



Mid term financial report – Q1 2020

May 19, 2020



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AGENDA

1. **Key Milestones**
 2. Operations Update
 3. Financial Review
 4. Outlook
 5. Q&A
- Appendix

- 1**  **Solarpack maintains its guidance despite COVID-19**
 - No cases reported within the company. Health and safety remains key priority for Solarpack
 - All plants in operation are generating energy and constructions are under way. Office employees working remotely
 - Spot exposure is impacting POWGEN revenues and is likely to drive POWGEN+SVCS results to the low end of guidance range
 - Development activity continues, although with some delays in ongoing tender and permitting processes
 - Liquidity position remains strong

- 2**  **Solid set of results with a Q1 EBITDA of € 17.2 m. Recently commissioned “Build & Own” plants already contributing to visible POWGEN EBITDA**
 - Total segment⁽¹⁾ revenues and EBITDA reach € 38.1 m and € 17.2 m respectively in the quarter
 - 450 MW of attributable capacity in operation will be the backbone of SPK’s POWGEN EBITDA in 2020 and provide a solid base from which to continue growing

- 3**  **Ardian enters in Tacna and Panamericana projects with a 49% stake**
 - Closing allows for full repayment of USD 30m bridge loan
 - Additionally, partnership with Ardian and 2019 projects’ cash flows allow for industrial plan financing and net cash proceeds to SPK of USD 9 m since the acquisition of 90.5% of the projects last year

- 4**  **Activity continues with construction start of 12 MW in Chile and new additions to Pipeline and Identified Opportunities**
 - Construction start of Quinantu (12 MW, Build & Sell) in Chile
 - 128 MW of net additions to Pipeline in Chile

1. Segmented financial information, non-GAAP. Helps to better understand the performance of the different businesses and their cash generation. Certain eliminations/adjustments must be applied under IFRS, mainly linked to elimination of DEVCON revenues and gross margins of Build and Own projects

Key Figures, segment and IRFS information

Business Unit

Financials (EUR m)

Highlights

■ EBITDA ■ Operating Revenues

DEVCON (Development & Construction)



- Strong construction activity in Q1 2020 vs. Q1 2019 due to higher level of execution and projects in last construction phases
- Development initiatives continue in all geographies despite COVID-19

POWGEN (Power Generation)



- Recently commissioned projects already contributing to growth, setting the base for a stronger recurrent business for 2020

SVCS (Services)



- Growth over Q1 2019 mainly due to newly commissioned assets under O&M and AMS

TOTAL¹



- Sustained growth in all business areas and full alignment with key strategic financial metrics:
 - 80% of POWGEN + SVCS revenues in hard currencies
 - 91% contracted POWGEN revenues

IRFS Information

TOTAL



- Difference with total segment information mainly due to elimination of intercompany Build & Own revenues/margins and timing differences in margins derived from sale of "Build & Sell" projects²

1. Total EBITDA figures include corporate segment costs
 2. For further details refer to Appendix I

Potential Risks

Measures taken & Impact to date

Health & Safety

- Contagion risk of employees, subcontractors, clients and other stakeholders

- Daily committee** to monitor situation and steer decisions
- O&M operators** and **construction employees** working on site. All **other employees working remotely** from home, **except Remote Operation Centre**
- Strict **hygiene measures** implemented. **No cases** reported in employees to date

DEVCON

- Construction delays
- PPA and EPC tender delays
- Permitting delays

- Construction** activity **continues** except for a **two week halt** in April in Spain. **No significant delays expected** in current constructions
- Development** has **continued** at a slower pace. 1-2 month **delays** seen in ongoing PPA tender processes or **permit approval**. **Lockdown** increases risk of further development delays
- Restrictions to international travel in H2** could limit our capacity to **start new constructions** timely

POWGEN & SVCS

- Low spot prices
- Curtailment
- Plant unavailability due to longer repair and spare parts delivery lead times

- 2020 guidance maintained**, with **lower spot prices** in Spain and Chile driving results to the **low end of range**
- Power generation** is considered an **essential activity** in all markets
- All **O&M on-site teams** and **ROC team** in Getxo **operating normally**
- Current **low spot prices** are **impacting Monclova and Grullas revenues** in Spain, **although 2017 tender rights** provide them with a **floor price protection**
- Granja** will see **lower than expected revenues in 2020** due to current **low spot prices in Chile**, before 20 year long **PPA starts in 2021**
- POWGEN & SVCS teams closely monitoring and managing potential longer lead times for repairs

Liquidity

- Increase in receivables
- Delays in achieving payment milestones and transaction closings

- No material impact in receivables** due to current situation
- Important milestones** have been **achieved** since FY 2019 presentation: **Closing of partnership with Ardian and acceptance tests** of projects recently commissioned
- Liquidity remains available** for business plan execution



AGENDA

1. Key Milestones
 2. **Operations Update**
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- Appendix

Diversified & Contracted operating portfolio...

Spain (139 MW)



Chile (181 MW)



Peru (63 MW)

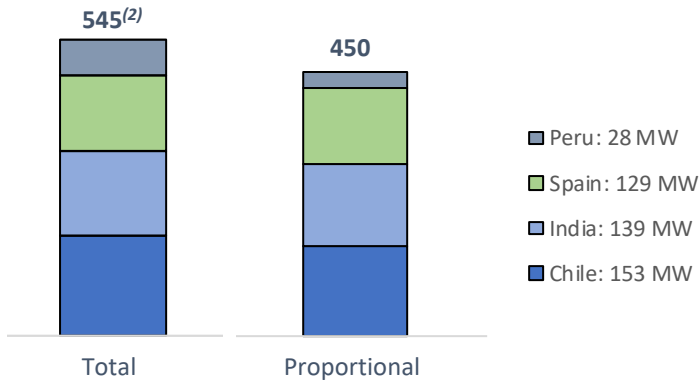


India (157 MW)



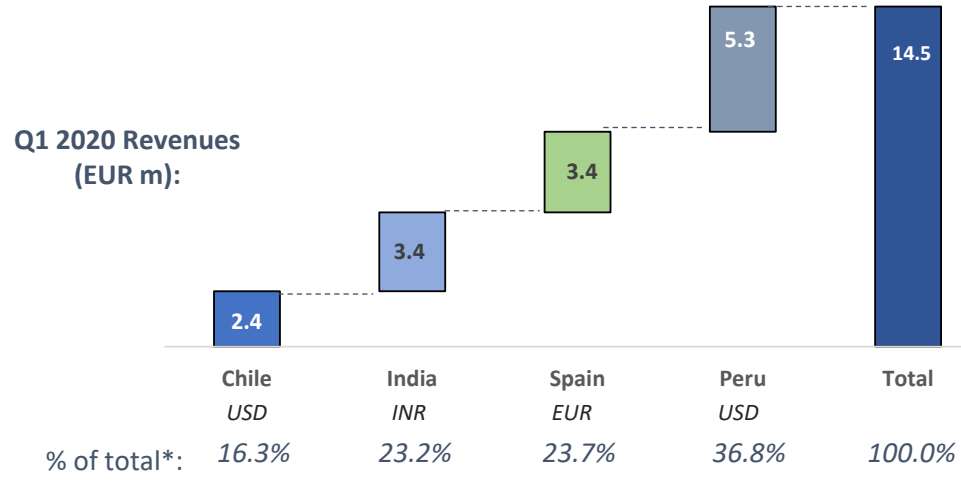
22 years of average¹ remaining contracted/regulated life

- MW as of May 15, 2020:



With predominance of hard currency revenues...

POWGEN Q1 2020 Revenues and EBITDA



Country	Chile	India	Spain	Peru	Total
Q1 2020 EBITDA (EUR m)*:	2.0	3.0	2.9	4.9	12.9

1. Weighted by proportional revenues in FY 2019. Annual estimated revenues considered for KA2, Monclova, Grullas and Granja. PMGDs accounts for 30 years of expected project life
 2. Increase compared to February 2020 due to Tacna and Panamericana post-repowering
 * Some numbers may not tie up exactly due to rounding effects

Operations Update

DEVCON – intense activity



Construction start of 12 MW in Chile takes total portfolio under construction to 239 MW...

Alvarado (100 MW)
Build & Sell - Spain



Bargas (50 MW)
Third Party EPC - Spain



Algibicos (49 MW)
Third Party EPC - Spain



Quinantu (12 MW)
Build & Sell - Chile



KA2-AFZ (28 MW)
Build & Own - India



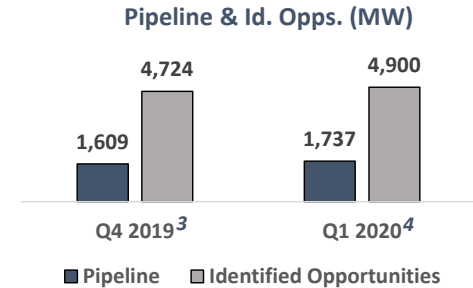
Operations Update

Summary of Project Portfolio - DEVCON



Development activity continues in all markets despite restrictions to mobility...

- 128 MW of net additions to Pipeline in Chile
- 175 MW of net additions to Identified Opportunities since Q4 2019 results presentation: main reductions coming from third party EPC opportunities in Chile and additions coming from India and RoW
- Currently participating in tenders in several markets



Project Portfolio by Country (As of May 15, 2020)⁽¹⁾

MW	Operating ²	Under Construction	Backlog	Pipeline	Identified Opp.
Probability of Completion	n.a.	100%	>90%	>50%	10%-30%
Spain	129	199	-	29	1,125
Peru	28	-	-	-	351
Chile	153	12	10	601	336
India	139	28	-	47	397
South Africa	-	-	-	517	259
Colombia	-	-	-	250	168
USA	-	-	-	293	1,016
RoW	-	-	116	-	1,248
Total	450	239	126	1,737	4,900
Number of Projects	15	5	2	26	44

Backlog Status

As of May 15, 2020	Panimavida	3S Petani
Capacity (MW)	10	116
Country	Chile	Malaysia
Site Control	Obtained	Secured
Interconnection rights	Obtained	Secured
Environmental approvals	Obtained	Obtained
Build & Own	No	Yes
Financing	n.a.	In progress
Off-take arrangement	n.a.	Obtained
Share Purchase Agreement	Obtained	n.a.
EPC for third party	Obtained	n.a.

1. MW not weighted by probability of completion
2. Attributable Capacity

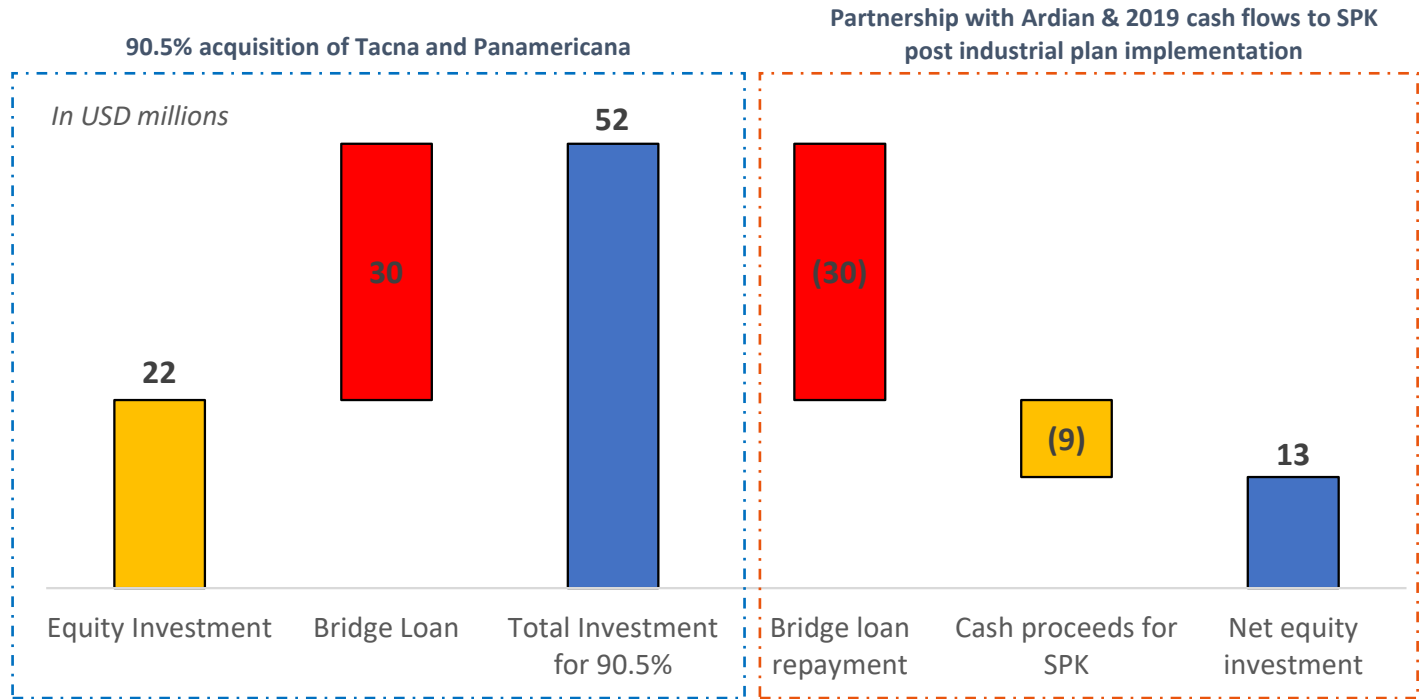
3. As of February 21, 2020
4. As of May 15, 2020

Operations Update

Value creation - Peruvian Assets transaction



Industrial plan and partnership with Ardian has created significant value...



SPK's Stake: 10% → 100% → 51%

- Solarpack has increased its stake in Tacna and Panamericana from 9.5% to 51% with a net investment of USD 13 m
- The IRR of the USD 22 m Equity Investment is above 20%



AGENDA

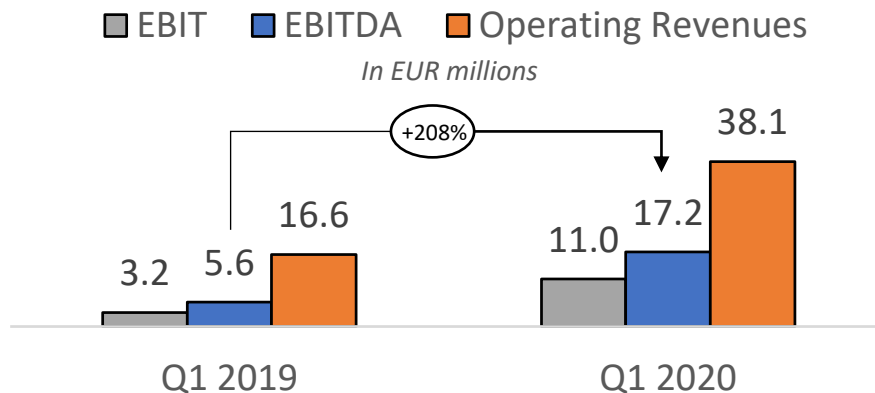
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Financial Review

Segment Financials – (DEVCON + POWGEN + SVCS + CORPORATE)¹



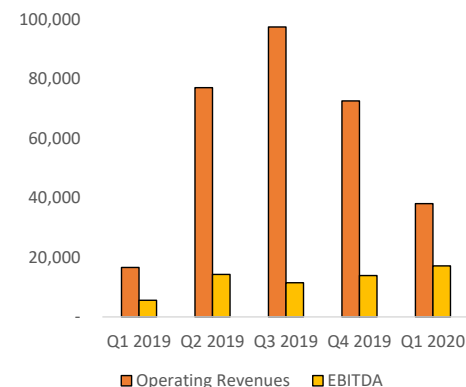
Segment financials show strong construction and power generation activity...



- Intense DEVCON activity continues in Q1 2020, after the commissioning in Q4 2019 of most Build & Own projects
- POWGEN EBITDA growth based on the contribution of the new fleet
- Positive quarterly trend at EBITDA level continues despite lower DEVCON revenues vs. previous quarters

In EUR m	EBITDA	Margin %	EBITDA	Margin %
DEVCON:	(0.6)	(7.3%)	4.1	19.4%
POWGEN:	6.3	87.8%	12.9	88.6%
SVCS:	0.3	28.5%	0.4	20.1%
Corporate:	(0.4)	<i>n.a.</i>	(0.3)	<i>n.a.</i>

Segments Quarterly Financials (EUR '000)



1. Segmented financial information, non-GAAP. Helps to better understand the performance of the different businesses and their cash generation. Certain eliminations/adjustments must be applied under IFRS, mainly linked to elimination of DEVCON revenues and gross margins of Build and Own projects

DEVCON Highlights

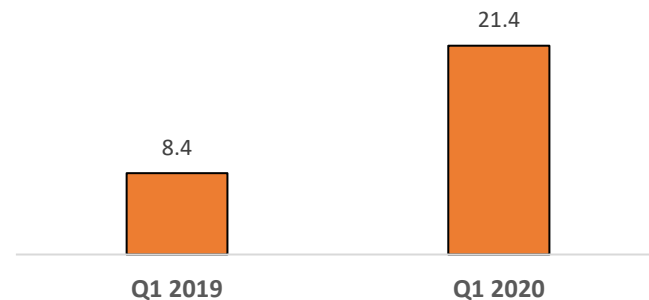
- Granja (123 MW) started injecting energy to the Chilean electrical system in early March
- Relevant invoicing and margin milestones related to recently commissioned projects explain higher margins this quarter
- Majority of revenues coming from Build & Sell projects



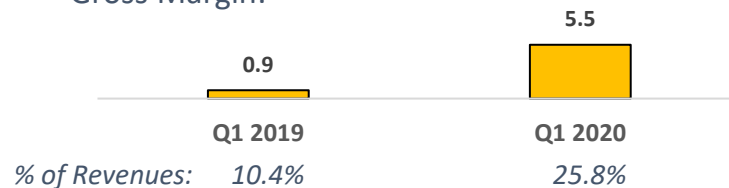
Alvarado plant under construction in southern Spain

DEVCON financial performance (EUR m)*

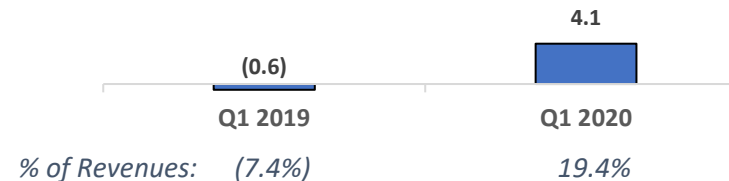
- Operating Revenues:



- Gross Margin:



- EBITDA:



* Some numbers may not tie up exactly due to rounding effects

Financial Review

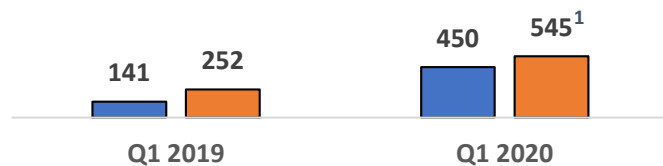
Power Generation (POWGEN) – Segment information



POWGEN Highlights

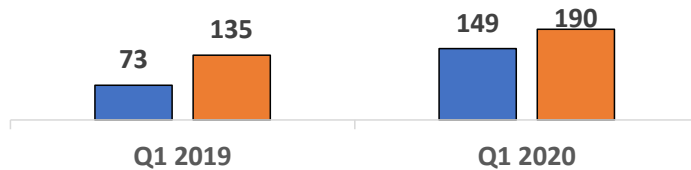
- Growth since Q1 2019 explained by the Peruvian Assets and the contribution of Monclova, KA2, Grullas and Granja
- Current operation fleet provides long term and visible EBITDA and acts as a solid base for future growth
- Revenues in hard-currencies from POWGEN + SVCS account for 80% of total revenues
- Exposure to merchant remains at 9% of POWGEN revenues and will increase due to full contribution of Granja (only in 2020) during next quarters

MW in operation at the end of period



■ Proportional ■ Total

GWh generated in the period



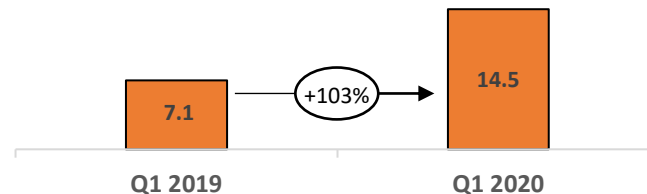
■ Proportional ■ Total

1. Increase compared to February 2020 due to Tacna and Panamericana post-repowering

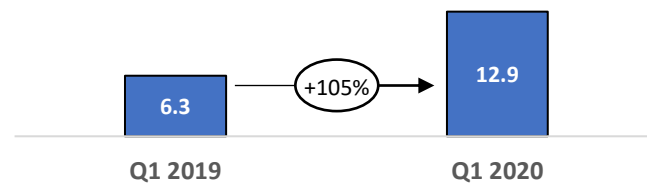
* Some numbers may not tie up exactly due to rounding effects

POWGEN financial performance (EUR m)*

- Operating Revenues:



- EBITDA:

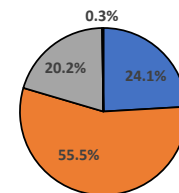


% of Revenues: 87.8%

88.6%

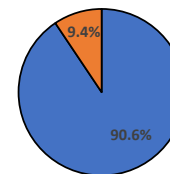
- Portfolio qualitative metrics:

POWGEN +SVCS Q1 2020
Revenue currency split



■ EUR ■ USD ■ INR ■ COP

POWGEN Q1 2020
Revenues Split



■ Contracted ■ Pure Merchant

Financial Review

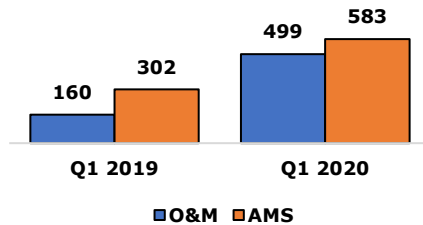
Services (SVCS) – Segment information



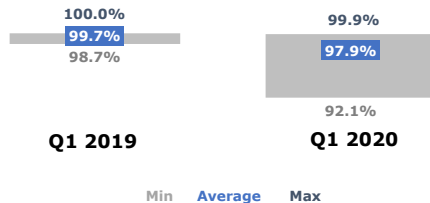
SVCS Highlights

- 98% of revenues in EUR or USD
- 2020 revenue growth mainly coming from new contracts associated with projects recently commissioned
- Lower margins more in line with current market prices and start-up costs related to commissioning of new plants
- Lower average availability during this quarter due to start-up of new plants

MW managed at the end of period



Average Plant Availability



SVCS financial performance (EUR m)

- Operating Revenues:



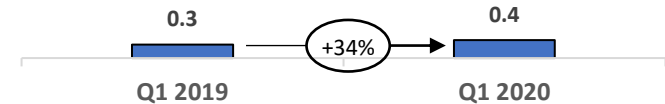
- Gross Margin:



% of Revenues: 40.4%

27.3%

- EBITDA:



% of Revenues: 28.5%

20.1%

IFRS financials show increased POWGEN EBITDA contribution and strong Build & Sell activity...

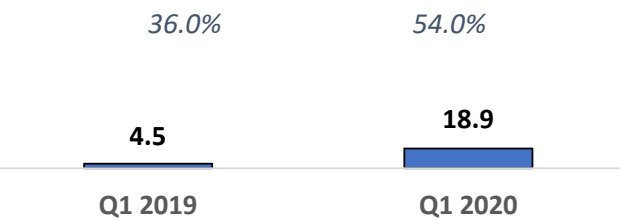
Operating Revenues⁽¹⁾ (EUR m)



- 2020 Q1 IFRS Operating Revenues reflect strong Build & Sell and power generation activities

- EBITDA increase due to new stable POWGEN contribution and Build & Sell activity

EBITDA & EBITDA margin (EUR m, %)



- Main difference from segment accounting to IFRS is the elimination of DEVCON revenues/margins for Build & Own projects and time differences of margins derived from the sale of Build and Sell projects (Revenues: EUR -3.0 m, EBITDA: EUR +1.5 m)

- Details regarding eliminations in Appendix I

Net Profit to SPK (EUR m)



- Positive net income continues driving profitable growth

1. Operating Revenues consist of net business turnover, other operating revenues and variation of finished and work-in-progress stock



AGENDA

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Short Term

- POWGEN (Build & Own):

2020 POWGEN + SVCS

EBITDA (EUR m)

EUR m
55-62

- DEVCON (of projects Under Construction as of February 21, 2020):

Revenues

EUR m
60-70

Gross Margin %

Above
high end
of range

Outlook

Equity IRR¹ – Hard
Currencies

9-10%

Equity IRR¹ – Soft
Currencies

12-15%

DEVCON
Gross Margin

10-15%

New MW/yr
run-rate

150-300

POWGEN
contracted Rev.

70%

POWGEN + SVCS
Rev. in Hard Curr.

66%

1. Levered equity IRR



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Appendix

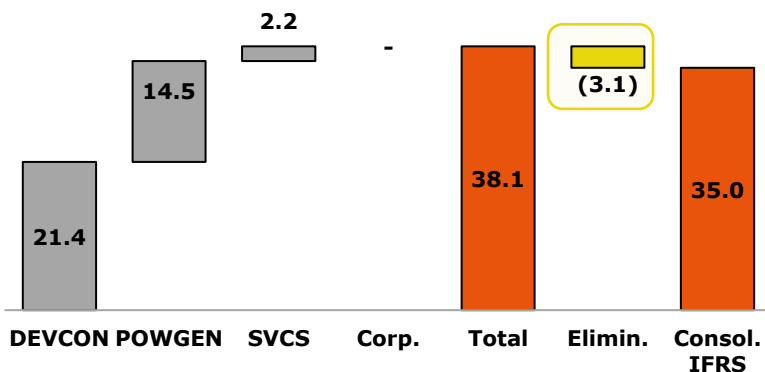


Appendix I

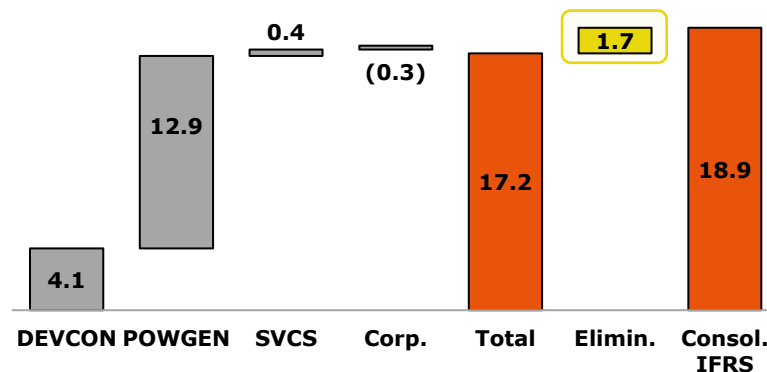
Segments Information - Non-GAAP to IFRS*



Q1 2020 Revenues (EUR m)



Q1 2020 EBITDA (EUR m)



Eliminations

- **Intra-Group transactions** are eliminated under IFRS: The majority of the eliminations come from DEVCON margin for Build & Own Projects. To a lesser extent, revenues coming from SVCS provided to consolidated operating plants also result in eliminations
- **In order to reflect the equity interests in the different projects, (i) transactions of non-controlled companies** that are accounted for in the business divisions, but which are not included in the consolidated results of the Group under IFRS; and **(ii) for those companies fully consolidated under IFRS**, transactions attributable to non-controlling interests are eliminated to reflect proportional interest in the companies' results
- **Reclassification of operating revenues** that are considered as financial income under IFRS

Q1 2020 ELIMINATIONS					
<i>In € thousands</i>	<u>Intragroup Transactions</u>	<u>Interests in Associates</u>	<u>Minority Interests</u>	<u>Accounting Reclass</u>	<u>Eliminations Total</u>
Operating Revenues	(3.8)	(0.7)	0.8	0.5	(3.1)
External clients	8.4	(0.7)	0.8	0.3	8.9
Related party clients	(12.2)	-	-	0.2	(12.0)
Operating expenses	5.2	0.2	(0.1)	(0.5)	4.8
Direct costs	5.2	0.2	(0.1)	(0.1)	5.2
Inventory	-	-	-	(0.4)	(0.4)
SG&A	-	-	-	-	-
EBITDA	1.4	(0.5)	0.7	0.0	1.7
Impairments & non cash result	-	-	-	-	-
D&A	0.1	0.2	(0.2)	(0.1)	0.0
EBIT	1.5	(0.3)	0.5	(0.0)	1.7

* Some numbers may not tie up exactly due to rounding effects

Appendix II

Balance Sheet



Consolidated Balance Sheet (IFRS)*

Balance Sheet (Ck)	2019A	Q1 2020
Assets		
Tangible fixed assets	476,890	474,340
<i>Tangible fixed assets- PV plants</i>	389,091	454,977
<i>Land rights of use</i>	12,348	12,333
<i>Tangible fixed assets under construction - PV plants</i>	74,910	6,561
<i>Tangible fixed assets-other</i>	542	469
Goodwill and Intangible assets	74,254	73,232
Non-current investments in group companies and associates	3,988	3,655
Non-current investments	400	408
Deferred tax assets	18,793	20,978
Total non-current assets	574,326	572,613
Inventories	9,967	5,177
<i>Inventories-photovoltaic solar plants</i>	8,234	1,285
<i>Inventories-other</i>	1,733	3,892
Trade and other receivables	76,058	69,695
Current Investments in group companies and associates	571	182
Current Investments	8,665	7,656
Prepayments for current assets	1,240	1,108
Cash and cash equivalents	34,753	39,788
Total current assets	131,253	123,607
Total assets	705,579	696,220

Balance Sheet	2019A	Q1 2020
Net equity and Liabilities		
Capital stock	13,301	13,301
Share premium	109,586	109,586
Reserves	48,895	55,299
Interim dividend	-	-
Hedging operations	(3,895)	(10,266)
Translation differences	(6,077)	(7,937)
Valuation adjustments	-	-
Non-controlling interests	4,381	4,365
Total net equity	166,191	164,348
Non-current provisions	5,882	5,972
Non-current payables	357,584	377,914
<i>Long-term loan funds-photovoltaic solar plants</i>	321,995	333,724
<i>Subordinated debts with non-controlling partners related to solar plants</i>	3,510	3,482
<i>Derivatives</i>	8,887	18,000
<i>Other non-current financial liabilities</i>	23,192	22,708
Group companies and associates, non-current	-	-
Long-term obligations with employees	3,521	3,503
Deferred tax liabilities	29,965	29,697
Total Non-current liabilities	396,952	417,087
Current provisions	140	410
Current payables	87,457	77,708
<i>Short-term loan funds-photovoltaic solar plants</i>	38,053	39,730
<i>Short-term loan funds-other</i>	42,238	35,978
<i>Subordinated debts with non-controlling partners related to stock</i>	693	1,244
<i>Derivative financial instruments</i>	106	5
<i>Other current financial liabilities</i>	6,368	750
Group companies and associates, current	0	0
Trade and other payables	54,632	36,516
Current accruals	206	151
Total current liabilities	142,435	114,785
Total liabilities	539,387	531,872
Total Equity + Liabilities	705,579	696,220

*Some numbers do not add up exactly due to rounding effects.

Appendix III

Income Statement



Consolidated Income Statement (IFRS)*

Consolidated Income Statement (€k)	Q1 2019	Q1 2020
Net business turnover	7,732	41,433
Other operating revenues	58	14
Changes in inventories of finished goods and work in progress & In-house work on non-current assets	4,732	(6,478)
Operating revenues	12,522	34,970
Raw and indirect material consumption	(3,629)	(10,083)
Cost of personnel	(2,265)	(2,849)
Amortizations and impairments	(2,181)	(6,170)
Other operating expenses	(2,114)	(3,165)
Operating expenses	(10,189)	(22,267)
Operating profit (EBIT)	2,333	12,703
Financial income	144	190
Financial expenses	(2,673)	(4,740)
Change in fair value of financial instruments	(27)	241
Net differences in exchange rates	(114)	578
Net Financial Income/(Expense)	(2,670)	(3,731)
Interests in profits and loss of associates	(93)	29
Earnings before corporate income tax (EBT)	(431)	9,001
Tax on profits	169	(2,417)
Profits from the year	(261)	6,583
Profits attributable to non-controlling interests	(41)	91
Profits attributable to shareholders of the Company	(220)	6,493
EBITDA	4,514	18,873

*Some numbers do not add up exactly due to rounding effects.



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