ net sales	62%	50%		

(*) In order to compare the figures, we have reallocated €2.7mn in 1Q18 one-off items in relation to Marche, Ollastra and Elassona, recorded under extraordinary earnings and not under other Income and earnings.

Balance Sheet: Assets

Thousands of euros	03/31/2019	12/31/2018	Absolute change	Relative change
Non-current assets	292,942	288,339	4,603	2%
Intangible assets	12,163	12,140	23	0%
Tangible fixed assets	242,950	241,774	1,176	0%
Deferred tax assets	34,252	32,755	1,497	5%
Other non-currents financial assets	3,577	1,670	1,907	114%
Current assets	104,388	106,330	(1,942)	-2%
Commercial Debtors and other accounts receivables	12,480	12,999	(518)	-4%
Other current financial assets	2,289	77	2,213	2,885%
Other current assets	753	246	507	206%
Cash and other equivalent assets	88,866	93,009	(4,143)	-4%
Total Assets	397,331	394,669	2,662	1%

Balance Sheet: Liabilities

Thousands of euros	03/31/2019	12/31/2018	Absolute change	Relative change
Equity	176,179	170,914	5,853	3%
Capital and share premium	310,916	221,926	(10)	0%
Other reserves	5,311	5,311	-	0%
Retained earnings	(132,997)	(138,162)	5,165	-4%
Value adjustments	(7,050)	(7,161)	111	-2%
Non-current liabilities	207,922	206,840	1,082	0%
Non-current provisions	536	536	-	0%
Obligations and long term bonds	125,848	126,443	(595)	0%
Financial liabilities with credit institutions	64,768	44,836	19,932	44%
Financial lease creditors	1,264	8,679	(7,415)	-85%
Debt with related entities	0	10,287	(10,287)	-100%
Derivative financial instruments	712	2,103	(1,391)	-66%
Other financial liabilities	14,794	13,956	838	6%
Current liabilities	13,230	1,916	(3,686)	-22%
Obligations and short term bonds	6,596	6,553	43	1%
Financial liabilities with credit institutions	4,093	6,365	(2,272)	-36%
Financial lease creditors	252	810	(557)	-69%
Derivatives instruments	71	778	(707)	-91%
Commercial creditors and other accounts payable	1,730	1,918	(188)	-10%
Other current liabilities	488	492	(4)	-1%
Total Liabilities	397,331	394,669	2,661	1%