Solaria – the Green Energy GrowthCo

Key highlights of Solaria today

June 2018



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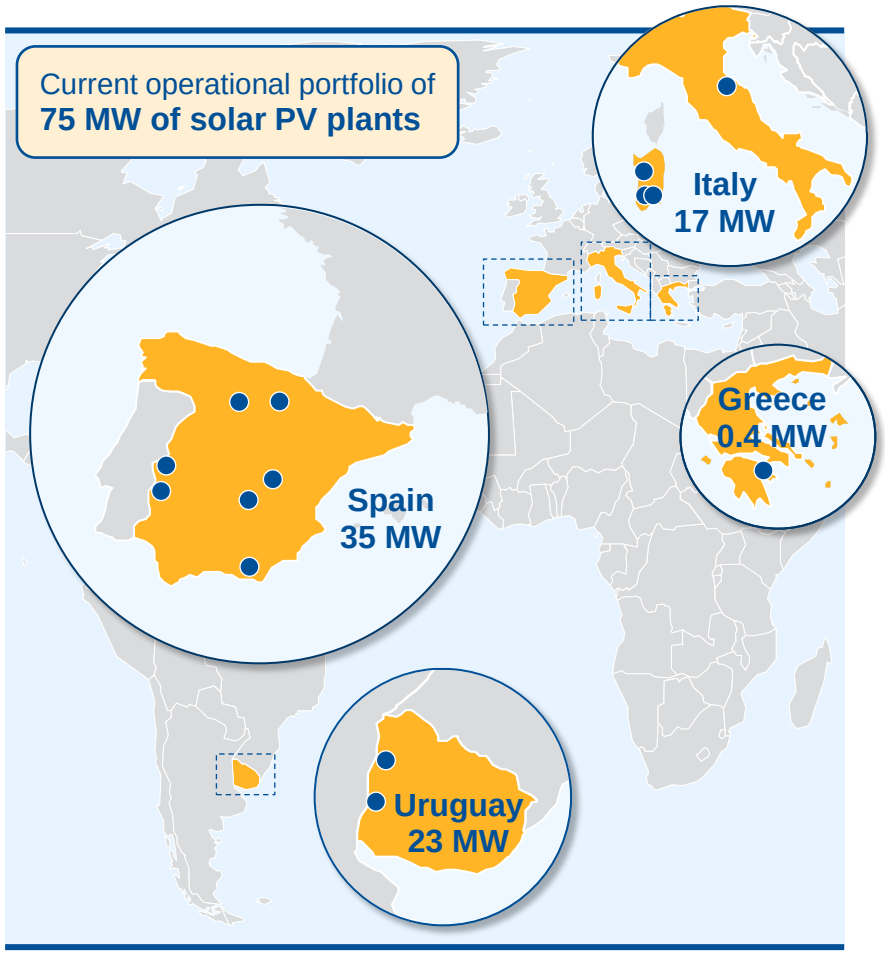
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This document discloses neither the risks nor other material issues regarding an investment in the securities of Solaria. The information included in this presentation is subject to, and should be read together with, all publicly available information, including the Exchange Information. However, you should be aware that (i) Solaria's business and results of operations are dependent on the regulatory environment and spot market prices (ii) Solaria's pipeline involves numerous risks and uncertainties.
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.
Spot market prices
Revenue from Solaria's energy generation business is partially exposed to contractual and spot market electricity prices and certain statutory preference of the energy produced from renewable sources in certain jurisdictions. Recent trends towards the unsubsidised, merchant or quasi-merchant market in Spain mean that a significant majority of Solaria's portfolio is expected to be exposed to pool prices or underpinned by fixed price PPAs (rather than regulated prices) by 2021. This exposure to the contractual and spot market price could be also the case for solar PV parks outside our solar PV backlog portfolio that Solaria may develop in the future.
Spot market prices may be volatile and are affected by various factors, including the cost of commodities, user demand, the number of renewable and conventional energy producers in the market and if applicable, the price of greenhouse gas emission rights. A significant drop in commodity prices (mainly coal, natural gas, oil and related carbon taxes) or a fundamental change in the structure of energy generation in the countries where Solaria operates may result in a decline or collapse of spot market prices. There can be no assurance that market prices will remain at levels which enable Solaria to maintain profit margins and desired rates of return on investment. A decline or a collapse in market prices below anticipated levels could have a material adverse effect on Solaria's business, financial condition, results of operations and cash flows.
In addition, in certain jurisdictions, including Spain, the energy produced from renewable sources has a statutory preference (prioridad de despacho) over that produced from non-renewable sources whereby the former is sold in the market before the latter if their prices match. If this preference would to be repealed it could negatively affect our operations.
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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Solaria: The only European pure solar PV player with proven experience across the value chain...

	2003 – 2007	2006 – 2014	2015 - Today
Solar cells		✓	
Solar modules	✓	✓	
Develop.	✓	✓	✓
Turnkey	✓	✓	
Generation		✓	✓
O&M	✓	✓	✓



… with operating capacity and projects pipeline across different geographies, mainly in Spain

● Indicates location of operating assets

Solaria, the green growth story

Strategy based on the development of greenfield projects and selective brownfield acquisitions

Brownfield

- **Opportunistic acquisitions** in Southern Europe and LatAm
- Portfolio sourced from **Solaria own-developed projects**
- Refinancing of projects to **boost cash flow generation and returns**

Greenfield

- All greenfield projects **always developed by Solaria in-house**
- Developments in **attractive and stable markets with low risk**
- Continuous **reduction of opex and capex to increase returns**

Delivery of growth

Generation portfolio *growth*	**EBITDA** *growth*	**FCF** *growth*

~2,300 MW of greenfield development projects targeted in well-known and attractive regions



Greenfield pipeline

Solaria's selection of regions is mostly based on:

- Well known and consolidated solar PV markets
- Regulation & PLAs procedures
- Long term opex predictability

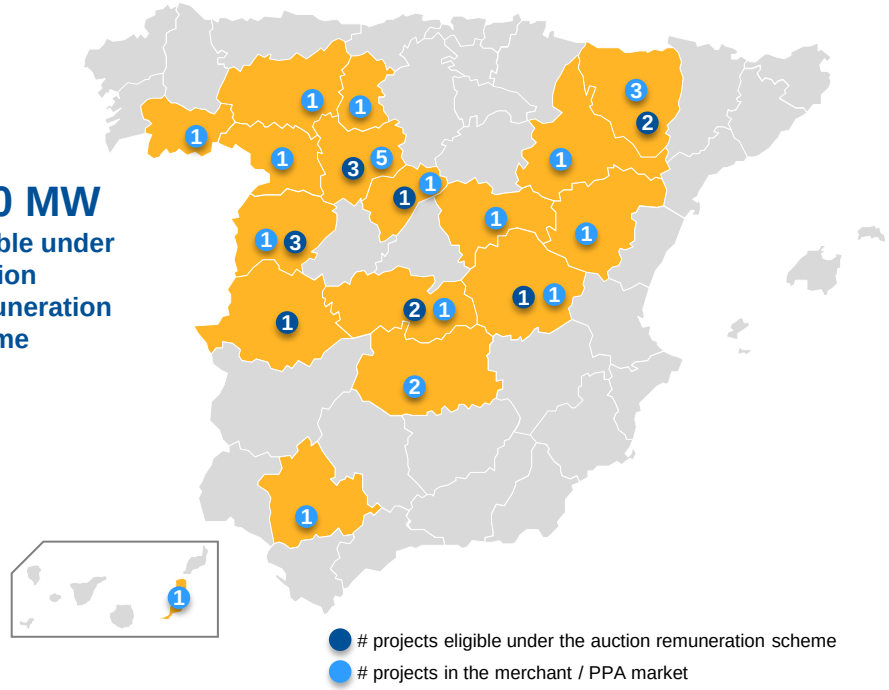
Spain	1,337 MW
Portugal	300 MW
Italy	200 MW
France	100 MW
Mexico	100 MW
Chile	180 MW
Brazil	100 MW

Total pipeline of c. 2.3 GW

1.3 GW of ready-to-build projects as of today (and growing)

Project code	Location	Capacity (MW)	Specific prod. MWh/MWp	Connection distance (km)
CLM-TAL-I	Castilla La Mancha	11	2,073	2.0
CLM-TAL-II	Castilla La Mancha	9.5	2,073	2.0
EX-CT-I	Extremadura	20	2,083	1.5
CYL-TOR-I	Castilla y León	30	1,981	4.0
CYL-TOR-II	Castilla y León	50	1,990	2.3
CYL-TOR-III	Castilla y León	30	1,990	3.1
CYL-SAL-I	Castilla y León	50	2,031	1.5
CYL-SAL-II	Castilla y León	30	2,021	2.0
CYL-SAL-III	Castilla y León	30	2,011	3.0
AR-HUE-I	Aragón	25	2,052	2.0
AR-POL-I	Aragón	30	2,042	2.8
CLM-HUE-II	Castilla La Mancha	30	2,000	2.0
CYL-LAS-I	Castilla y León	30	1,939	1.0
CYL-MED-I	Castilla y León	30	1,990	1.6
CYL-MUD-I	Castilla y León	100	1,980	2.5
CLM-HUE-I	Castilla La Mancha	50	2,000	2.0
CYL-REN-I	Castilla y León	30	1,990	1.5
CLM-AÑO-I	Castilla La Mancha	50	1,980	1.0
CYL-LAS-II	Castilla y León	20	1,939	2.0
CLM-HIN-I	Castilla La Mancha	50	2,060	2.0
CLM-HIN-II	Castilla La Mancha	30	2,060	2.5
CYL-GRI-I	Castilla y León	100	1,920	2.8
AR-SAR-I	Aragón	25	1,960	1.0
CAN-TUI-I	Canarias	15	2,250	2.0
CYL-VLL-I	Castilla y León	50	1,920	2.0
CYL-CIU-I	Castilla y León	100	1,980	1.5
CYL-ZA-I	Castilla y León	50	1,940	6.0
CYL-ARR-I	Castilla y León	25	1,950	3.0
CYL-BOH-I	Castilla y León	25	1,950	1.5
GA-XIN-I	Galicia	20	1,850	2.0
AND-ALC-I	Andalucía	50	2,170	2.5
CLM-ZOR-I	Castilla La Mancha	50	1,990	1.5
AR-HUE-II	Aragón	20	2,042	2.0
AR-HUE-III	Aragón	12	2,042	1.5
AR-EGE-I	Aragón	30	1,940	3.0
AR-ALC-I	Aragón	30	1,940	3.0
Total		**1,377**		

250 MW
eligible under auction remuneration regime



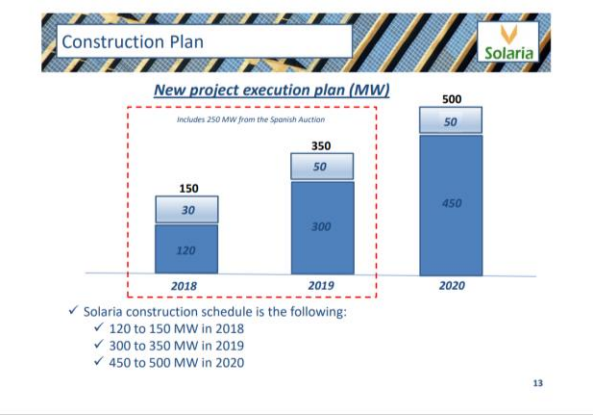
250 MW auction projects ⟶ financing currently under negotiation with project bond investors

>1 GW ⟶ currently under negotiations with investment grade counterparties for PPA agreements

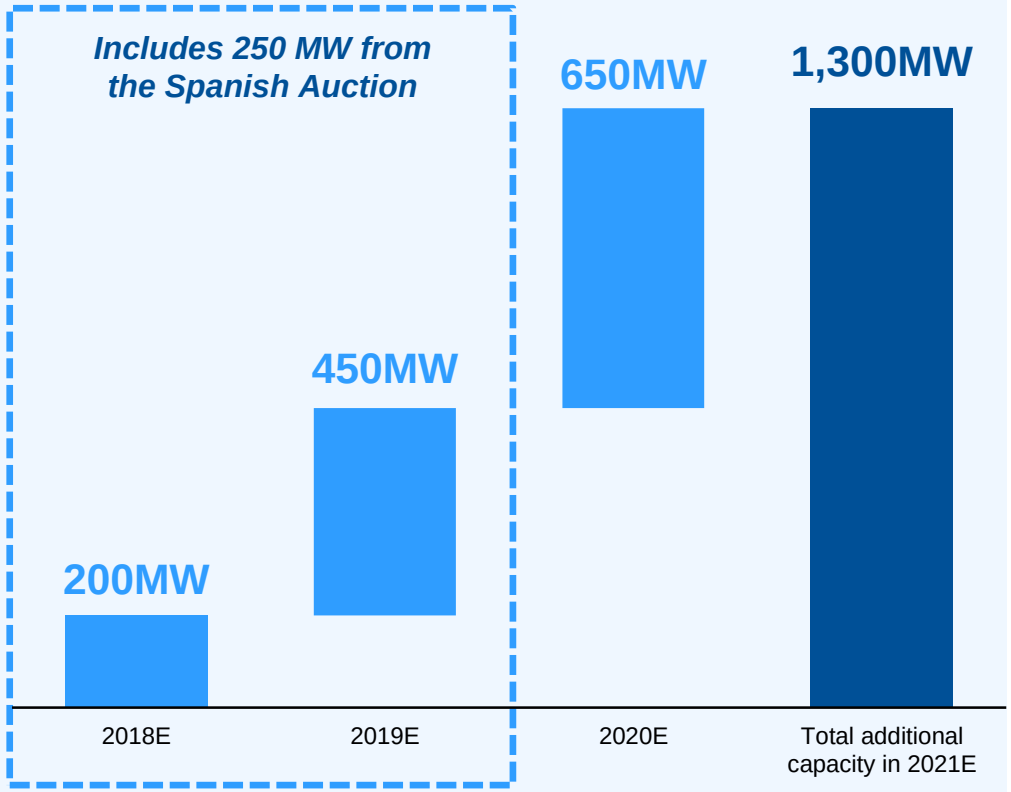
Acceleration of the construction plan for the next 3 years in Spain…

Solaria plans to construct 1.3 GW of solar PV plants in Spain within the next 3 years

Execution plan 1Q 2018 results



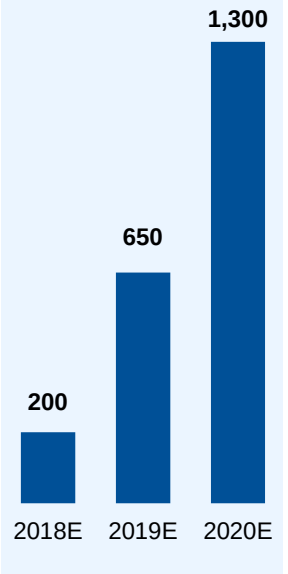
New project execution plan



… that will translate into significant EBITDA and FCF growth

Accumulated execution plan

(MW)



Total expected investment

~ €650m

Solaria installation costs are currently less than 0.52 €/Wp

Forward power prices(1)

(€/MWh)



Expected EBITDA margin

> 80%

Typical FCF conversion

> 55%

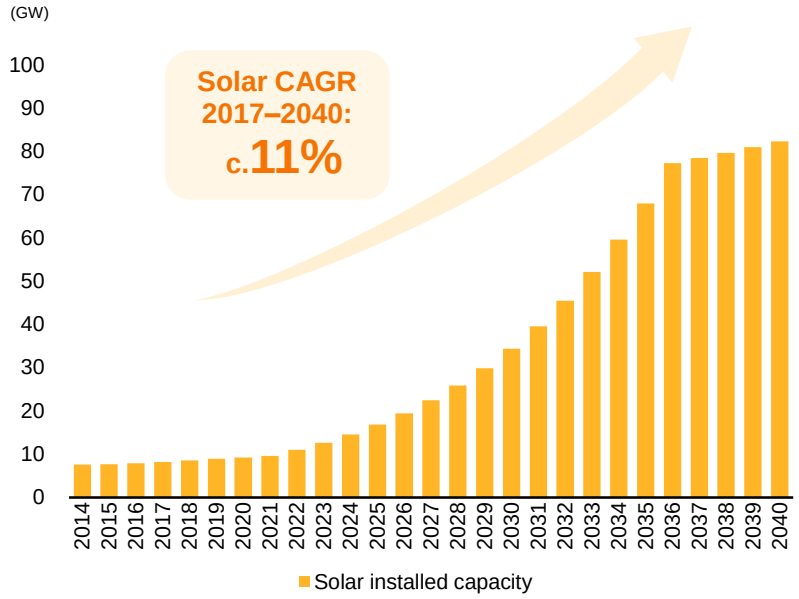
Solaria minimum target returns : Project IRR >12%; Equity IRR >25%

Note: FCF conversion = FCF / EBITDA.
(1) As per the European Power Futures – EEX, Spain.

Solaria is well positioned to become the leading solar PV power generation player in Spain

Solar PV technology expected growth is unquestionable

Solar installed capacity evolution(1)



Source: Bloomberg New Energy Finance ("BNEF").

Government support to renewable energy

Expansión
ENERGÍA
Ribera apostará por derogar el 'impuesto al sol' y poner punto final a nucleares y al carbón
EUROPA PRESS 8 JUN. 2018 - 18:57

EL PAÍS
SPANISH POLITICS ›
Spain's new PM signals change of tack on climate change
Pedro Sánchez is promising to step up the country's efforts to transition to green energy

CLIMATE HOME NEWS
Spain joins call to strengthen EU climate targets

Source: Press releases.

Solaria will continue increasing its solar PV project pipeline in order to become the largest solar PV IPP in Spain

(1) Data for Iberia

Successful brownfield strategy continues: new acquisitions executed + ongoing project refinancings

Solaria

Completed

New brownfield acquisition

Location	Sardinia
Power	4.3 MWp
Technology	PV crystalline module Greenhouse rooftop
Commissioning	2 Plants in May 2011
Regulatory regime	II Conto, Integrato – Spalma C)
EV	~ €15m
EBITDA	~ €2.3m



Italian projects refinancing

Solaria is in current negotiations for the refinancing of the portfolio in Italy with a project bond (c.€50m)



Source: Company information.