

ANNUAL REPORT AND MANAGEMENT REPORT



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MESSAGE FROM THE CHAIRMAN



We bid farewell to 2019, our first full year as a listed company in Spain. Solarpack has adapted perfectly well to the processes and requirements of the stock market and we can proudly say the company has been well prepared for this journey.

Our strategic pillar of 'profitable growth' has kept us on track to take advantage of the growth opportunities we have seen throughout the year. In our engagement with shareholders and investors in 2018, we were clear on the parameters within which we would move as part of our dual activity as a developer and builder of solar PV plants and an owner and operator of some of these strategic assets.

In 2019, Solarpack focused on developing and building our contracted portfolio, delivering 309 MW. But we haven't scrimped on the development of new projects, as evidenced by the entry of 217 MW of new project contracts throughout the year. We also acquired 90.5% of the Tacna and Panamericana projects that Solarpack developed in Peru in 2012-2013, which still have a considerable contract life. The purchase of operational solar PV assets will remain of interest as long as Solarpack identifies opportunities to add value through the acquisition, allowing us to achieve revenues in excess of those typical of a standard asset transaction.

Turning to 2020 and the decade ahead, we see the company well placed within a global energy picture that is trending towards increased electrification of the energy mix and a growth in demand led by India, China, Southeast Asia and Africa.

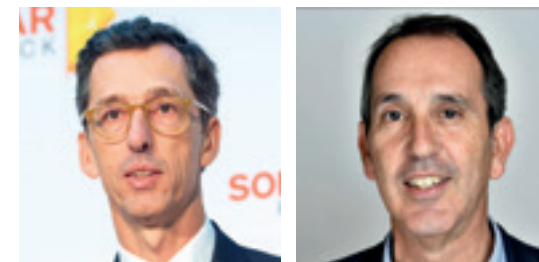
Social pressure on governments to take climate change seriously is leading to national and community-level plans for the implementation of renewable energy, to satisfy new electricity demand and replace fossil-fuel plants that generate greenhouse gases. The advent of a circular economy culture is already affecting plastics and will continue to expand across society and business, driven by a youth that has made the fight against climate change its own. The electric vehicle, whether for public or private use, is set to become a key figure in our cities this decade, not only because authorities demand it but also because citizens are becoming less tolerant of pollution and noise in urban environments.

Solarpack is readying for the growth that we expect to come from these trends. That's why on January 15, 2020, our board of directors approved replacing me as president of the company with Ignacio Artazcoz, who will share executive tasks with our co-founder and CEO, Pablo Burgos. Ignacio needs no introduction as a renowned professional with an extensive track record including key positions in Cie Automotive, Gamesa and Nortegas. Pablo and Ignacio's mutual understanding and complementarity represent a unique high-level talent opportunity that the company didn't want to pass over.

My thanks to all Solarpack's employees and collaborators for the enormous effort made in 2019, and to all the company's shareholders for their trust. As we put the finishing touches to this annual report, the world faces an unprecedented healthcare crisis, against which the company is doing what it can. I am sure that despite the short-term disruption and suffering it is causing, this crisis will also have a positive impact in strengthening ties in society and leading to a greater preparedness and response to natural and healthcare catastrophes such as the one we are seeing.

Atentamente,
Jose Galíndez

MESSAGE FROM PABLO BURGOS AND IGNACIO ARTÁZCOZ, CEO AND EXECUTIVE CHAIRMAN



We would like to have started this letter talking about Solarpack's activities over the past year: the milestones achieved, the new projects, the megawatts installed. But it's imperative to start by talking about the COVID-19 pandemic, which has burst into our lives to stay. As you would expect, at Solarpack we are facing this crisis with courage, staying 100% committed to promoting workplace safety and looking out for the health of our employees while at the same time preserving the interests of our stakeholders. Because of this, in recent months we have directed a large part of our efforts to guaranteeing that our business operations adopt the guidelines issued by the authorities in all the countries where we operate, as well as looking after the health and safety of our employees.

Luckily, in terms of its management processes, technology and resources Solarpack has shown itself to be well prepared to face this situation. The proof is that all our plants remain in operation, we have not suffered significant delays to projects in progress and all our office workers are now working remotely. Adapting to this new way of life has not always been easy, so we want to thank our employees' immense effort and great work in making sure the company carries on operating in the exceptional times we are seeing.

Beyond our current extraordinary circumstances, we are glad to address you jointly in this new phase of leadership at Solarpack, and to convey our immense satisfaction in being able to share the responsibility of leading and managing the future of our company. We are committed to facing this new phase together with the utmost enthusiasm, focusing each of our efforts on those areas of the business where we can create the maximum value for the company, with the aim of achieving our stated aim of profitable growth.

In this context, we are convinced that Solarpack must continue to differentiate itself in the market with an innovative and competitive business model. That is why, alongside our usual photovoltaic project developments, we are involved in initiatives that allow us to offer our clients more innovative value propositions. One example of this is the standardization and implementation of energy storage systems, which we are currently working on and which we aim to drive further in this financial.

Similarly, in 2020 we want to standardize and give more visibility to our ESG activities, remaining faithful to the values that have characterized Solarpack since its beginnings and ensuring all the company's activity is fully aligned with the highest standards of corporate governance and environmental and civic responsibility. In recent years we have also set new corporate goals and launched projects to support people development at Solarpack, such as setting a competency-based management system in motion. We are committed to employee relations through continuous and transparent internal communications.

As we said at the start, one of our cornerstones is workplace health and safety. In 2020, we want to renew and reinforce our management processes in this area and establish stronger and more reliable market mechanisms to guarantee the health and safety of all in the company, especially in these difficult times.

Once more, we want to thank the hard work, talent and enthusiasm of all of Solarpack's professionals, and celebrate their commitment to our future plans.

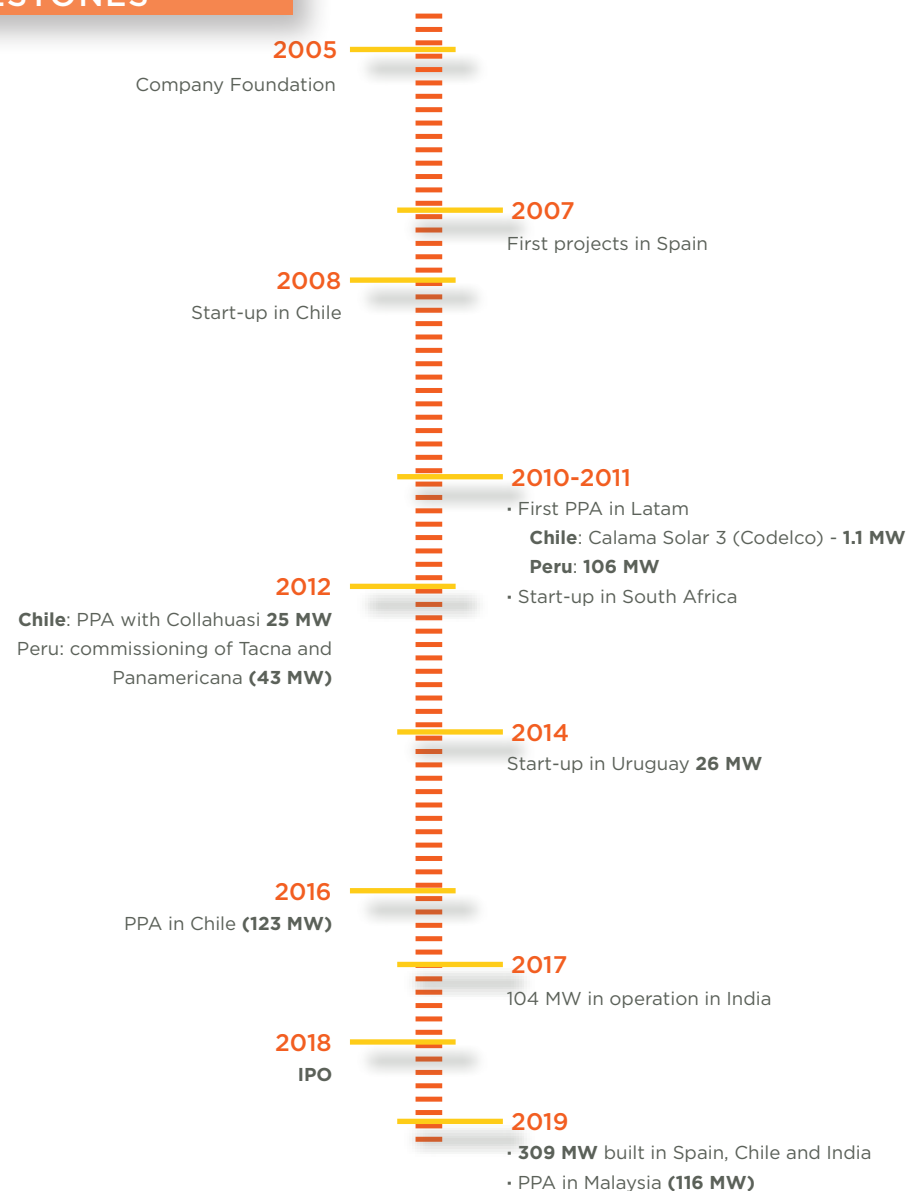
And of course, we also want to thank our company's shareholders for their support and trust.

Kind regards,

Ignacio Artázcoz and Pablo Burgos, executive chairman and CEO, Solarpack

SOLARPACK AT A GLANCE

OUR HISTORICAL MILESTONES



866_{MW}
developed in
6 countries

509_{MW}
built in
6 countries

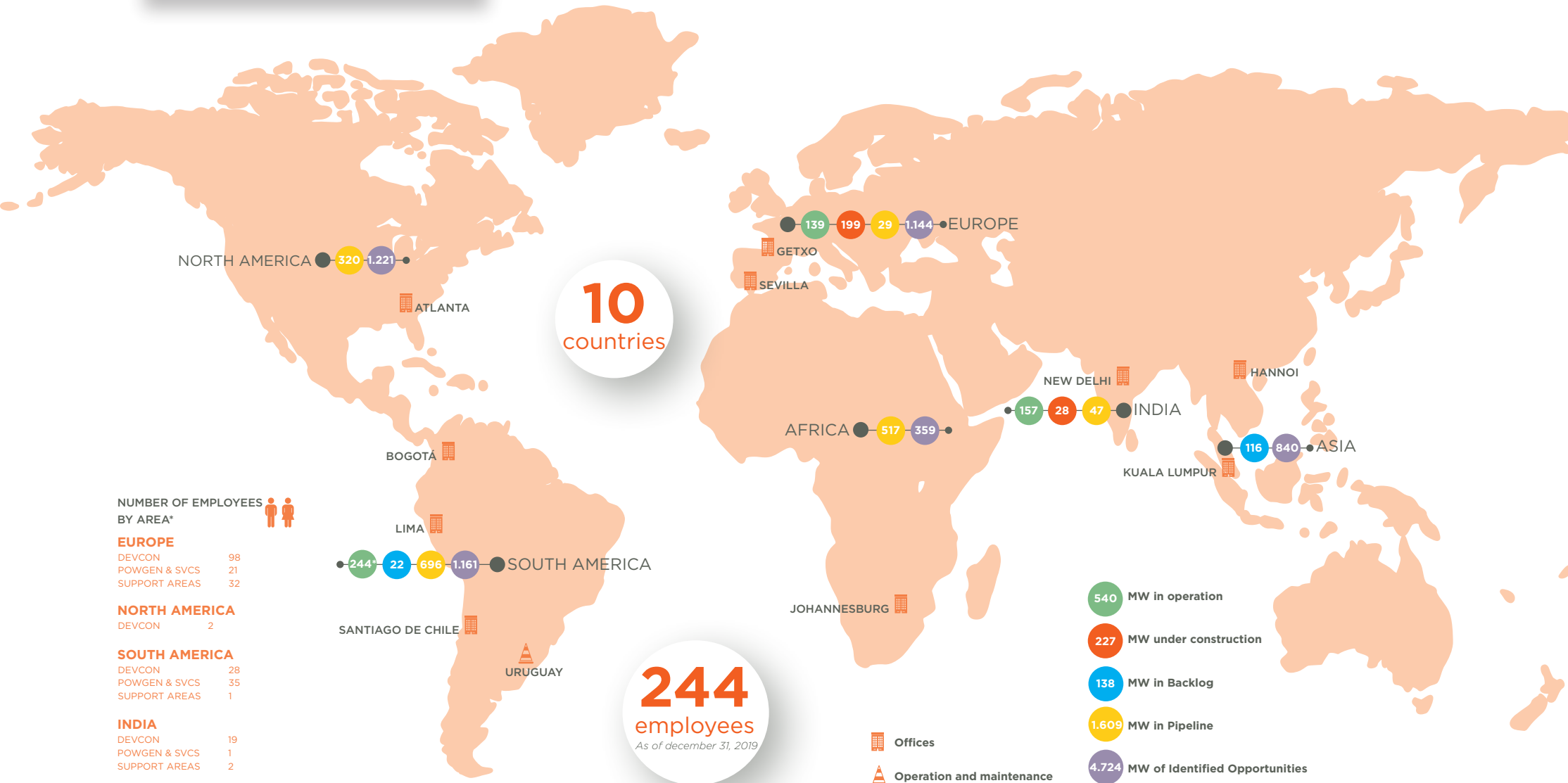
540_{MW}
in operation in
4 countries

931_{MW}
serviced in
9 countries

500_{MW}
under O&M
in 6 countries

As of April 30, 2020

OUR GLOBAL PRESENCE



**Granja (123 MW) started injecting energy in March 2, 2020*
As of February 21, 2019

KEY DATA 2019



DEVELOPMENT AND CONSTRUCTION

TOTAL MW PUT IN OPERATION : **309 MW⁽¹⁾**

OPERATING REVENUES : **220.5**
(€ MILLIONS)

EBITDA : **13.8**
(€ MILLIONS)



POWER GENERATION

TOTAL MW IN OPERATION AT END OF PERIOD : **540 MW⁽¹⁾**

TOTAL ENERGY GENERATED : **519 GWh**

OPERATING REVENUES : **35.2**
(€ MILLIONS)

EBITDA : **30.3**
(€ MILLIONS)



SERVICES

TOTAL MW MANAGED : O&M **377 MW**
AMS **578 MW**

OPERATING REVENUES : **8.2**
(€ MILLIONS)

EBITDA : **2.2**
(€ MILLIONS)

(1) Granja started injecting energin in March 2, 2020



KEY DATA 2018



DEVELOPMENT AND CONSTRUCTION

TOTAL MW PUT IN OPERATION : **20 MW**

OPERATING REVENUES : **13.5**
(€ MILLIONS)

EBITDA : **(0)**
(€ MILLIONS)



POWER GENERATION

TOTAL MW IN OPERATION AT END OF PERIOD : **252 MW**

TOTAL ENERGY GENERATED : **510 GWh**

OPERATING REVENUES : **20.8**
(€ MILLIONS)

EBITDA : **18.8**
(€ MILLIONS)



SERVICES

TOTAL MW MANAGED : O&M **160 MW**
AMS **377 MW**

OPERATING REVENUES : **4.6**
(€ MILLIONS)

EBITDA : **1.3**
(€ MILLIONS)

KEY MILESTONES

Appointment of Ignacio Artázcoz as new executive chairman to lead, with Pablo Burgos, Solarpack's growth strategy

Solarpack appointed Ignacio Artázcoz as the new executive chairman of the Company on January 15, 2020. Since joining, Ignacio shares executive tasks with the co-founder and CEO Pablo Burgos. José Galíndez, co-founder, main shareholder and chairman of the Company since 2005, will continue his involvement in Solarpack as vice-chairman of the board and president of the new strategy and investments commission.

With these measures, Solarpack's board of directors secures the successor of its chairman and at the same time reinforces the executive management with the full-time capacity of an energy sector executive with a successful track record growing companies. Ignacio Artázcoz has served as CFO in CIE Automotive, Gamesa and Nortegas. Since August 2018, he has been a director at Solarpack and was appointed vice chairman of the board of directors of Solarpack in January 2019.



Solarpack has increased its attributable operational capacity from 141 MW to 450 MW, tripling the MW that the Company owns based on its shareholding in the projects in operation.

This represents a qualitative leap that will be reflected in a greater weight of the power generation unit (POWGEN) during 2020.

The attributable capacity in operation triples since the IPO

Solarpack has started the construction of 536 MW since its IPO

Since December 2018, Solarpack has started the construction of 536 MW in 3 different geographies: Spain, Chile and India. This volume of projects in such diverse jurisdictions shows the execution capacity that the company already has.

Of the total 536 MW, 309 MW are already in operation and 227 MW are still under construction.



Solarpack has registered, during 2019, new order intakes for 215 MW. Of these, 99 MW, which are EPC for third parties, are already under construction in Spain. The other 116 MW correspond to a project developed by Solarpack in Malaysia that was awarded, in December 2019, a 21-year PPA that kick-starts in January 2022, although the company plans to put the project in operation before then.

The company has originated 215 MW of new order intakes in 2019

This number of MW is at the mid point of the range of yearly order intakes that Solarpack gave in its IPO.

Acquisition of Tacna and Panamericana

As part of Solarpack's strategy of selectively pursuing inorganic opportunities, the company acquired in 2019 90.5% of the Tacna and Panamericana projects in Peru. These projects were developed and built by Solarpack in 2012 and were sold to financial investors in 2014.

Beyond the profitability of the investment, the acquisition has brought the possibility to generate additional value for Solarpack, through the design and implementation of an industrial repowering plan and the reorganization of the operation and maintenance activities.

In April 2020, Solarpack has partnered with Ardian in these projects by acquiring 49% of them.



Renewed focus in ESG



Solarpack started its ESG activities at full speed from the first steps of the company almost 15 years ago. ESG is in Solarpack's DNA thanks to the company's commitment and also to the personal initiatives of its founders.

Since 2007, Solarpack's PV solar projects include social initiatives to support communities where the company operates, prioritizing developing regions and countries. As examples, we can mention some initiatives such as installation of PV modules in schools, supply of educational and construction materials for schools, promotion of local labor, support for local education and its empowerment, participation in immigrant integration programs, etc.

Already in 2012, Solarpack implemented in the projects it built and developed in Peru the World Bank Standards and the Equator Principles.

In addition, Solarpack collaborates with different non-profit organizations, especially with the "EKI Foundation", created by the founders of Solarpack and whose objective is to eliminate extreme poverty of the world focusing on bringing electricity supply to rural areas in Africa and Latam.

Now at Solarpack, the Board of Directors has decided to give ESG a new impetus, standardizing methodology and reports. Thus, the Board has decided that the newly created strategy and investments committee lead ESG, fully integrating it into long-term strategy of the Company.

KEY FINANCIAL DATA (SEGMENT AND IFRS)

SEGMENT FINANCIAL INFORMATION: DEVELOPMENT AND CONSTRUCTION (DEVCON)

<i>In EUR thousands</i>	FY 2019	FY 2018
Operating Revenues	220,500	13,536
Gross Margin	21,796	3,517
Gross Margin %	9.9%	26.0%
EBITDA	13,761	(50)
EBITDA Margin %	6.2%	-0.4%
EBIT	11,907	(59)
EBIT Margin %	5.4%	-0.4%

SEGMENT FINANCIAL INFORMATION: POWER GENERATION (POWGEN)

<i>In EUR thousands</i>	FY 2019	FY 2018
Operating Revenues	35,212	20,751
Gross Margin	30,594	18,228
Gross Margin %	86.9%	90.7%
EBITDA	30,275	18,828
EBITDA Margin %	86.0%	90.7%
EBIT	25,018	12,472
EBIT Margin %	71.0%	60.1%

SEGMENT FINANCIAL INFORMATION: SERVICES (SVCS)

<i>In EUR thousands</i>	FY 2019	FY 2018
Operating Revenues	8,240	4,577
Gross Margin	2,641	1,767
Gross Margin %	32.1%	38.6%
EBITDA	2,174	1,328
EBITDA Margin %	26.4%	29.0%
EBIT	2,158	1,301
EBIT Margin %	26.2%	28.4%

SEGMENT FINANCIAL INFORMATION: CORPORATE

<i>In EUR thousands</i>	FY 2019	FY 2018
Operating Revenues	-	-
Gross Margin	-	-
Gross Margin %	n.a.	n.a.
EBITDA	(1,068)	(1,411)
EBITDA Margin %	n.a.	n.a.
EBIT	(1,068)	(1,411)
EBIT Margin %	n.a.	n.a.

KEY FINANCIAL DATA (SEGMENTS AND IFRS)

TOTAL SEGMENT FINANCIAL INFORMATION: (DEVCON + POWGEN + SVCS + CORPORATE)

<i>In EUR thousands</i>	FY 2019	FY 2018
Operating Revenues	263,953	38,864
Gross Margin	55,031	24,112
Gross Margin %	20.8%	62.0%
EBITDA	45,141	18,695
DEVCON	13,761	(50)
POWGEN	30,275	18,828
SVCS	2,174	1,328
Corporative	(1,068)	(1,411)
EBITDA Margin %	17.1%	48.1%
EBIT	38,015	12,304
EBIT Margin %	14.4%	31.7%

ELIMINATIONS

<i>In EUR thousands</i>	FY 2019	FY 2018
Operating Revenues	(174,026)	(8,764)
Gross Margin	(16,977)	(4,097)
Gross Margin %	n.a.	n.a.
EBITDA	(16,874)	(4,097)
EBITDA Margin %	n.a.	n.a.
EBIT	(16,590)	(1,274)
EBIT Margin %	n.a.	n.a.

IFRS CONSOLIDATED FINANCIAL INFORMATION

<i>In EUR thousands</i>	FY 2019	FY 2018
Revenue	82,825	26,907
Operating Income	89,928	30,101
Operating Expenses	(68,502)	(19,071)
EBITDA	28,267	14,598
Profit from operations (EBIT)	21,426	11,030
Financial profit (loss)	(9,296)	(5,537)
Profit before tax	12,318	5,854
Profit for the period	11,997	5,559
Profit attributable to non-controlling interests	89	544
Profit attributable to the Parent	11,908	5,015

2019 MANAGEMENT REPORT

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ANNEX I

1. CULTURE AND GOVERNANCE

1.1. MISSION, VISION AND VALUES

MISSION

Generate attractive “products and services” for our clients (governments, companies, individuals) in the sector of renewable energies.

We work with a smile in our faces, promoting a business culture that attracts talent and which generates an environment where we give the best of ourselves.

With attractive business and financial results that reflect our success in managing the resources used and that contribute to the prosperity of society, wherever we operate.

VISION

Solarpack wants to be a globally recognised agent, managing the complexities entailed in undertaking projects, on the journey towards a world connected to renewable energy.

Solarpack’s main objective is to be a solid and solvent company, capable of undertaking quality projects, creating added value for society and the areas where it operates.

VALUES

Quality

we are obsessed with a well-done job. A job done well the first time requires less time than one done badly.

Integrity

honesty in our work and in the relationship with others as a basis for the trust we develop.

Agility

sense of anticipation, sense of urgency, essential in the changing times we live and for our company profile.

Open mind

open-mindedness, sharing of knowledge, teamwork, as foundation of a strong organisation with sound self-confidence.

Effort and dedication

essential in a highly competitive environment.

Results

our good work confirmed with economic results.

1.2. ORGANISATIONAL STRUCTURE

Solarpack Corporación Tecnológica, S.A.

(hereinafter “**Solarpack**” or the “**Company**”)

has a **Board of Directors** consisting of seven directors: Chairman, CEO and five other members, in addition to a non-board member secretary. On 25 January 2019, the Board of Directors accepted the resignation of Mr Antonio Galíndez Zubiría and appointed, through co-option, Mr Rafael Canales Abaitua, as a proprietary director. His appointment was ratified by the General Shareholders’ Meeting held on 29 March 2019. Furthermore, on 25 January 2019, the Company’s Board of Directors appointed the director, Mr Ignacio Artazcoz Barrena, as the new vice-chairman.

The **Board of Directors** of Solarpack is the Company’s highest governing body, to which the Shareholders’ Meeting delegates its responsibility.

It is the place where decisions are made that affect all areas of the company and that

establishes the guidelines for the operating of Solarpack’s executive team.

Solarpack’s **chairman** is the person who chairs and summons the Board of Directors and, in 2019, he held a non-executive role. The Board of Directors delegates to the chairman, among others, the responsibility of preparing the dates and matters to be discussed in the board meetings, nominating the persons for the positions of CEO and members of the committees of the Board of Directors, preparing and submitting before the Board of Directors those proposals which he thinks appropriate for the successful running of the Company and the representation of Solarpack before the institutions, wherever it may be according to its position, including the external communication of the Company.

The **CEO** of Solarpack has the executive functions of the Board of Directors and the necessary powers to exercise them. The CEO participates directly in management



and supervisory activities of the company. He is responsible for proposing the strategic direction of the company and to ensure that the decisions taken at the Board of Directors are implemented through functional measures. The CEO is a fundamental part in the creation of the culture of the organisation.

The **Audit Committee** of the Board is made up of three members and its main responsibilities are, among others, the monitoring of the effectiveness of the internal control of the Company and its risk management system. The chairmanship of this committee corresponds to an independent director.

The **Appointments and Remuneration Committee** consists of three members and its basic functions are, among others, the formulation of proposals on new members of the Board of Directors and on the remuneration of the members of the Board and of the CEO in their executive functions.

The organisation and management of Solarpack is completely oriented towards project management. Therefore, at the level of committees and bodies additional to the Board of Directors, the company operates with the following:

PROJECT COORDINATION COMMITTEE

A committee that meets every two weeks to monitor all the projects underway. All the functional areas involved in the execution of the projects are part of this committee where the progress of the development and construction of the projects are analysed and potential risks and their solutions are identified in order to ensure that the projects are finished and successfully executed.

EXECUTIVE COMMITTEE

The Executive Committee is held on a quarterly basis. All persons responsible for the functional areas of Solarpack meet and the CEO of the company presents the objectives and budget for the year, and its follow-up. The objective of this Committee is to establish common objectives to all the areas of the company, so that all people who are part of the organisation are aligned for achievement.



Solarpack and its subsidiaries (hereinafter the “**Solarpack Group**”) are structured through 177 legal entities, included in the scope of consolidation of the Solarpack Group, as well as those temporary JVs where to the Group is a part.

Subsidiaries are of two types:

OPERATING COMPANIES: those through which the Solarpack Group develops activities of (i) development and construction of projects and (ii) services

SPECIAL PURPOSE VEHICLE COMPANIES: those through which solar photovoltaic electric power generation assets (hereinafter “**PV**”) are operated

.....

The section on Organisational structure describes in detail these activities developed by Solarpack Group. The usual administration structure in the subsidiaries is the existence of a sole administrator, although there are numerous subsidiaries that have a board as an administrative body, either due to (i) the existence of minority shareholders or (ii) the fact that regulation of the country where the company is established make it advisable or essential the existence of a board of directors.

In addition to the companies included in the scope of consolidation, there are other companies where the Solarpack Group has interests but not a controlling ownership.

Note 2 and Annex I corresponding to the Consolidated Financial Statements as of 31 December 2019 (the “Consolidated Financial Statements”) show a detail of the corporate structure of Solarpack Group.



1.2.1. CORPORATE GOVERNANCE BODIES

**CORPORATE
GOVERNANCE
ANNUAL REPORT CAN
BE ACCESSED ON
THE WEBSITE OF THE
CNMV**

Our corporate governance practices are not only aimed at the creation of economic but social value. For this we have a number of bodies and procedures whose objective is to safeguard the interests of our shareholders and all our stakeholders, in general.

Our activities are governed by compliance with the law and related recommendations: Capital Companies Act, revised text of the Law of the Stock Market and the Code of Good Government of the Societies listed of the National Securities Market Commission (CNMV).

A. GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting is the primary space for participation by the Company's shareholders and the highest decision-making authority at the Company, where all duly convened shareholders shall meet to discuss and decide, by the specific majority required in each case, on any matter falling within their scope of authority, or to be informed on any matter deemed convenient by the Board of Directors or the shareholders pursuant to the legislation in force and the Company's Articles of Association.

The rules of procedure of the General Shareholders' Meetings can be found here:

<https://www.solarpack.es/en/shareholders-and-investors/corporate-governance-pdte/regulations/>

1.2.1. CORPORATE GOVERNANCE BODIES

B. BOARD OF DIRECTORS

It is the highest governing body of the company and in which the shareholders of Solarpack delegate their responsibility. It is the responsible body, among other activities, for the design of policies and strategies.

As at 31 December 2019, the composition of the Board of Directors was as follows*:

José María Galíndez Zubiría	Chairman - Proprietary Director
Pablo Burgos Galíndez	CEO - Executive Director
Ignacio Artázcoz Barrena	Vice-chairman- Independent Director
Begoña Beltrán de Heredia	Independent Director
Inés Arellano Galíndez	Proprietary Director
Gina Domanig	Independent Director
Rafael Canales Abaitua	Proprietary Director
Joseba Andoni Olamendi López	Non-Member Secretary of the Board of Directors

** As of the date of this report, there have been changes in the Board of Directors, which are described in section 5 herein.*

The Regulations of the Board of Directors can be viewed here:
<https://www.solarpack.es/en/shareholders-and-investors/corporate-governance-pdte/regulations/>

The following committees operate under the **Board of Directors**:

AUDIT COMMITTEE

The Audit Committee of the Board is made up of three members and its main responsibilities are, among others, the monitoring of the effectiveness of the internal control of the Company and its risk management system. The chairmanship of this committee corresponds to an independent director.

APPOINTMENTS AND REMUNERATION COMMITTEE

It consists of three members and its basic functions are, among others, the formulation of proposals on new members of the Board of Directors and on the remuneration of the members of the Board and of the CEO in their executive functions.



C. DUE DILIGENCE MECHANISMS

The Board of Directors approved, on 1 November 2018, the Internal Code of Conduct in the Securities Markets. This Code regulates, among other things, the expected conduct of our directors and managers with respect to the treatment, use and disclosure of non-public information related with the group, according to the Regulation (EC) No. 596/2014 of the Committee of the European Parliament and of the Council of 16 April 2014 on abuse of market (“market abuse regulation”) (“MAR”).

The Internal Code of Conduct in the Securities Markets applies to, among other people, all the members of the Board of Directors, the Executive Committee and employees who have access to non-public information, and also to our external consultants, when they handle such non-public information.

At the date of issue of this document we do not have knowledge of any existence of any conflict of actual or potential interests between our advisors, our Executive Committee or our employees, who are key for the company.

1.2.1. CORPORATE GOVERNANCE BODIES

D. EXECUTIVE COMMITTEE

It is the body responsible for the daily management of the company, formed by thirteen Directors. It meets quarterly and is responsible for supervising the key operational issues, including financial matters, as well as the main action plans and other related topics.

Pablo Burgos	Chief Executive Officer
Ana Ferrero	Head of Asset Management and Technical Supervision
Fátima Fernández	Head of the Technical Office
Iñigo Malo de Molina	Head of Business Development
Jaime Aldamiz-Echevarría	Head of Project Financing
Jaime Solaun	Head of Andean Region
Javier Arellano	Head of Corporate Development and Investor Relations
Joseba Olamendi	Head of the Legal Department
Luján de la Rica	Head of Corporate Control
María Burgos	Chief Financial Officer
Miguel de la Rosa	Head of Construction and EPC Sales
Tomás Parladé	Head of Power Generation and Services
Victoria Moral	Head of Human Resources and Organization



E. SUMMARY OF GOVERNMENT AND BUSINESS BODIES

BOARD OF DIRECTORS

7 MEMBERS

8 ANNUAL MEETINGS

- Main body of validation of Solarpack's financial commitments.
 - Detailed monitoring of every strategic and investment decision.
 - Formed by 7 members: 1 executive; 3 proprietary directors and 3 independent.
-

AUDIT COMMITTEE

3 MEMBERS

QUARTERLY

- Monitoring of internal controls, internal audit and risk control.
 - Supervision of elaboration and publication of financial information, including relationship with external auditors.
 - Maintenance and monitoring of:
 - Control of financial risk.
 - Supervision of risk control and management policies.
-

APPOINTMENTS AND REMUNERATION COMMITTEE

3 MEMBERS

WHEN REQUIRED

- Assessment of competencies required in the Board of Directors.
 - Elaboration of proposals for election or re-election of the members of the Board of Directors.
 - Elaboration of proposals for Directors policies of compensation and management and monitoring of these policies.
-

EXECUTIVE COMMITTEE

13 MEMBERS

QUARTERLY

- Joint review of all business units and support units.
 - Establishment and coordination of quarterly targets.
 - Main Committee to the Executive team.
-

E. SUMMARY OF GOVERNMENT AND BUSINESS BODIES

BUSINESS COMMITTEES

COMMITTEE OF POWER GENERATION QUARTERLY

- Detailed review of real vs. base case.
- Supervision of compliance with covenants.
- Preparation and follow-up of projects' cash distributions to debt and equity holders.
- Refinancing strategies of projects.
- Project acquisition opportunities.

O&M COMMITTEE MONTHLY

- Monitoring of the availability, production, irradiance, and performance of the projects.
- Review of incidents and corrective actions.
- Contractual covenants supervision.
- Follow-up actions of continuous improvement.

D&C COMMITTEE PER PROJECT MONTHLY/BI-WEEKLY

- Coordination of the project.
- Detailed review of the status of development.
- Supervision of construction and completion budget.
- Alignment in the development.

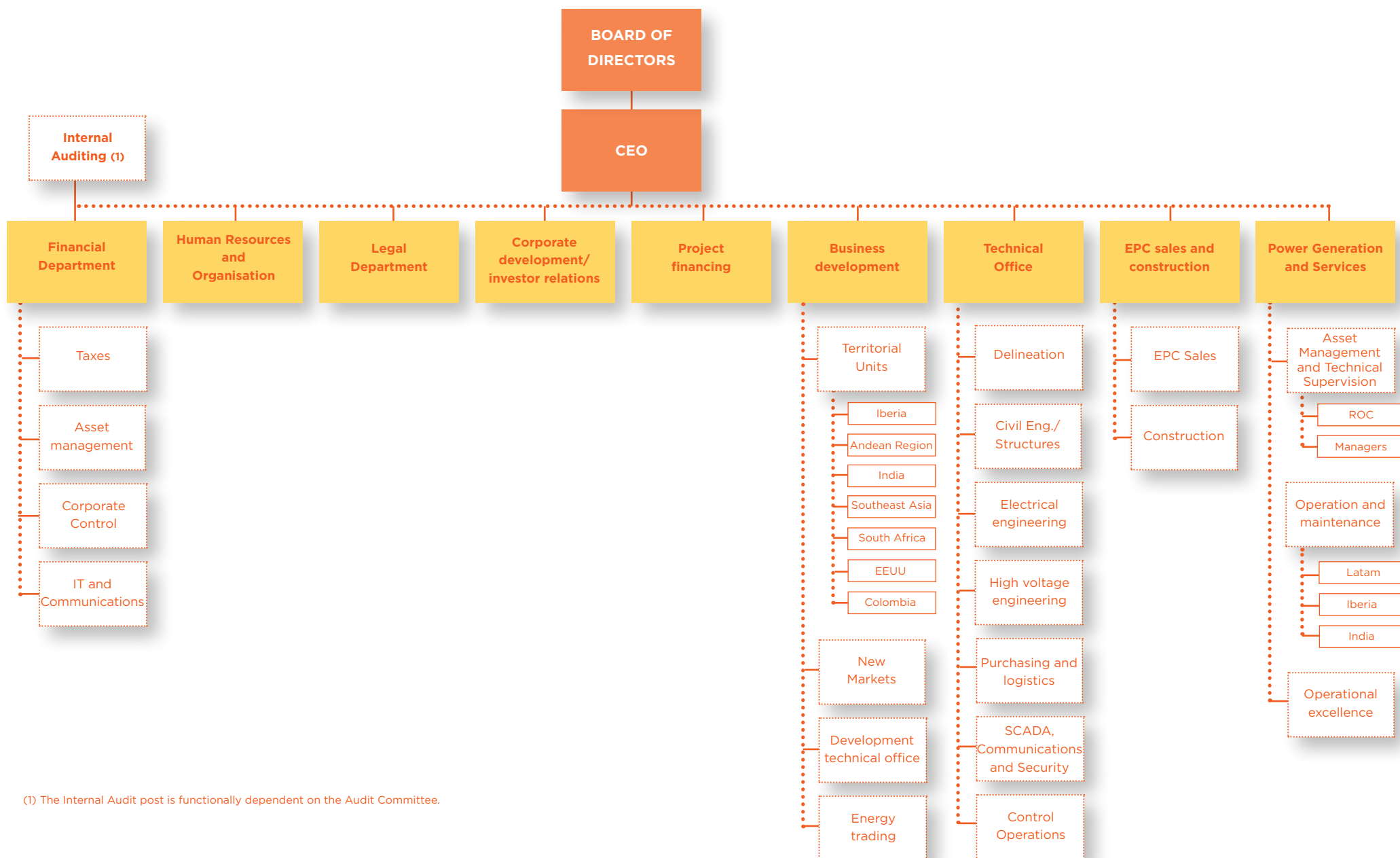
R&D COMMITTEE MONTHLY

- Review of new initiatives, including those of battery storage.
- Analysis of new business models and technologies.

BUSINESS REVIEWS MONTHLY

- Direct interaction between CEO and managers of business areas.
- Monitoring and supervision of specific business objectives.

F. ORGANISATION CHART



(1) The Internal Audit post is functionally dependent on the Audit Committee.

2. SOLARPACK PEOPLE

The Solarpack Group has a positive working environment and it can be said that the vast majority of its employees work with high motivation rates. Note 20.3 of the Consolidated Financial Statements details how personnel expenses are structured, as well as the distribution of the personnel.

As of 31 December 2019, the Solarpack Group had 244 employees. The majority of our personnel (specifically 85%) is devoted to technical areas, which include project development, engineering, construction, operation and maintenance activities. The average number of employees grew by

71% in 2019, which is due to the growth in all of the company's activities and especially to the strong growth in DEVCON during the year. The average cost per employee during fiscal year 2019 was 56,367 euros, including both salary concepts and social security expenses.

The Solarpack Group strives to maintain a cohesive group of employees located in over ten different countries. As such, several activities are carried out:



EXISTENCE OF A UNIFIED EMPLOYEE MANUAL,

Existence of a unified employee manual, so that all employees of the company have the same values and culture, as well as similar operating rules, always respecting the labour regulations of each country.



A CORPORATE COMMUNICATIONS PLATFORM

A corporate communication platform that allows easy interconnection from any device connected to the Internet, with any employee of the company in their workplace, so that videoconferences and audioconferences can be made in a simple and economical way.



A REGULAR INTERNAL NEWSLETTER

Which informs all employees about the latest events in the company, both from a business point of view and from the point of view of activities and anecdotes of interest.



REGULAR COMPANY MEETINGS

Regular company meetings in which a large majority of employees have the opportunity to meet personally, exchange experiences and align themselves with business objectives.

**THE EMPLOYEE
MANUAL CONTAINS**

a **Code of Integrity and Conduct** that is assumed by each employee when they join the Solarpack Group. This code raises four simple questions to assess whether a given behaviour is in line with the principles of integrity.

REPORTING CHANNEL

Likewise, a **specific e-mail box is available** for anonymous reports on behaviours within the company that do not comply with said principles of integrity.

A fundamental part of our strategy as a company is the identification and incorporation of the best talent, as well as its professional development and continuous motivation.

For this reason, in 2019 we have invested more than 30,906 euros in training aimed at developing our employees' skills and motivation, a particularly relevant aspect in a group with a young average age that values very highly this type of action. The training was aimed at areas of interest to the company, such as:

- **PERSONNEL ORIENTING AND MANAGING**
- **TECHNICAL TRAINING COURSES**
- **PERSONAL SKILLS IMPROVEMENT COURSES (LANGUAGES, TIME MANAGEMENT, OFFICE...)**



Also, aware of the specific problems of the staff who must travel to the different locations where our projects are, we have begun and will continue developing in the coming year actions aimed at improving the management of these processes, with the aim that the displacements are carried out under the best possible conditions for those involved.

Solarpack has 13 different nationalities among its employees, favouring the integration and diversity of the company.



3. BUSINESS MODEL

The Solarpack Group is a multinational company focused on the development of solar PV. It specialises in promoting, financing, construction, asset management, operation and maintenance, and consulting of PV solar plants.

Its activities are channelled through three operating segments, which are the generators of value and cash flows for the company:

Development and Construction

(DEVCON), which develops business opportunities and executes the construction of solar PV plants.

Services

Services (SVCS), which provides operation and maintenance services and asset management in solar PV plants.

Power Generation

(POWGEN), where the investments in solar PV power generation assets are grouped.

Solarpack Group currently operates mainly in Spain, Latin America (largely, Chile, Peru, Uruguay and Colombia), the USA, South Africa, India and South East Asia.

This geographical dispersion and growth has been carried out taking into consideration

the culture and values relating to the performance of employees in the Solarpack Group, wherever they are.





Historically, the Solarpack Group has developed a vertical integration business model with high asset turnover. This rotation has been motivated by a limited amount of financial resources, insufficient for the maintenance of all investments in solar PV plants in the long term. For this reason, the Group proceeded to divest majority share packages in operating PV solar plants in order to finance the construction and start-up of the following plants, which we call the Build & Sell mode.

During the year 2018, the Group has implemented a change of strategy, which is to maintain investment in the medium and long term in a majority share of the assets that develops, build and put into operation, what we call Build & Own mode. Result of this new strategy, the Group has carried out a capital increase through a range of subscription shares which ended 5 December 2018, the day from which Solarpack shares listed in the continuous markets of the Spanish stock exchanges. This injection of capital by 110 M euros will allow growth and recurrence of revenues and results of operation of the group.

Regarding the projects that the Group maintains in the development portfolio and that it aims to put into operation in the short term, approximately one third thereof will be built in Build & Own mode.

Likewise, the Group is carrying out EPC constructions for third parties, a strategy that it will continue to pursue on opportunities that allow the Group to create synergies with its undertaking of Build&Own and Build&Sell projects.



3.1. OPERATING SEGMENTS

Our activities are channelled through three operating segments, which are the generators of value and cash flows for the company:

DEVELOPMENT AND CONSTRUCTION (DEVCON):

Our DEVCON division focuses mainly on the development and construction of solar PV plants, which directly convert solar radiation into electrical power. The development phase of a solar PV project begins with the selection of a terrain, suitable, taking into account various factors, such as for example, the solar radiation of the place, the proximity to electrical transmission/ distribution network, the impact in the local community, the selling alternatives for electric energy, mainly through sales contracts in the long run (PPA) and, depending on the size of the project, negotiations with possible co-investors. After obtaining the necessary internal approvals and administrative permits and licenses, we structure the financing of the project. Once this is achieved, we carry out our engineering activities, supply of main equipment and construction (EPC) in turnkey mode. A part of the solar plants that we develop and build are sold to third parties (Build & Sell mode) and another part is kept in our books for exploitation by our POWGEN division (Build & Own mode). Likewise, and opportunistically, the DEVCON division provides EPC services to third parties in projects in which the Group has not had any intervention in its development. The DEVCON division is the main generator of the company's future business, and its growth engine.

MWs IN THE DEVCON DIVISION

<i>At 31 December</i>	2015	2016	2017	2018	2019
Projects put into operation during the period	10.5	26.4	125.1	19.9	185.8
Projects "Build and Own"	10.5	-	25.1	-	164.5
Other projects	-	26.4	-	19.9	21.3

DEVELOPMENT AND CONSTRUCTION (DEVCON)

With respect to the portfolio of projects under development, the company distinguishes three different categories according to the degree of feasibility of each project:

(A) IDENTIFIED OPPORTUNITIES

projects in a preliminary stage of development for which we have made a feasibility study and a business case evaluation, and for which we estimate a probability of success of between 10% and 30%.

(B) PIPELINE

comprises projects for which we estimate the likelihood of success at 50% (not including projects included in our Backlog) that are either (i) in-house projects, for which we have procured contractual or legal rights relating to site control and interconnection rights from the relevant regulatory bodies or, if only initiated but contractual or legal rights have not yet been procured, for which we estimate a likelihood of contractual or legal rights being procured of more than 50%, or (ii) third-party projects, for which a bidding solicitation for a third-party EPC customer has been formally launched and for which we have been shortlisted in the request-for-proposal (“RFP”) process.



(C) BACKLOG
EVOLUTION OF BACKLOG

<i>At 31 December</i>	2015	2016	2017	2018	2019
Backlog at the beginning of the period	31.6	189.5	237.5	124.1	362.1
Additions during the period	164.4	124.1	-	386.2	214.8
Net changes in capacity	-	-	-	(2.8)	(1.6)
Projects that reach the operating status	(10.5)	-	-	-	(165.4)
Projects sold before the operating status	-	(55.0)	-	-	0
Projects that reach the “under construction” status	-	(21.1)	(113.4)	(145.4)	(225.5)
Projects that go back to the “pipeline” status	-	-	-	-	(47.1)
Backlog at the end of the period	189.5	237.5	124.1	362.1	137.7

comprises projects for which we estimate the likelihood of success of at least 90%. These are projects (i) for which we have been awarded rights as part of the applicable off-take arrangement tender process, or (ii) the applicable off-take arrangement has been obtained such that we have been nominated as preferred bidders and are in the process of preparing for the execution of the off-take arrangement, or (iii) non recourse financing has been obtained without the need of an off-take arrangement, or (iv) an agreement for the sale and construction of a “build and sell” project (not subject to any financing condition precedents) has been signed with a third-party buyer, or (v) an EPC agreement has been signed in the case of projects developed by third-parties.

SERVICES (SVCS)

Our SVCS division provides (i) technical Operation and Maintenance services and (ii) administrative and asset management services to PV solar power plants developed by both the Solarpack Group and third parties. This division develops a wide range of services and solutions to maximise the generation of electricity and the useful life of the PV solar systems it operates and manages. Specifically, we provide technical monitoring and supervision services, inspections, preventive maintenance of plants, repair and replacement of equipment in plant, and response to incidents. As of 31 December 2019, we provide technical Operation and Maintenance services in 20 solar PV plants (of which eight are owned mostly by third parties) with a total installed capacity of 377 MW. Our O & M services are monitored from our remote control centre (“ROC”) located in Getxo-Bizkaia, and run by our operators in the field. In addition, as

part of our asset management activities, we offer a wide range of commercial, accounting, financial, tax and corporate services for PV solar power plants in operation, with the objective of maximising the cash available for distribution to the shareholders of these assets. Specifically, the main focus of our asset management services includes ensuring compliance with the applicable regulatory framework, establishing an

effective reporting and internal control system, advising clients on how to optimise plant performance, refinancing senior debt and daily management and optimisation of PPA contracts. As of 31 December 2019, we provide this type of asset management services to 20 PV plants (owned by us or by third parties) that represent a total installed capacity of 578 MW.

SERVICES

<i>At 31 December</i>	2015	2016	2017	2018	2019
.....					
Weighted average availability of MW under O & M (%) *	99.8%	99.8%	99.7%	99.4%	99.7%
.....					
Projects under facilities O & M (in MW)	106.4	132.7	153.8	160.1	377.4
.....					
Projects under management of assets (in MW)	198.3	219.4	219.4	330.3	578.0

* 2015 excludes ATACA (PAS1); 2016 excludes Alto Cielo; 2017 excludes PMGDs (CAS1; PSS (CAS2))

POWER GENERATION (POWGEN)

When our DEVCON division completes the construction of a solar PV plant and this enters into operation, our POWGEN division generates income by selling the electricity produced by our PV solar plants under a specific PPA contract or other type of sales model. The amount of income generated depends mainly on the production level of the plant and the sale price of the electricity. We generate income from solvent buyers, including a combination of government entities or central and national services, such as the national electricity systems of Spain and Chile, the Republic of Peru and Southern/Northern Power Distribution Company of Telangana (Indian energy distribution companies), as well as private companies such as Collahuasi and Codelco (Chilean mining companies). In general, we establish long-term electricity sales agreements with these energy buyers who pay a fixed price, in certain cases subject to adjustments for inflation, for the electricity

generated by our PV solar power plants. As of 31 December 2019, we have interests in the capital of 14 solar PV projects with a total installed capacity of 417 MW (of which 345 MW are attributable to our proportional shares in these projects). As of the date of this report, these numbers have increased by 123 MW to 540 MW and 468 MW respectively, due to the start of operation of the Granja project in Chile. These projects are structured with SPV companies in which

the assets and liabilities of each project are located in an isolated manner. In this way, it is possible to obtain Project Finance Debt, which does not require any other guarantees than those of the project itself.

MW IN OPERATION AT THE END OF THE PERIOD

As of 31 December	2015	2016	2017	2018	2019
Total MW	127	127	252	252	417**
Attributable MW	53	25	128	141	345**

POWER GENERATION

At 31 December	2015	2016	2017	2018	2019
Energy generated during the period. (on a pro rata basis, In MWh) *	119,996	116,402	114,316	239,836	304,573

* Decrease in 2017 due to the sale of the majority in Ataca Moquegua. Increase in 2018 due PMGD PASI-CASI-PSS in full operation and entry of TS1. Increase in 2019 due to the purchase of c. 13 MW in Spain and the purchase of c. 39 MW in Peru.

** As of the date of this report, these numbers have increased by 123 MW to 540 MW and 468 MW respectively, due to the start of operations of the Granja project in Chile.

OPERATING SEGMENT

DEVELOPMENT AND CONSTRUCTION (DEVCON)

POWER GENERATION (POWGEN)

SERVICES (SVCS)

KEY ACTIVITIES

It provides innovative PV solar solutions.
Full integration of capabilities:
1. Development of projects
2. Structuring of the type of financing
3. Engineering, procurement & Construction

It generates stable and long-term income through the sale of electricity generated by the solar plants through long-term sales schemes.

a) Operation and maintenance: daily maintenance of PV solar plants to maximise their performance.
b) Asset management: monitoring of plant performance and compliance with accounting, tax and financing requirements.

KEY DATA

As of 31 December 2019, we had 5 projects under construction with a total capacity of 350 MW.
As of the date of this report, this figure has been reduced to 227 MW, spread over 4 projects.

As at 31 December 2019, we had interests in 4 solar PV projects totalling 417 MW.
As of the date of this report, this figure has been increased to 540 MW, spread over 5 projects
The POWGEN unit produced 304,573* MWh

* MWh attributable to the Group in proportion to its percentage share in the projects

As of 31 December 2019, we provided O&M services to 20 PV1 solar plants, totalling 377 MW.

Asset management services for 20 PV² solar plants, totalling 578 MW.

MAIN FINANCIAL MAGNITUDES³

2019

OPERATING REVENUE: **220.5 MM €**
EBITDA: **13.8 MM €**
(EBITDA margin of 6.25%)

2018

OPERATING REVENUE: **13.5 MM €**
EBITDA: **-0.0 MM €**
(EBITDA margin of -0.4%)

2019

OPERATING REVENUE: **35.2 MM €**
EBITDA: **30.3 MM €**
(EBITDA margin of 86.0%)

2018

OPERATING REVENUE: **20.8 MM €**
EBITDA: **18.8 MM €**
(EBITDA margin of 90.7%)

2019

OPERATING REVENUE: **8.2 MM €**
EBITDA: **2.2 MM €**
(EBITDA margin of 26.4%)

2018

OPERATING REVENUE: **4.6 MM €**
EBITDA: **1.3 MM €**
(EBITDA margin of 29.0%)

1. Thirteen plants, mostly owned by third parties and the rest by Solarpack.
2. Solarpack's or third-party property
3. Non-gaap financial information. The data centre cost/segment "Structure" are not included

4. MANAGEMENT OF RISKS AND UNCERTAINTIES

4.1. OPERATIONAL RISKS

REGULATORY RISK

The electricity generation activity is regulated in all the jurisdictions in which the Solarpack Group operates. Therefore, regulation can have a direct impact on the Group's income. Note 1.2 to the Consolidated Financial Statements contains an overview of the most relevant regulatory frameworks affecting the Group.

In POWGEN

- It can impact power generation revenues on those power generation assets that have a regulated sales price. This is the case of the generation assets in Chile (PMGDs) and the projects that were launched in Spain between 2007 and 2011. Unfavourable changes in the regulations in either market could affect the average selling price of these assets.
- New technical requirements or new taxes on generation could give rise to an increase in the operating costs of any asset that is adversely affected by regulatory changes of this nature.

In DEVCON

- If the regulations make the process of obtaining permits and licences for a project more expensive, for example by demanding greater investments in interconnection works, the margins of our DEVCON division could be reduced.
- In addition, any regulatory change that makes the use of solar PV technology less attractive in the generation market could result in lower growth possibilities for the industry and a lower volume of future business for our DEVCON segment.

In SVCS

- No significant regulatory risks are expected.

OPERATIONAL RISK

Operational risk in the Solarpack Group's activities exists to the extent that the Group carries on industrial power generation activities at its POWGEN division and construction activities when the process of developing a project at its DEVCON division has been completed. The operational risk lies in the impossibility of generating electricity or of completing work on a solar PV plant. In order to minimise these risks, the Solarpack Group takes the following measures:

- **Insurance:** the vast majority of the aforementioned operational risks can be insured. Thus, during both the operation and the construction of the solar PV solar plants the Group designs a complete insurance programme with insurers of acknowledged solvency in order to adequately cover these risks.
- **Quality processes:** the company develops operation and maintenance processes

suitable for those events not insurable so that breakpoints in generating power are minimal. Also, the Group keeps certain spare parts at plant so that generation outages can be resolved rapidly.

CUSTOMERS CONCENTRATION

The Solarpack Group operates at its POWGEN division with PPAs for the sale of electricity or with regulatory schemes that in many cases have a principal customer as the buyer of the power (100% in the case of PPAs with a single customer). As regards its DEVCON division, when the Group performs "Build&Sell" projects, high customer concentrations arise as a result of the volume of EPC contracts signed. The SVCS division generally generates less revenue, has greater customer dispersion than the other two divisions and is more stable from one period to the next and, therefore, it is not significant for the purpose of analysing the concentration of the Solarpack Group's customers.



During 2019, the volume of activity in “Build&Sell” projects has increased, as has the activity of the POWGEN division, so the degree of concentration of customers has been determined by these divisions. Specifically, during 2019, 13.6% of the Solarpack Group’s turnover was corresponded to 2 POWGEN customers, namely the Indian state-owned electricity companies Southern Power Distribution Company of Telangana, Ltd and Northern Power Distribution Company of Telangana, Ltd. Furthermore, two customers of the DEVCON division, namely Cve Energía Renovable Chile Spa and Generación Fotovoltaica Bargas S.L., accounted for 34.67% of the Solarpack Group’s turnover in 2019.

This high concentration of customers is mitigated by the fact that PPAs are long term and oblige the buyer to purchase power during the whole term of the agreements and, therefore, after a PPA has

been signed, any loss of business in the future would only arise in the event of the insolvency of the buyer and not as a result of commercial decisions of the latter, once the PPA is signed. In other words, in this case of customers of this nature the risk is more financial and not so much operational, since these two customers that account for a significant percentage of our sales will continue to acquire, for the next 25 years, the electricity that we generate due to the firm obligations provided for in the related PPAs.

In the case of EPC contracts that are usually signed in “Build&Sell” projects, the contracts are also binding on the buyer and have, generally, a completion time of less than 1 year.

4.2. FINANCIAL RISKS

MARKET RISK

Interest rate risk

The existence at the Group of bank borrowings tied to a floating interest rate, as part of the financial debt, means that the Solarpack Group is exposed to the risk of interest rate fluctuations, which directly affect profit or loss and the generation of cash flows. This is made even more significant by the fact that the average term of the Solarpack Group's borrowings is high, due to the relative importance of project finance borrowings.

The objective of the Solarpack Group in this area is to arrange hedging financial instruments, mainly interest rate derivatives (IRSs), which insolvency of the buyer and not as a result of commercial decisions of the latter, and not by the same commercial decisions, once the PPA is signed.

The complete elimination of risk in Project Finance Debt is also undesirable because it introduces barriers to future refinancing or early partial repayments of such debt.

The specific policies that the Solarpack Group aims to apply in this respect are:

- No IRS coverage for variable rate loans or lines of credit with a maturity of 3 years or less.
- IRS coverage by up to 74% of the term and 75% of the outstanding balance in the case of financing with a period exceeding 3 years.

Note 15 to the Consolidated Financial Statements shows the IRSs that the Solarpack Group had arranged at 31 December 2019.

Likewise, there are some currencies, for example the Indian rupee, in which it is difficult to arrange effective IRS coverage and in liquid markets, the Solarpack Group seeks to arrange fixed-rate debt at the longest possible term. The 53,641 thousand India rupees indicated in Note 14 has a fixed interest rate at a term of 10 years from the date of subscription. The Solarpack Group also has debt in Indian rupees equivalent to 13,340 thousand euros at a variable interest rate, associated with its KA2 project.

In addition to the interest rate risk linked to debt, given the nature of its business, the Solarpack Group must manage the interest rate risk as from the signing of a PPA or awarding of a tender for the sale of long-term energy through any regulatory framework, and when it manages to close a financing agreement.

In this case, having used interest rate assumptions when bidding for the PPA or tendering some kind of other bid, there is an interest rate risk that can make the project unfeasible when interest rates have been increased when concluding the financing. To do this, and when there are deadlines longer than 18 months between the signing of the PPA and the closing of the financing agreement, the risk of interest rate sensitivity is analysed in the operation and eventually lead to engaging derivative instruments such as swaptions and IRS forward. This is the case of the Granja Solar project (Chile) that the Solarpack Group built during 2019.

Risk of exchange rate

Solarpack Group's activity is highly internationalised and it is therefore influenced by several currencies. Within these currencies, the US dollar and the Indian rupee are particularly significant.

The exchange rate risk is different in each of the Solarpack Group's divisions

POWGEN: In this case, the foreign currency risk arises when the revenue from the sale of electricity is denominated in a currency other than the euro. The Solarpack Group applies the following policies for managing this risk:

- Project Finance Debt must be denominated in the same currency as the long-term revenues of the project in question. Failing that, repayments of Project Finance Debt must be covered by a hedging of long-term exchange rate risk.

- The turnkey EPC construction contract for each new solar PV plant must be in the same currency as the long-term revenues of the project in question. Where this is not possible, the payments under the EPC contract must be hedged with a short-term

foreign currency risk hedging instrument with a maximum term of one year.

- Equity investments in SPVs owning solar PV plants whose long-term revenue is denominated in currencies other than the euro or the US dollar must be hedged by foreign currency hedges with a minimum term of one year, and these must be renewed on expiry if the Solarpack Group has retained its investing position and the currency hedges market conditions are favourable. These foreign currency hedges only cover the risk relating to the capital invested in the SPV, and not the latter's profit or loss or dividends.

DEVCON: The exchange rate risk arises when contracts for the development and construction of a project are in a currency other than the euro. The Solarpack Group applies the following policies for managing this risk:



- When the EPC turnkey construction contract is entered into, any supply of equipment or construction and assembly contract denominated in a currency other than that of the EPC must be analysed and, depending on the term, amount and currency risk, a foreign currency derivative must be arranged.

SVCS: In this case, the main risk arises when the currency in which staff costs are denominated is different from that in which the related SVCS contract is denominated. The Solarpack Group applies the following policies for managing this risk:

- For contracts (i) with a term of more than four years; (ii) whose selling price is not indexed to inflation; and (iii) in which the staff costs exceed 40% of the selling price, the foreign currency risk must be hedged.

At 31 December 2019, the Solarpack Group had arranged foreign currency hedging instruments amounting to 105 thousand euros. With respect to the Indian rupee-euro exchange rate hedge to cover the exchange rate risk on the equity invested in the solar plants located in Telangana and Karnataka, India, which have their long-term power sale contracts in Indian rupees, the Solarpack Group is negotiating its extension pending normalisation of liquidity in the Indian rupee-euro futures markets.

If as of 31 December 2019 the euro is devalued/ re-evaluated by 10% vs all the functional currencies other than the euro keeping constant the other variables, equity would have been higher / lower in EUR 6,079 / 6,563 thousand. The detail, by currency, is as follows:

Euro		
31.12.2019		
	10%	(10%)
Dollars	(3,590,834)	2,407,433
Chilean peso	(2,252,529)	2,752,921
Indian rupee	(721,794)	920,683
Other currencies	1,661	(2,029)
Total	(6,563,496)	6,079,007

If the average exchange rate of the euro in 2018 had been devalued/reassessed by 10% with respect to all functional currencies other than the euro, keeping the rest of the variables constant, the result after tax for the year would have been higher/lower at EUR 299/375 thousand, mainly as a result of the exchange to euros.

The detail, by currency, is as follows:

Euro		
31.12.2019		
	10%	(10%)
Dollars	(318,094)	401,651
Chilean peso	(20,677)	25,271
Indian rupee	487,164	(594,891)
Other currencies	17,149	(20,959)
Total	165,541	(188,928)

Except for the risk explained above, there are no significant changes with respect to what was indicated in the management report of 31 December 2018.

Financial instrument price risk

The Company's exposure to risk regarding the price of equity securities is zero because no investments held by the Solarpack Group and classified in the consolidated balance sheet as available-for-sale or at fair value through profit or loss are available.

Commodities price risk

Within the POWGEN division and given the renewable nature of the Solarpack Group's power generation business, there is no exposure to the price of raw materials used in the production process.

The DEVCON division does have slight exposure to commodity price risk relating to raw materials such as steel or zinc, in the supply of metallic structures and profiles in the construction of its projects, but it is not material and the contracts for the supply of these materials are generally negotiated at fixed prices.

The SVCS division is not exposed to any input that might have an impact on the risk of the activity due to changes in raw material prices.

Credit risk

Note 9 to the Consolidated Financial Statements shows the balances of Trade and other receivables. In addition, Note 11 to the Consolidated Financial Statements shows the balances of Cash and Cash Equivalents. Credit risk arising from cash and cash equivalents and deposits with banks and financial institutions is considered insignificant due to the credit quality of the banks with which the Group operates or the cash equivalents in which it has investments. With regard to credit risk relating to receivables, it is not considered that there is a high credit risk as these are relevant companies in each of the countries in which these plants operate, with high credit quality, and therefore there are no specific hedges to cover this risk. 35.61%

of receivables are concentrated in the companies of the POWGEN division. These companies are mostly public or private electricity distribution companies. 63.52% of the volume of receivables is concentrated in the companies of the DEVCON division, concentrated in 2 customers, specifically Cve Energía Renovable Chile Spa and Generación Fotovoltaica Bargas S.L.

At 31 December 2019, the Group has recognised an impairment loss of 271 thousand euros in respect of receivables and cash in accordance with the criteria indicated in Note 2.1, taking into account the credit analysis of its positions in these assets.

Liquidity risk

Liquidity risk is addressed in detail in section 3, Liquidity.

5. STRONG COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

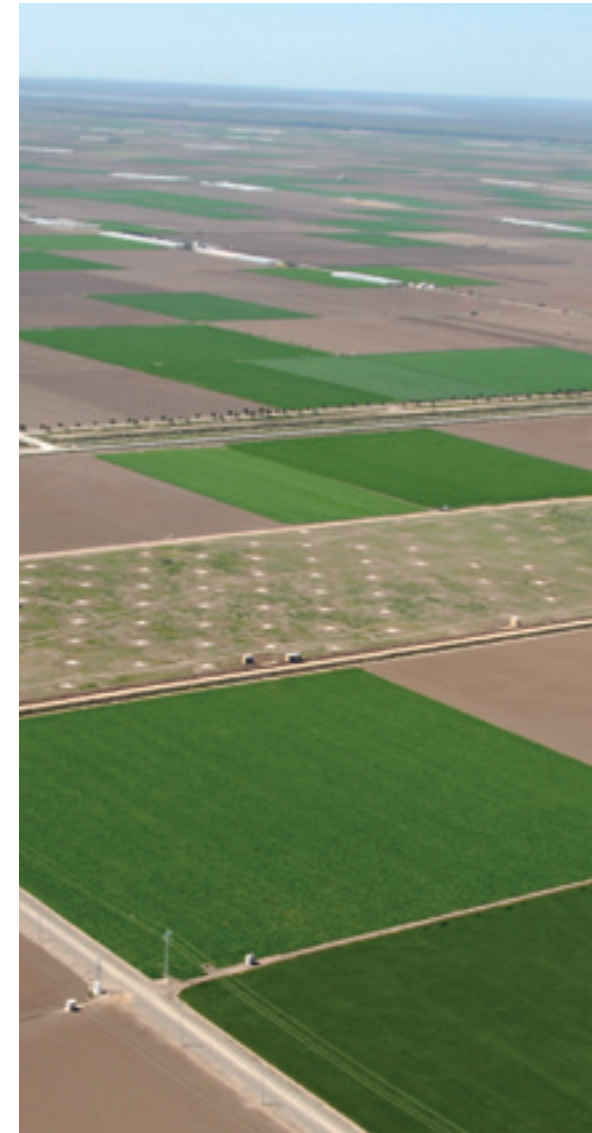
5.1. STRATEGIC PILLAR OF SOLARPACK

Solarpack's social responsibility also entails the cultural, governance and people aspects explained in previous chapters of the report.

In December 2017, Solarpack's Board of Directors approved (i) a Quality, Environment and Health and Safety Policy, as well as (ii) a Corporate Social Responsibility Policy.

Both policies are published on our website (www.solarpack.es) so that they are accessible to any person or entity relating to us or over whom our activity affects.

The information included in this section also includes information necessary to understand the development, results and situation of the group and the impact of its activity with respect to at least environmental and social issues, as well as issues relating to personnel, respect for human rights and the fight against corruption and bribery; all in accordance with the principles established in Royal Decree-Law 18/2017 of 24 November, amending the Code of Commerce, the revised text of the Law on Corporations approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on the Auditing of Accounts, with regard to non-financial information and diversity.



Basic pillars of our Quality, Environment and Health and Safety Policy

QUALITY

Prioritising quality, understood as the fulfilment of the customer's requirements and the satisfaction of a job well done, being able to meet their needs and expectations and anticipating possible changes, acting at all times with professionalism, ethics and transparency.

MANAGEMENT SYSTEM

Establishing management systems based on continuous improvement and the setting of appropriate objectives to optimise performance.

MITIGATING RISKS

Identifying, evaluating, prioritising and mitigating the Health and Safety risks associated with the activities undertaken and

the workplaces where they are carried out, with a preventive purpose.

HEALTH AND SAFETY

Prioritising and giving high visibility to Health and Safety practices at Solarpack, adequately informing workers about the risks they may be subjected to.

ENVIRONMENT

Preventing pollution and protecting the environment by identifying and minimising the environmental impact of our activities, with a sustainable use of resources and the best technologies and practices available.

EMPLOYEE PARTICIPATION

Achieving the active and responsible involvement of all Solarpack employees, promoting personal development, teamwork and adequate training to facilitate their performance and participation in the continuous improvement of the Company's management.

CONTRACTOR PARTICIPATION

Involving our contractors in our commitment to quality, environment and health and safety, within the process of project implementation.

COMPLIANCE

Guaranteeing compliance with applicable legislation, customer requirements and other minimum requirements that the company subscribes to in each and every country where SOLARPACK works.



CSR POLICY

The policy of Corporate Social responsibility (CSR) of Solarpack, born from the business values and commitments that we assume with our groups of interest and the community, which are detailed below:

COMPLIANCE

Complying with current legislation in the countries in which we operate, adopting, complementarily, international standards and guidelines where there is no adequate legal framework. No employee will knowingly collaborate with third parties in violation of any law, nor participate in any action that compromise the respect for this principle of legality.

HUMAN RIGHTS

Rights Statement and, in particular, those whose violation degrades to the workers collective, rejecting child and forced or compelled work.

FAVOURABLE LABOUR FRAMEWORK

Developing a favourable framework for labour relations based on equal opportunities, non-discrimination and respect for diversity, promoting a safe and healthy work environment and facilitating communication between the human team of Solarpack.

INTEGRITY

Reaffirming integrity as a one of the main principles of the Solarpack culture.

ETHICS

Acting ethically in all our internal and external relationships.

AVOID CONFLICTS OF INTEREST

Treating them appropriately when they occur.

DEVELOPMENT

Contributing to the development of social environments in which we operate respecting the signs of identity of the local communities and maintaining a permanent dialogue with all groups of interest, adding their expectations to projects.

SOCIAL WORK

Focusing our Social Work on meeting needs and promoting our values in the environments where our work centres,

facilities and offices are located.

PARTICIPATION

Involving collaborators in all activities derived from these values and commitments, by communicating, instructing and demanding compliance in all activities developed in Solarpack.

GIVEN THE NATURE OF OUR BUSINESS, OUR ACTIVITIES AND RESPONSIBLE MANAGEMENT PROCEDURES DEVELOPED, FROM SOLARPACK WE ARE ESPECIALLY ALIGNED WITH THE FOLLOWING SUSTAINABLE DEVELOPMENT GOALS



5.2. HEALTH AND SAFETY

The prevention of occupational risks is a very relevant aspect in construction, operating and maintenance activities. Therefore, in undertaking these activities, the company is very active providing training and promoting the awareness of our employees, who are responsible for their own safety, as well as well as that of other subcontractors working at the facilities owned by the Solarpack Group. Access control, induction talks and the adequate supply of protection equipment is part of the day to day of our activity.

Solarpack makes use of computerised recruitment systems at its sites, which help to keep a proper control of the working conditions of the employees of its subcontractors. These platforms also allow for standardised metrics that help the company to improve in all aspects related to the health and safety of its own workers and those of third parties on site.

In 2019, Solarpack has registered a monthly average of 675 own and third-party workers in its constructions*, with a total dedication of 889,353 hours.

Solarpack's Board of Directors monitors and reviews all Health and Safety incidents and accidents in the Company on a quarterly basis. During both fiscal year 2018 and 2019, there were no accidents or incidents classified as fatal.

Our commitment is to ensure a workplace free of accidents and occupational diseases for all workers in a healthy environment of coexistence and care for their own property and that of others.

*Consider the Granja, Bellavista, Tircahue, Grullas and Monclova projects.

OUR ACTIONS

- Facilitating compliance with the provisions.
- Encouraging a proactive attitude towards personal health and safety.
- Protecting the integrity and health of the workers involved through the application of preventive measures.
- Promoting safety as the first priority in the design, planning, training and undertaking of work.
- Encouraging workers to use safe and clean work practices.
- Describe and detail the key risks of the projects.
- Implementing measures to avoid, minimise, compensate and/or mitigate risks.
- Defining responsibilities related to the development and implementation of risk control measures.
- Developing a control measure monitoring programme for the project.

5.3. COMMUNITY RELATIONSHIPS

In undertaking our projects, we always maintain a fluid dialogue with the communities where we are operating. Thus, the company integrates into its works its own community relations personnel so that in each project a plan with specific actions is designed and carried out.

- Managing communications and community relations both internally and between the company, contractors and workers, and the community.
- Developing programmes to promote local employment and the development of local suppliers.
- Developing housing programmes for workers.
- Establishing a code of conduct and a monitoring and citizen surveillance programme.
- Implementing a mechanism to receive feedback from Solarpack workers. Implementing a mechanism to receive feedback and complaints from the community where the project is taking place.
- In 2019, a total of 7 complaints were recorded in the constructions carried out by the Group, all of which were resolved.
- Generating continuous and fluid communication between the Company, the populations close to the area of influence and the local authorities.
- Disseminating the importance of the use of alternative energies, specifically the use of solar energy and its operating process and contribution to local and international development.
- Training workshops for schools.

SUPPLIERS

In all contracts we introduce annexes with environmental, social and health and safety clauses that include our environmental, social and health and safety plans, as well as the documentary requirements in these areas.

Solarparck, as a solid and solvent company capable of undertaking quality projects, is firmly committed to directly contributing to the social development of the communities and markets in which we operate, not only by creating economic value, but also by generating quality employment and through the social projects we promote.



GRANJA SOLAR PROJECT

The Granja Solar Project is among those that Solarpack has undertaken in 2019. The project, undertaken in the commune of Pozo Almonte in Chile, is an example of the link that Solarpack forges with the communities where it starts PV solar plant projects.

On a social level, the Granja Solar stands out due to several projects it has carried out with the local communities in the surrounding area. The most significant of these are listed below:

“Techo Seguro” Project (safe housing project)

Solarpack collaborates in the supply of materials for the construction of houses or emergency units in communities throughout the province of Tamarugal. This population is affected every year by the rains of the high plateau winter that occur from December to March.

The aim is to protect people, mostly the elderly, from the rain, as their homes are often not prepared for storms.

The **Pintados “Oasis of the Desert” School**, was founded in 1994 in the town of Pintados, with children from the first to the eighth grade (primary). So far it has 84 enrolled students and more than 20 teachers.

Solarpack is undertaking a project that consists of the electrical standardisation of the school as well as the installation of a photovoltaic plant to complement said consumption at the school.

The Solarpack **local employment and local development** programme establishes communication channels between Company, area community and local authorities to promote local employment as well as the hiring of local suppliers.



LA CHINITA PROJECT (CHILE)

The self-supply project of “La Chinita” kindergarten is located in the area of influence of the projects of Pozo Almonte Solar 2 and Pozo Almonte Solar 3, in La Tirana, in the commune of Pozo Almonte.

The objective of this project is to provide the kindergarten with a continuous power supply, as the public supply suffers from blackouts that affect the conservation of food, office operations, etc.

For this project, 6.5 kWp, 20 panels of 325 Wp from Canadian Solar, were installed.

On 21 June 2019, the self-supply facility of “La Chinita” kindergarten was launched.

CRISTO REY CENTRES IN PERU

The Cristo Rey Centre of the Jesuits of Peru welcomes people in situations of exclusion and poverty, especially disadvantaged children. It offers food, personal development and social skills workshops.

Through its social inclusion programmes (comprehensive educational development, access to justice programme, school reintegration, participation programmes and social care programmes), it promotes the development of their personal skills in order to provide them with access to better social and employment opportunities in the future.

Solarpack backs and supports this social and solidarity initiative by providing annual financial resources that are being allocated to the development of the city centre in Tacna, southern Peru.

More information at:
www.elcentrocristorey.org

TELANGANA, INDIA

Solarpack provides financial resources to the municipality of Telangana for the installation of security cameras in the communities that are close to its facilities, in order to improve the security of those living in the community.

Solarpack continues to contribute in different projects for:

- Promoting preventive health care.
- Promoting education.
- Promoting gender equality.
- Promoting measures to reduce social and economic inequalities that affect groups and disadvantaged communities.
- Contributing to environmental sustainability, ecological balance and the well-being of the animals.





SCHOOLS WITHOUT VIOLENCE

The mission of the Centre for Education, Organisation and Promotion of Development in Ilo (CEOP Ilo), Peru, an institution promoted by the Society of Jesus, is to promote public policies aimed at fostering a fair, equitable and supportive society in the region of Moquegua.

Thus, it undertakes support work geared towards the community in three main ways: microcredits for small businesses to strengthen the family economy, entrepreneurial grants and complementary courses.

Solarpack collaborates with CEOP Ilo in its programme “Schools without Violence” which aims to eradicate this scourge from schools and institutes in the southern provinces of Peru.

More information at:

www.ceopilo.org.pe/

SCHOOL VISITS TO THE POZO ALMONTE PLANTS IN CHILE: 80 STUDENTS



5.4. SOCIAL COMMITMENT SUPPORTING THE EKI FOUNDATION

The main aim of the Eki Foundation is to eradicate extreme poverty in the world. Its activity focuses on supplying autonomous electric energy sources (mainly solar photovoltaic), prioritising projects in educational, health and social interest centres in developing countries, mainly in sub-Saharan Africa and South America.

Solarpack collaborates with the EKI Foundation in local actions, with associations such as Bakuva, a non-profit association dedicated to the social integration of children in the Bilbao La Vieja neighbourhood, and the Doniene Abesbatza choral group in Leioa, the aim of which is to disseminate the foundation's mission and the impact

of its projects in the communities where it operates.

During 2019, the EKI Foundation, with the collaboration of Solarpack, sent three installations to the Bana Poveda Mercy Home and Orphanage in the Democratic Republic of Congo and to the Home of Las Clarisas in Sierra Leone.

Currently, there are five projects ongoing in Malawi, Cameroon and Sierra Leone.

More information at:
www.fundacioneki.org



Founded in 2017 on the initiative of Solarpack's shareholders, it is a totally independent institution. It has its own full-time staff and Solarpack staff usually collaborate in its projects.

SPONSORSHIPS



LO QUE DE VERDAD IMPORTA FOUNDATION (WHAT REALLY MATTERS FOUNDATION)

Solarpack supports activities aimed at educating and training young people and employees of companies, as well as international cooperation actions, such as volunteering in Africa.

More information at:

www.loquedeverdadimporta.org

GETXO ERRUGBIA

Solarpack has signed a sponsorship agreement with Getxo Errugbia for the 2018-2019 and 2019-2020 seasons. Getxo's top rugby team is one of the traditional teams in national rugby

and has a long tradition in our city.



The sponsorship relates to shared values where effort, competitiveness and courage are not at odds with the nobleness, fair play and respect that both players and fans display in the sport, both in the local and regional leagues, as well as in the major international leagues and competitions.

Getxo Errugbia also does a commendable job in promoting women's rugby, children's rugby and inclusive rugby.



HORIZONTE ELCANO

Solarpack collaborated in one of the most colourful naval shows of recent decades. This is an initiative that paid tribute to Juan Sebastián Elcano on the Basque coast on July 6 and 7 2019. The event, called 'Horizonte Elcano', brought together for the first time the four shipping areas (merchant, fishing, navy and sports) to celebrate the sailor who in 1522 completed the first round-the-world trip.

***Our
commitment
to creating
value for
society***

5.5. ENVIRONMENT

The environmental impact of the Solarpack Group is reduced as it is active in the field of solar PV energy projects. As is widely known, this technology allows the generation of significant volumes of electrical energy using a renewable resource and free of harmful emissions to the environment. Our activity is therefore at the forefront of the fight against climate change through the energy-mix investment of countries towards non-polluting sources.

However, when planning and building a new solar PV generation project, environmental considerations are of great importance and are present in the decision-making process on an ongoing basis. Solarpack must pass strict environmental controls by public authorities prior to commencing construction on any solar PV project.

On a voluntary basis, the Company applies the “IFC Performance Standards” to projects located in developing countries as a tool for

controlling and monitoring environmental and social risks in the construction of new solar PV generation plants. This tool is universally known in the project funding industry and fills the regulatory gap that many developing countries have, ensuring proper environmental and social management of projects in all cases.

Solarpack has standardised internal procedures to monitor the main environmental variables in the projects it undertakes.

Solarpack's capabilities and experience in this field are backed by project financing that has been implemented by rigorous multilateral institutions such as the IADB, OPIC, CAF, Proparco and KFW.



OUR ACTIONS

- Describing and detailing any key impacts and risks of the project.
- Implementing environmental and/or social measures to avoid, minimise, compensate and/or mitigate any key impact and risk.
- Pointing out the company's responsibilities related to the drawing up and implementation of environmental measures.
- Developing measures to ensure the health and safety of workers and the community where we are operating.
- Developing a programme for monitoring the environmental and/or social measures for the project, which entails community participation.

2019 INDICATORS¹

Indicator	Unit	Total 2019
Drinking Water Consumption	m ³	111
Industrial Water Consumption	m ³	18,595
Fuel Consumption	l	419,872
Waste/topsoil	m ³	1,656
Urban solid waste	T	853
Liquid waste	m ³	563
Other non-hazardous waste	T	2,185
Defective modules	Unit	533
Concrete remains	m ³	270
Hazardous waste (used oils, contaminated containers, contaminated materials, aerosols, contaminated soil):	T	0.15

1. Including the Granja, Tricahue, Bellavista, Monclova and Grullas projects



6. BUSINESS PERFORMANCE AND RESULTS

6.1. ACTIVITY INDICATORS

PROGRESS UPDATE OF THE ONGOING PROJECT PORTFOLIO

As of 31 December 2019, Solarpack had a **Pipeline** of 1,609 MW and 4,799 MW of **Identified Opportunities**.

With respect to the **Backlog**, on 31 December 2019, it consisted of 138 MW.

The projects **Under Construction** of the Group, totalled a capacity at 31 December 2019 of 350 MW. Specifically, these were the Alvarado, Bargas and Algibicos projects in Spain, KA2- AFZ in India and Granja in Chile, although the latter is already in operation as of the date of this report.



UNDER CONSTRUCTION:

Name	Country	MW	Category	Terrain	Interconnection	Environmental Permits	Financing	PPA/regulated tariff	Operation commencement
KA2-AFZ	India	21.8	Build and Own	Obtained	Obtained	Obtained	In progress	In progress	2020
Name	Country	MW	Category	Terrain	Interconnection	Environmental Permits	Financing	PPA/regulated tariff	Operation commencement
Alvarado	Spain	100.0	Build and Sell	Obtained	Obtained	Obtained	Obtained	Obtained	2020
Bargas	Spain	50.0	Third party EPC	n/a	n/a	n/a	n/a	Obtained	2020
Algibicos	Spain	49.1	Third party EPC	n/a	n/a	n/a	n/a	Obtained	2020

The progress status of the projects under construction and in Backlog is as follows.

BACKLOG:

Name	Country	MW	Category	Terrain	Interconnection	Environmental Permits	Financing	PPA/regulated tariff	Operation commencement
Suria Sungai Petani	Malaysia	116.0	Build and Own	Secured	Secured	Obtained	In progress	Obtained	2021
Name	Country	MW	Category	Terrain	Interconnection	Environmental Permits	Financing	PPA/regulated tariff	Operation commencement
Quinantu	Chile	11.7	Build and Sell	Obtained	Obtained	Obtained	Obtained	Obtained	2020
Panimávida - PMGD SIC SING	Chile	10.0	Build and Sell	Obtained	Obtained	Obtained	Obtained	Obtained	2020

“Obtained” refers to the signing of the relevant agreement or the granting or completion of the permit and approval, as applicable; “Secured” refers to the stage where we have received the authorisation to grant the relevant permit and approval, as applicable, or have reached business agreement on the relevant contracts, but the signing or final notification is pending; “Submitted” refers to the submission of the required documents to the relevant authority as required by local laws or applicable counterparts; “In progress” refers to the preparation of the underlying documentation and the ongoing negotiations.

6.2. POWER GENERATION ASSETS

At 31 December 2019, Solarpack's operating portfolio consisted of 14 projects distributed among Spain, Peru, Chile and India with a total gross capacity of 417 MW and a total annual production of 814 GWh*. At that date, the Granja project in Chile was also close to coming into operation, having already completed interconnection tests as of the date of this report, which has an installed capacity of 123 MW and will produce around 340 GWh annually.

* Consider the annual production estimate for Monclova, Grullas, Granja and KA2.

LEBRIJA SPAIN

46.88%
Solarpack property¹

3.8
Capacity (MW)

7.3
Annual production (GWh)

December 2007
Operating commencement date

December 2037
PPA/FIT expiry date

Spain²
Name of the power purchaser



1. Solarpack owns 100% of the shares of SPVs, owners of facilities totalling 1.8 MW and which account for 46.88% of the total Lebrija project.

ISLA MAYOR SPAIN

34.29%
Solarpack property¹

8.4
Capacity (MW)

15.8
Annual production (GWh)

December 2007
Operating commencement date

December 2037
PPA/FIT expiry date

Spain²
Name of the power purchaser



1. Solarpack owns 100% of the shares of SPVs, owners of facilities totalling 2.9 MW and which account for 34.29% of the total Isla Mayor project.

LLERENA 1 SPAIN

82.50%
Solarpack property¹

4.8
Capacity (MW)

9.2
Annual production (GWh)

December 2007
Operating commencement date

December 2037
PPA/FIT expiry date

Spain²
Name of the power purchaser



1. Solarpack owns 100% of the shares of SPVs, owners of facilities totalling 3.96 MW and which account for 82.50% of the total Llerena 1 project.

2. Regulated tariff. It refers to the electronic system.

LLERENA 2 SPAIN

70.00%

Solarpack property¹

4.1

Capacity (MW)

9.7

Annual production (GWh)

December 2007

Operating commencement date

December 2037

PPA/FIT expiry date

Spain²

Name of the power purchaser



TACNA PERU

100.00%

Solarpack property

22.2

Gross capacity (MW)

47.3

Annual production (GWh)

December 2012

Operating commencement date

December 2032

PPA/FIT expiry date

Republic of Peru

Name of the power purchaser



1. Solarpack owns 100% of the shares of SPVs, owners of facilities totalling 2.9 MW and which account for 70% of the total Llerena 2 project.

2. Regulated tariff. It refers to the electronic system

GUIJO DE CORIA SPAIN

96.50%

Solarpack property

6.1

Capacity (MW)

13.0

Annual production (GWh)

August 2011

Operating commencement date

December 2041

PPA/FIT expiry date

Spain²

Name of the power purchaser



PANAMERICANA PERU

100.00%

Solarpack property

21.2

Capacity (MW)

50.7

Annual production (GWh)

December 2012

Operating commencement date

December 2032

PPA/FIT expiry date

Republic of Peru

Name of the power purchaser



2. Regulated tariff. It refers to the electronic system

MOQUEGUA PERU

19.00%

Solarpack property

19.4

Capacity (MW)

46.8

Annual production (GWh)

December 2014

Operating commencement date

December 2034

PPA/FIT expiry date

Republic of Peru

Name of the power purchaser



PMGD PAS1 CAS1-PSS - CHILE

80.00%

Solarpack property

31.6

Capacity (MW)

87.0

Annual production (GWh)

June 2017

Operating commencement date

n/a

PPA/FIT expiry date

Chile¹

Name of the power purchaser



1. Regulated tariff. It refers to the national electronic system

ATACA CHILE

19.00%

Solarpack property

26.5

Capacity (MW)

69.5

Annual production (GWh)

December 2004

Operating commencement date

March 2034

PPA/FIT expiry date

Collahuasi/Codelco

Name of the power purchaser



TS1 INDIA

82.65%

Solarpack property

104.0

Capacity (MW)

154.7

Annual production (GWh)

November 2017

Operating commencement date

November 2042

PPA/FIT expiry date

**Northern/Southern Power
Distribution Company of
Telangana**

Name of the
power purchaser



MONCLOVA SPAIN

100.00%

Solarpack property

50.0

Capacity (MW)

101.4*

Annual production (GWh)

December 2019

Operating commencement date

December 2044

PPA/FIT expiry date

Spain¹

Name of the power purchaser



* Estimated production for the first year of operation.

1. Project with 2017 auction entitlement. It refers to the electronic system

GRULLAS SPAIN

100.00%

Solarpack property

62.0

Capacity (MW)

122.5*

Annual production (GWh)

December 2019

Operating commencement date

December 2044

PPA/FIT expiry date

Spain¹

Name of the power purchaser



* Estimated production for the first year of operation.

1. Project with 2017 auction entitlement. It refers to the electronic system

KA2 INDIA

100.00%

Solarpack property

53.0

Capacity (MW)

79.9*

Annual production (GWh)

October 2019

Operating commencement date

November 2044

PPA/FIT expiry date

India

Gulbarga Electricity Supply
Company Ltd. y Mangalore
Electricity Supply Company Ltd.



* Estimated production for the first year of operation.

GRANJA CHILE

100.00%

Solarpack property

123.0

Capacity (MW)

341.4*

Annual production (GWh)

February 2020

Operating commencement date

December 2040

PPA/FIT expiry date

Chile¹

Name of purchaser



1. Chilean distribution companies.

* Estimated production for the first year of operation.

6.3. KEY FINANCIAL INDICATORS

OPERATING REVENUE

During 2019, the operating revenue was 89,928 thousand euros, 198.8% more than the 30,101 thousand euros in 2018. This increase was mainly due to the increased activity of the DEVCON division, as a result of the completion of the “Build & Sell” projects in Spain and Chile, and to the increased activity of the POWGEN division, which reflects the contribution to the revenue derived from the purchase of approximately 13 MW in Spain at the end of 2018 and, in addition to the integration of 100% of the Tacna and Panamericana Solar projects from 5 September 2019, following the completion of the acquisition of 90.5% of these projects.

Net revenue

Net revenue increased by 55,918 thousand to 82,825 thousand in 2019 compared to 26,907 thousand euros in 2018, mainly due to the increased activity of the

DEVCON and POWGEN divisions, which resulted in increased revenue of 44,099 thousand euros and 35,241 thousand euros, respectively, in 2019, compared to POWGEN’s 17,162 thousand euros and DEVCON’s 5,848 thousand euros in 2018. This growth was mainly due to the additional revenues generated by the 13 MW acquired in Spain at the end of 2018, as well as the consolidation of the Tacna and Panamericana plants from 5 September 2019. In relation to the revenue of the DEVCON division, which amounted to 44,099 thousand euros in 2019, this was the result of EPC development and construction activities for third parties in Chile and Spain in 2019, compared to 5,848 thousand euros of revenue recognised in 2018 from construction for third parties and the sale of projects in Chile and Colombia. In relation to the SVCS division, we recorded third party revenues of 3,485 thousand euros in



2019, down 412 thousand euros from the 3,897 thousand euros recorded in 2018.

Other operating income

This decreased by 51 thousand euros, or 47%, to 58 thousand euros during 2019, compared to 109 thousand euros in 2018.

Change in inventories of finished products and work in progress and work carried out by the company for its assets

This item increased by 2,497 thousand euros, or 108%, to 4,816 thousand euros during 2019, from 2,319 thousand euros during 2018. This difference is due to the fact that during 2019, construction costs of PV solar plants available for sale in Chile were recorded in inventories.

OPERATING EXPENSES

Operating expenses increased by 49,431 thousand euros, or 259.2%, to 68,502 thousand euros during 2019, from 19,071 thousand euros during 2018. This increase

was mainly due to construction activities related to the plants in Tricahue and Bellavista (Chile), as well as Alvarado and Bargas (Spain) during 2019.

Supplies

The supplies increased to 31,641 thousand euros. This increase was mainly due to construction activities related to the Tricahue and Bellavista (Chile) plants, as well as Alvarado and Bargas (Spain) during 2019, which far exceeded the provisions related to the Calama and Diego de Almagro (Chile) plants that occurred during 2018.

The average payment period to suppliers for 2019 was 44 days, as reflected in Note 16 to the Financial Statements.

Staff costs

Personnel costs increased by 4,882 thousand euros, or 73.1%, to 11,555 thousand euros during 2019, from 6,674 thousand euros during 2018. This was mainly due to the fact

that in 2019, 3,521 thousand euros of the multi-year bonus of the management team corresponding to the three-year period 2018-2020 were accounted for and to the growth of the workforce as a result of the intense development and construction activity in 2019 and the structure strengthening of the POWGEN unit. Similarly, during 2018, no personnel expenses were recorded for the multi-year bonus of the management team for the three-year period 2018-2020.

Depreciation and amortisation

The amortisation of the property, plant and equipment increased by 9,090 thousand euros to 12,659 thousand euros during 2019, up from 3,569 thousand euros during 2018. This increase was due to the fact that during 2019 there were more PV solar plants classified as operating assets than during 2018, specifically the 13 MW acquired in Spain and the Tacna and Panamericana (Peru) projects, which were consolidated as of 5 September 2019.

Other operating expenses and profit/loss

Other operating expenses and profit/loss increased by 1,798 thousand euros to 6,405 thousand euros in 2019, up from 4,607 thousand euros in 2018. This increase is mainly due to the increase in foreign services and taxes endured in 2019, which were strongly offset by the income related to the purchase of Tacna and Panamericana for a lower value than the one recorded in the books, as described in Note 2.8 to the Financial Statements.

Finance income and costs

In 2019, the net financial income was negative by 9,296 thousand euros, a decrease of 3,759 thousand euros, from a negative net financial income of 5,537 thousand euros in 2018. This decrease in net financial income was due to higher interest expenses in 2019 of 4,819 thousand euros, mainly due to the higher drawn down amount of Project Finance Debt, compared with 9,175 thousand euros of interest

expenses in 2018, which were partially offset by (i) other lower financial expenses in 2019 of 644 thousand euros and (ii) higher financial income of 415 thousand euros in 2019 compared with financial income of 653 thousand euros in 2018.

Income tax

In 2019, the Solarpack Group recognised income tax of 321 thousand euro, 26 thousand euro more than the 295-thousand-euro income tax recognised in 2018.

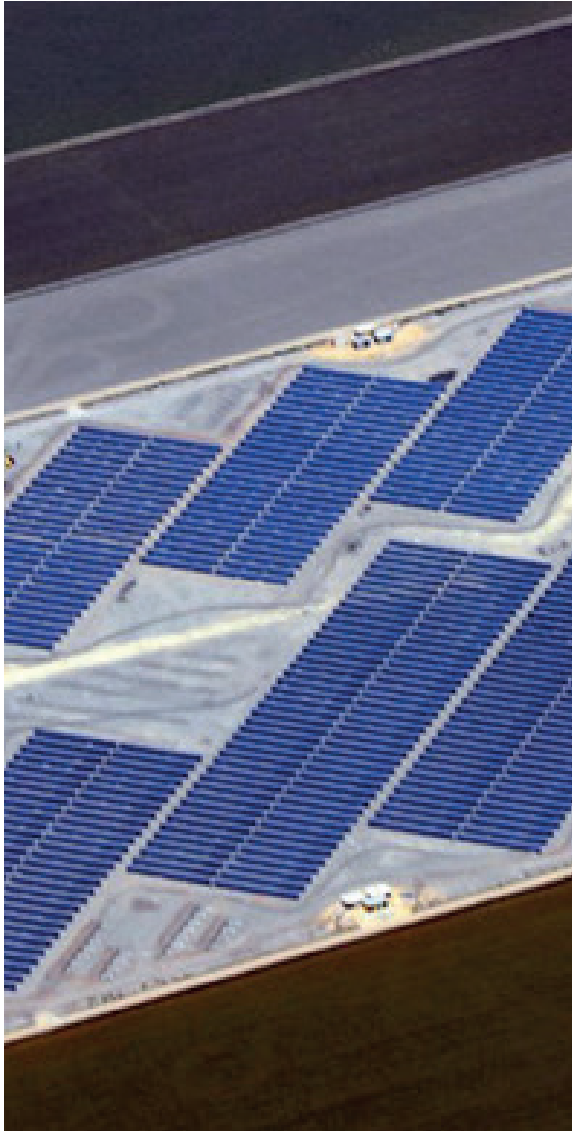
Profit/loss for the year

As a result of the above, the profit/loss for the year increases to 11,997 thousand euros during 2019, up from 5,559 thousand euros during 2018.

Investments/divestments

At 31 December 2019, property, plant and equipment amounted to 476,890 thousand euros, 301,755 thousand more than at 31 December 2018. The main reasons for this

increase are (i) the acquisition of the Tacna and Panamericana Solar plants in Peru, which added 126,544 thousand euros to property, plant and equipment; (ii) the construction and start-up of the Monclova, Grullas-Pedroso and Grullas-Peñaflor plants in Spain, which added 81,521 thousand to property, plant and equipment; (iii) the construction and start-up of the 53 MW of KA2 in India, which added 25,353 thousand euros to property, plant and equipment; and (iv) the construction of the 123 MW of Granja in Chile, which added 69,363 thousand to property, plant and equipment, as described in Note 6 to the Financial Statements.



Segment reporting

Note 5 to the Consolidated Financial Statements provides a detailed explanation of the performance of the business in terms of the amount of operating revenue, gross margin and consolidated profit/loss from operations, segmenting the information by each of the three divisions, and the manner in which this information is prepared and reconciled to the IFRS figures through adjustments and eliminations, the details of which are provided in said Note. The reasons for this and the use of this segmented information are also explained in Note 5.

These corresponding data for 2019 are shown below for comparison with 2018:

EUROS

31.12.2019

	DEVCON (A)	SVCS (B)	Corporate (C)	Total Aggregate (A+B+C=D)	POWGEN (E)	Total Aggregate (D+E=F)	Eliminations (G)	Total (F+G)
Operating revenue	220,500,349	8,240,405	-	228,740,754	35,212,485	263,953,239	(174,025,697)	89,927,541
External clients	42,160,933	4,057,119	-	46,218,052	35,212,485	81,430,536	1,452,837	82,883,374
Related-party clients	178,339,416	4,183,286	-	182,522,702	-	182,522,702	(175,478,534)	7,044,168
Operating expenses	(208,593,513)	(6,082,273)	(1,067,991)	(215,743,777)	(10,194,216)	(225,937,993)	157,435,983	(68,502,009)
Direct costs	(198,704,157)	(5,599,283)	-	(204,303,440)	(4,618,450)	(208,921,890)	157,048,399	(51,873,491)
SGA	(8,035,635)	(467,469)	(1,067,991)	(9,571,094)	(318,884)	(9,889,978)	103,231	(9,786,747)
Depreciation and amortisation	(15,081)	(15,521)	-	(30,602)	(13,090,551)	(13,121,153)	462,470	(12,658,683)
Impairment and other accounting results	(1,838,640)	-	-	(1,838,640)	7,833,669	5,995,029	(178,117)	5,816,912
OPERATING REVENUE - EBIT	11,906,836	2,158,132	(1,067,991)	12,996,977	25,018,269	38,015,246	(16,589,714)	21,425,532

EUROS

31.12.2018

	DEVCON (A)	SVCS (B)	Corporate (C)	Total Aggregate (A+B+C=D)	POWGEN (E)	Total Aggregate (D+E=F)	Eliminations (G)	Total (F+G)
Operating revenue	13,536,447	4,576,852	-	18,113,299	20,751,144	38,864,444	(8,763,828)	30,100,615
External clients	6,360,446	3,761,166	-	10,121,612	20,751,144	30,872,756	(4,167,275)	26,705,481
Related-party clients	7,176,001	815,686	-	7,991,687	-	7,991,687	(4,596,553)	3,395,134
Operating expenses	(13,595,192)	(3,275,621)	(1,410,971)	(18,281,783)	(8,278,825)	(26,560,609)	7,489,530	(19,071,079)
Direct costs	(10,019,556)	(2,809,409)	-	(12,828,964)	(1,923,338)	(14,752,303)	4,666,800	(10,085,503)
SGA	(3,566,607)	(439,160)	(1,410,971)	(5,416,738)	-	(5,416,738)	-	(5,416,738)
Depreciation and amortisation	(9,029)	(27,052)	-	(36,081)	(6,355,487)	(6,391,568)	2,822,730	(3,568,838)
OPERATING REVENUE - EBIT	(58,745)	1,301,231	(1,410,971)	(168,484)	12,472,320	12,303,836	(1,274,298)	11,029,538

The year 2019 analysed by segment was characterised by:

- A high level of activity in the DEVCON segment, which compared to 2018 is the main reason for the increase in operating revenue and EBIT. The main activity consigned during 2019 is related to the execution of the construction of the Granja, Tricahue and Bellavista projects in Chile, Monclova and Grullas, Alvarado and Bargas in Spain and KA2 in India.
- A very significant increase in operating revenue and EBIT in the POWGEN division, as the 13 MW acquired in Spain at the end of 2018 have been generating energy and operating revenue throughout 2019 since the same month of January and the Tacna and Panamericana projects have contributed 100% to the segments since 5 September 2019, when the purchase of 90.5% of these projects in Peru was closed.
- An increase in SVCS activity, specifically 80.0% in operating revenue and 65.9% in EBIT, due mainly to the entry of new service contracts associated with projects put into operation in 2019 and non-recurring revenue in Peru of nearly 490 thousand euros in 2019 that did not arise in 2018.
- As for the structure costs, these show a reduction from 1,411 thousand in 2018, to 1,068 thousand in 2019. This was due to the fact that the higher structural costs arising from the Board of Directors and the status of Solarpack Corporación Tecnológica, S.A. as a listed company did not offset the extraordinary expenses related to the IPO process that took place in 2018.

7. LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

Prudent liquidity risk management involves maintaining sufficient cash and the availability of financing through a sufficient amount of credit facilities. In this sense, the Solarpack Group's strategy is to maintain, through its financial department, the necessary flexibility in financing through the availability of credit lines.

Note 4.1 to the Consolidated Financial Statements shows the liquidity reserve of the Solarpack Group at 31 December 2019, compared with 31 December 2018. This reserve amounts to 50,521 thousand euros, having decreased by 67,888 thousand since the end of 2018, the main changes being the decrease in cash and cash equivalents, together with the decrease in other short-term financial assets and undrawn credit lines.

However, part of this liquidity, specifically 33,549 thousand euros at 31 December 2019,

is in various SPV of the POWGEN division. This cash cannot be used for needs other than those of each project or SPV; this is a consequence of the obligations governing the long-term financing agreements of the aforementioned plants. It should be noted that the priority for using this liquidity is to pay its operating expenses and then the service of its Project Finance Debt. This liquidity may be used by DEVCON and SVCS divisions when conditions are met to allow cash distributions from projects to shareholders/partners. That said, the directors consider that the levels of the liquidity reserve that can be used by the DEVCON and SVCS divisions, specifically 16,972 thousand euros at 31 December 2019, are sufficient for their operating needs and for their ambitious investment plan described in section 10 of this report.

Note 4.1 to the Consolidated Financial Statements also shows the status of Working Capital Fund of the Solarpack Group at 31

December 2019, compared with 31 December 2018. In this sense, the composition of the Working Capital Fund has been very substantially altered due to the reduction of cash and other liquid means as a result of the strong investment made in the "Build&Own" projects built during 2019 and in the purchase of the Tacna and Panamericana projects. On the other hand, this reduction in the Working Capital Fund has been offset by trade and other receivables, the construction of the PV solar plants available for sale in Chile, advances received under construction contracts and the drawdown of credit lines to finance construction work carried out during 2019.

Considering these effects, the Working Capital Fund decreases from 90,870 thousand at 31 December 2018 to 15,526 thousand at 31 December 2019.

Although the size of Working Capital Fund taken in isolation is not a key parameter for

understanding the Group's Consolidated Financial Statements and related explanatory notes, the Group actively manages Working Capital through net working capital and net current and non-current financial debt, on the basis of the solidity, quality and stability of the relations with its clients and with the partners with whom it has made investments in other countries, as well as an exhaustive

monitoring of its situation with the financial institutions.

Note 14 to the Consolidated Financial Statements shows the liquidity reserve of the Solarpack Group at 31 December 2019, compared with 31 December 2018. The indebtedness was mainly increased by the Project Finance Debt associated with the

“Build&Own” projects of Granja in Chile, Grullas and Monclova in Spain and KA2 in Chile.

On the other hand, in line with the increase in fixed assets due to the acquisition of the Tacna and Panamericana projects in Peru, the debt associated with these projects has contributed to the increase in debt



compared with that at 31 December 2018. In addition, the acquisition of these projects in Peru required the disbursement of a bridge loan with Banco Santander for 30 million US dollars, which also helped to increase debt.

As a result, total debt increased by 280,700 thousand euros, from 155,348 thousand at 31 December 2018 to 436,048 thousand at 31 December 2019.

In view of the above, the directors believe that there is no relevant liquidity risk.

CAPITAL RESOURCES

The Group's objectives in relation to capital management are to safeguard the ability of the Group to continue as a going concern, to provide a return to its shareholders and to maintain an optimal capital structure by reducing capital costs.

The division that most conditions the capital structure is that of POWGEN. This

is due to the high level of investment required and the high visibility of long-term cash flows it offers. It is therefore common for investments in this POWGEN division to be financed in proportions of around 75% by long-term debt with limited guarantees. This long-term debt has ample guarantees for the PV solar plant it finances, but generally speaking it has no guarantees from the shareholders (hereinafter referred to as "Project Finance Debt"). Therefore, most of the Solarpack Group's debt is contracted in watertight compartments, and any problems in repaying a Project Finance Debt contract would not affect any of the Solarpack Group's assets other than those belonging to the PV solar plant whose Project Finance Debt has repayment difficulties.

Capital resources are monitored by the Solarpack Group in accordance with the leverage ratio. Note 4.3 to the Consolidated Financial Statements shows

the leverage ratio, which is calculated as net financial debt divided by total capital employed in the business. Thus, the leverage ratio has increased from 0.24 at 31 December 2018 to 0.70 at 31 December 2019. The main reason for this increase has been the disbursement of new Project Finance Debt associated with the Granja, Grullas, Monclova and KA2 projects, as well as the consolidation of the Project Finance Debt and the bridge loan associated with the purchase of Tacna and Panamericana in Peru.

Also contributing to this increased leverage has been the availability of credit lines available for project construction, as well as the VAT loans for Granja, Grullas and Monclova's investment.

This level of leverage is below the usual leverage ratio of 0.75 in the POWGEN division, indicating that additional capital resources are available to DEVCON and

SVCS divisions and that the company is in a position to execute its ambitious investment plan referred to in section 10 of this report.

ANALYSIS OF CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET TRANSACTIONS

Note 23 to the Consolidated Financial Statements shows the main items related to this heading. In this regard, it should be noted that there are no investment commitments at 31 December 2019, although the information contained in heading 10 of this report should be considered for this purpose, with regard to the investment in new solar PV generation plants that the Group intends to build in 2020.

With respect to contractual lease obligations, the Solarpack Group leases most of the land on which its solar PV generation plants are located, except for

the land corresponding to its assets in Telangana and Karnataka, India. These leases are long-term, but most can be terminated by the lessee in the event of cessation of power generation activity. Before PV solar power plants are built and commissioned, the leases are essentially lease options for the lessee and therefore do not entail any material contractual obligations.

As regards off-balance sheet transactions, the vast majority correspond to guarantees and surety insurance linked to the various activities of the Solarpack Group's divisions. Note 23 to the Consolidated Financial Statements sets out information on the sum of these obligations. The division that requires the greatest number of guarantees for its activity is DEVCON. In this regard, it is common to need to provide guarantees or surety insurance in electricity supply tenders in order to obtain new PPAs, or to request

grid connection points. Likewise, the construction activity requires guarantees that we provide as a turnkey builder, as a guarantee of the obligations to which we commit ourselves in the framework of EPC contracts.

8. IMPORTANT EVENTS AFTER YEAR-END

After year-end, there have been changes in the Board of Directors: On 15 January 2020, the Solarpack Group announced the decision to appoint Mr Ignacio Artázcoz Barrena as the new executive chairman of the company, an appointment that will take effect at the end of the 2020 GSM. Since his incorporation on 15 February 2020, Mr. Ignacio Artázcoz Barrena has shared executive tasks with the co-founder and CEO, Mr Pablo Burgos Galíndez. Mr José Galíndez Zubiría, co-founder and chairman of the Company since 2005, will continue to be linked to Solarpack as vice-chairman of the Board and

president of the new strategy and investment committee.

Similarly, on 15 January 2020, the Board of Directors decided to appoint Ms Begoña Beltrán de Heredia chairwoman of the Audit Committee and she continues to be a member of the Appointments and Remuneration Committee. Furthermore, it also decided to appoint Ms Gina Domanig chairwoman of the Appointments and Remuneration Committee, new member of the Audit Committee and member of the new Strategy and Investment Committee.

In addition, the Board of Directors decided to propose to the 2020 GSM an increase in the number of directors to eight, the appointment of a new independent director and the election of a coordinating director from among the independent directors.

In Chile, as of the date of this report, interconnection tests are being completed on the Granja Solar project, which adds 123 MW to the Solarpack Group's portfolio of operating projects.



9. PROBABLE EVOLUTION OF ENTITY

Following the capital increase that took place in December 2018 with the company's IPO, the Solarpack Group has focused its efforts in 2019 on executing the projects that were classified as Backlog, or contracted portfolio, at the beginning of the year.

Thus, the company has put into operation in 2019 a total of 186 MW in Spain, Chile and India, 165 of which are in Build&Own projects. These projects correspond to Tricahue, Bellavista, KA2 (53 MW), Monclova and Grullas.

In addition, at 31 December 2019, 350 MW were under construction, 123 MW of which correspond to the Build&Own Granja project in Chile, completing the interconnection to the system, as of the date of this report. The remaining projects under construction, totalling 227 MW, will come into operation during 2020.

The culmination of this portfolio is leading to a major transformation of the company, in terms of volume of activity and growth in the volume of energy generation.

The company continues to focus on the growth of its project portfolio, and as a result has achieved a volume of Build&Own and Build&Sell project contracts in 2019 that offer very good visibility of business acquisition over the next 18 months. Specifically, during 2019, the company has accumulated 215 MW of new backlog or contracted portfolio, with the signing of two turnkey construction contracts (hereinafter "EPC") for third parties in Spain totalling 99 MW and the award of a long-term power purchase agreement (hereinafter "PPA") for a project under development of 116 MW in Malaysia. Two of these projects are already under construction in Spain.



The objectives of the company during the period January 2020 to December 2020 entail the following milestones:

- **Continuous improvement** in the operation of (i) POWGEN's operating assets and (ii) SVCSs existing contracts.
- **Releasing financial resources** through the refinancing of long-term loans in those projects that have the capacity to attract additional debt in the form of project financing, without recourse to the parent company of the Solarpack Group
- **Completing the construction** of:
 - Two PV solar plants located in Spain for a total of 100 MW of installed power under the Build&Sell mode, for which it has already signed EPC and share purchase agreements with a third party and which are already under construction.
 - A PV solar plant located in Chile with a total of 123 MW of installed capacity in Build&Own mode. This PV solar plant will benefit from the PPAs that the Solarpack Group has signed with the regulated electricity distribution companies in Chile, following the award of the renewable energy auction called by the Government of Chile in 2016 and in which Solarpack was awarded rights to sell up to 280 GWh per year for a period of 20 years starting on 1 January 2021.
 - Two PV solar plants located in Spain with a total of 99 MW of installed capacity in Build&Own projects for third parties.
 - Two PV solar plants located in Chile with a total of 21 MW of installed power under the Build&Sell category, for which it has already signed EPC and share purchase agreements with a third party. These contracts are subject to the suspensive condition of completing the attainment of permits and authorisations that allow construction to start.
- **Making substantial progress in the construction** of:
 - A total of 120 MW of new projects.
 - Continue the pace of backlog generation in order to ensure the activity of the DEVCON division in 2021 and beyond.
- **Reinforcing processes** of the company in the areas of Health and Safety, Environmental, Social and Corporate Governance.

THE ACHIEVEMENTS OF THESE OBJECTIVES WILL MAKE POSSIBLE:

- a significant volume of cash generated by POWGEN's energy production.
- a significant volume of cash generated by DEVCON's activities, both in Build&Sell and Build&Own projects.
- a high investment to provide the equity required by the SPVs of the new Build&Own facility in Malaysia.

This Management Report of the Solarpack Group contains certain forward-looking information that reflects the plans, forecasts or estimates of the company's directors, which are based on assumptions that are considered reasonable by them. However, the user of

this report should bear in mind that forward-looking information should not be regarded as a guarantee of an entity's future performance, in the sense that such plans, forecasts or estimates are subject to numerous risks and uncertainties that imply that the entity's future

performance need not be the same as originally foreseen. These risks and uncertainties are described throughout the management report, mainly, but not exclusively, in the section on the main risks and uncertainties faced by the entity.

10. RD&I ACTIVITIES

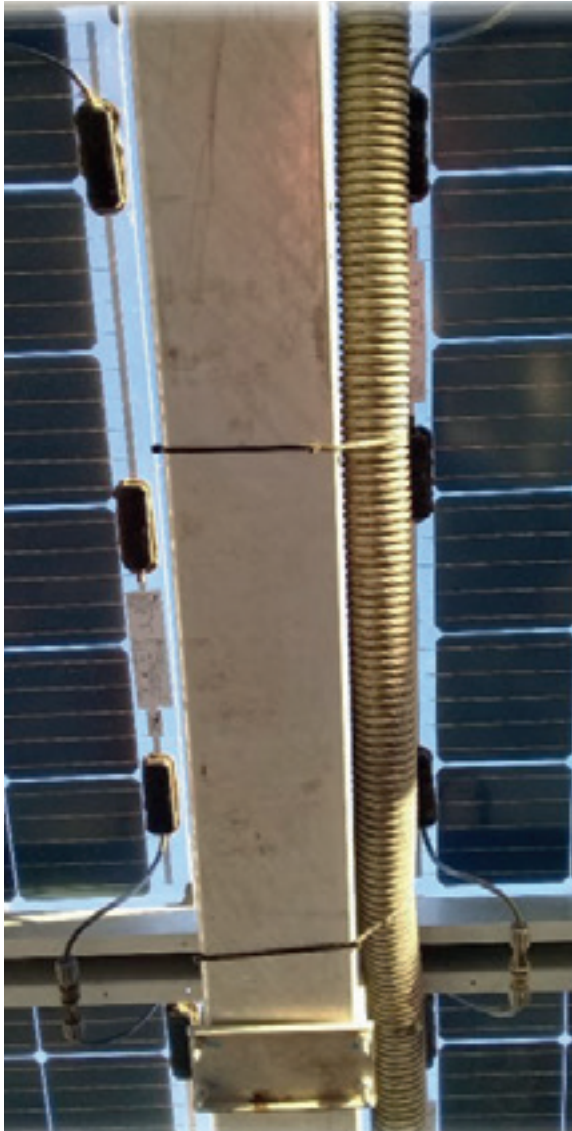
The Solarpack Group has always given relevance to the knowledge of new technologies in solar PV generation and other complementing technologies. Our activity is not manufacturing, but system integration. In this sense, the company pursues the knowledge of innovative technologies that can increase competitiveness of its future projects, as a guarantee of the future growth of the Group.

In 2019, the company focused its efforts on the following lines of R&D&I.

- **Operation and maintenance:**

Development of an IP radio link at the Granja Solar plant in Chile: Solarpack's PV solar plants are often located in remote locations. This is often a challenge for plant communications with the outside as well as within the plant. The Granja plant, located in the middle of the Atacama Desert, is far from mobile phone signals. Therefore, in spite of having an internet link, communication from the Solarpack control centre (hereinafter referred to as the "ROC") with the operators was impossible by mobile phone when they were in the field. Thus, the Solarpack operating and maintenance team has devised and implemented a radio-IP system that enables radio-IP talk from anywhere within the plant's 400-plus ha of surface area with the ROC. This allows us to react to possible incidents much faster and more agile in a plant with of extensive size.

Module cleaning automation: the SVCS business unit has adopted an automatic module cleaning system in some of its PV solar plants, which allows for hybrid dry and water cleaning. The system is being tested and is expected to provide significant efficiencies in this important activity in order to maximise plant production.



Osmosis Plant: the purity of the water for cleaning plants is fundamental. Due to the remote location of some of Solarpack's plants, it is sometimes difficult to find suppliers capable of delivering water to the standards required by Solarpack's operation and maintenance teams. Thus, in Chile it has been decided to install an osmosis plant for which the process of acquiring equipment has already begun.

- **Storage committee.** Electric storage systems using batteries are a novelty that can bring about important changes in how the solar PV plants of the future are designed on an industrial scale. This committee meets monthly to analyse the new developments in the battery market, evaluate business models in the field of battery system use and propose R&D&I investments as indicated in the previous point.
- **DEVCON:**
 - In 2019, the pilot installation located at the Pozo Almonte Solar 1 PV solar plant in Chile (already in operation) was completed. The installation, which features PV solar module technologies such as PERC or bifacial modules, is now fully operational.
 - In the DEVCON division, work is being done on the processing of permits and licenses for two projects, on an industrial scale, for the integration of battery systems with solar PV generation, with the aim to:
 - run one of them as a pilot installation, with a total of 3 MW of installed power.
 - Prepare the second to offer PPA contracts exceeding the generation time limitations of solar PV.

11. ACQUISITION AND DISPOSAL OF OWN SHARES

Not applicable.

12. DIVIDEND POLICY

Solarpack intends to reinvest the cash generation in new project developments that will allow the company's business to grow in the medium to long term and thus increase the value of its partners' shares. Therefore, Solarpack does not expect to pay dividends in the next three years. Once this period with growth visibility has ended, the company will analyse the growth opportunities and reassess the dividend policy.

13. SECURITIES MARKET INFORMATION



Main shareholders

.....

Beraunberri, S.L.	48.750%
Burgest 2007, S.L.	9.656%
Onchena S.L.	6.345%
Santander Asset Management	5.353%
EDM Gestión S.G.I.I.C. S.A.	3.624%
Antonio Galíndez Zubiria	3.551%

Evolution of the share

.....

Average daily volume of cash in 2019:

EUR **204,081.25**

Change in the share price at 31.12.2019 with respect to the issue price in the capital increase of 31.12.18: **+ 36.0%**

Conciliación de Medidas Alternativas de Rendimiento (APMs)

Medidas Alternativas de Rendimiento	Unidad	Definición	31.12.2019	31.12.2018	Relevancia de su uso
Costes directos	m Euros	Aprovisionamientos + Gastos directos de personal + Otros gastos directos de explotación + Otros resultados directos	(51.873 m€) = (35.863 m€) + (5.650 m€) + (10.415 m€) + 54 m€	(10.086 m€) = (4.221 m€) + (4.148 m€) + (3.642 m€) + 1.927 m€	Medida de rentabilidad utilizada por la Dirección para medir cuales son los gastos de explotación directamente atribuibles a cada proyecto y de esta manera evaluar su evolución.
Margen Bruto	m Euros	Ingresos de explotación + Costes directos	38.054 m€ = 89.927m€ + (51.873 m€)	20.015 m€ = 30.101m€ + (10.086 m€)	Medida de rentabilidad operativa utilizada por los Administradores para evaluar la generación de resultados sin considerar aquellos gastos que no son directamente atribuibles a los proyectos.
% Margen Bruto	%	Margen Bruto / Ingresos de explotación	42,32% = 38.054 m€ / 89.927 m€	66,49% = 20.015 m€ / 30.101 m€	Medida de rendimiento utilizada por la Dirección para medir el porcentaje de rentabilidad operativa excluyendo los costes indirectos de producción.
SGA	m Euros	Aprovisionamientos + Gastos de personal + Otros gastos de explotación + Otros resultados directos + Pérdidas por enajenación de activos - Costes directos	(9.787 m€) = (35.863 m€) + (11.555 m€) + (14.293 m€) + (3m€) + 54 m€ + 51.873 m€	(5.417 m€) = (4.221 m€) + (6.674 m€) + (6.534 m€) + 1.927 m€ + 10.086 m€	Medida de los gastos generales, administrativos y comerciales que no son directamente atribuibles a los proyectos.
Resultado Bruto de Explotación (EBITDA)	m Euros	Ingresos de explotación + Costes Directos + SGA	28.267 m€ = 89.927 m€ + (51.873 m€) + (9.787 m€)	14.598 m€ = 30.101 m€ + (10.086 m€) + (5.417 m€)	Medida de rentabilidad operativa sin tener en consideración los intereses, impuestos y amortizaciones. Los Administradores utilizada dicha medida de rendimiento para evaluar la capacidad de generación de flujo de caja de explotación de los proyectos.
% EBITDA	%	Resultado Bruto de Explotación (EBITDA) / Ingresos de Explotación	31,43% = 28.267 m€/89.927 m€	48,5% = 14.598 m€/30.101 m€	Medida de % de rentabilidad operativa sin tener en consideración los intereses, impuestos y amortizaciones respecto a los Ingresos de explotación
EBIT	m Euros	Resultado Bruto de Explotación (EBITDA) + Amortización del inmovilizado + Deterioro de Inmovilizado + Deterioro del fondo de comercio + Diferencia negativa de consolidación	21.426 m€ = 28.267 m€ + (12.659 m€) + (1.839 m€) + (178 m€) + 7.834 m€	11.030 m€ = 14.598 m€ + (3.569 m€)	Medida de rentabilidad operativa sin tener en consideración los intereses e impuestos
% EBIT	%	Resultado Bruto de Explotación (EBIT) / Ingresos de Explotación	23,83% = 21.426 m€ / 89.927 m€	36,64% = 11.030 m€ / 30.101 m€	Medida de % de rentabilidad operativa sin tener en consideración los intereses e impuestos respecto a los Ingresos de explotación
Deuda financiera Neta	m Euros	Deudas a largo plazo + Deudas a corto plazo - Pasivos por Derivados- Efectivo y otros activos líquidos equivalentes - Creditos a corto plazo - Otros activos financieros a corto plazo	392.059 m€ = 357.584 m€ + 87.457 m€ + (8.887 m€) + (106 m€) + (34.753 m€) + (571 m€) + (74 m€) + (8.591 m€)	50.994 m€ = 143.621 m€ + 1 m€ + 16.080m€ + (4.353m€) + (94.280 m€) + (614 m€) + (9.462 m€)	Medida de rendimiento utilizada por la Dirección que permite evaluar el nivel de endeudamiento neto de los activos.
Endeudamiento	%	Deuda financiera Neta / (Patrimonio neto+Deuda financiera Neta)	70% = 392.059 m€/ (392.059 m€+ 166.191 m€)	24% = 50.994 m€/ (50.994 m€+ 159.507 m€)	Medida de rendimiento cuyo objetivo es mostrar el grado de apalancamiento de la actividad empresarial.

m€ = miles de euros

CONSOLIDATED FINANCIAL STATEMENTS

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

**SOLARPAC CORPORATION TECNOLÓGICA, S.A.
AND SUBSIDIARIES COMPOSING THE SOLARPAC GROUP**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 DECEMBER 2019 AND 31 DECEMBER 2018 (Notes 1, 2 and 3)

(Euros)

ASSETS	Explanatory notes	31.12.2019	31.12.2018 (*)	EQUITY AND LIABILITIES	Explanatory notes	31.12.2019	31.12.2018 (*)
NON-CURRENT ASSETS				EQUITY			
Intangible assets	6	74.254.310	24.436.070	Attributable to the Parent-		161.810.089	154.652.157
Goodwill		3.717.534	3.567.470	Share capital	12.1	13.301.205	13.301.205
Concessions		5.882.474	5.690.237	Registered share capital		13.301.205	13.301.205
Patents, licenses, trademarks and similar items		64.322.392	14.869.069	Share premium	12.1	109.586.031	109.586.031
Computer software		331.910	309.294	Reserves	12.2	36.986.675	27.977.847
Property, plant and equipment	6	476.890.450	175.135.723	Legal and bylaw reserves		80.000	80.000
Property, plant and equipment-solar PV plants		389.090.514	170.048.561	Other reserves		36.906.675	27.897.847
Lands rights of use		12.347.937	-	Profit for the period		11.908.182	5.014.958
Property, plant and equipment in the course of construction-solar PV plants		74.909.858	4.551.215	Hedging transactions	15	(3.895.405)	-
Other items of property, plant and equipment		542.141	535.947	Translation differences	12.4	(6.076.599)	(4.033.600)
Non-current investments in Group companies and associates		3.987.538	4.233.181	Assets measured at fair value through other comprehensive income	8	-	2.805.716
Investments accounted for using the equity method	7	1.991.765	2.266.915	Attributable to non-controlling interests	12.5	4.381.372	4.854.561
Loans to companies accounted for using the equity method	7 y 8	1.995.773	1.966.266			166.191.461	159.506.718
Non-current financial assets		400.382	5.477.408	NON-CURRENT LIABILITIES			
Non-current equity instruments	8	7.070	4.720.088	Long-term provisions	13	5.882.002	1.682.263
Long-term loans to third parties	8	82.518	82.518	Non-current payables	14	357.583.623	143.621.333
Derivatives	8 y 15	-	371.886	Bank borrowings associated with solar PV plants		321.994.727	121.744.927
Other non-current financial assets	8	310.794	302.916	Derivatives	15	8.887.371	4.353.208
Deferred tax assets	18	18.793.083	10.459.082	Subordinated debt with non-controlling interests related to solar PV plants		3.509.794	2.984.661
		574.325.763	219.741.464	Other financial liabilities		23.191.731	14.538.537
				Non-current payables to Group companies and associates		-	1.197
				Long-term provisions for employee benefits	20.3	3.521.409	-
				Deferred tax liabilities	18	29.965.437	5.800.087
						396.952.471	151.104.880
CURRENT ASSETS				CURRENT LIABILITIES			
Inventories	10	9.966.796	3.679.941	Short-term provisions	13	139.920	180.540
Goods held for resale		8.234.160	3.541.981	Current payables		87.457.092	16.079.990
Advances to suppliers		1.732.636	137.960	Bank borrowings and other financial liabilities	14	42.237.778	3.502
Trade and other receivables	9	76.057.550	13.753.475	Bank borrowings associated with solar PV plants	14	38.053.010	11.370.217
Trade receivables for sales and services		45.309.785	11.560.098	Subordinated debt with non-controlling interests related to solar PV plants	14	693.058	1.161.302
Trade receivables from Group companies and associates		518.216	329.303	Derivatives	15	105.624	-
Sundry accounts receivable		113.618	343.218	Other financial liabilities	14	6.367.622	3.544.969
Other accounts receivable from public authorities	17	30.115.931	1.520.856	Current payables to Group companies and associates		125	125
Current investments in Group companies and associates		571.076	544.017	Trade and other payables	16	54.631.591	14.834.131
Loans to companies accounted for using the equity method	7 y 8	571.076	544.017	Payable to suppliers		43.822.128	10.955.128
Current financial assets	8	8.664.967	9.532.166	Sundry accounts payable		30.610	5.777
Short-term loans to third parties		73.696	70.501	Remuneration payable		684.054	420.458
Other current financial assets		8.591.271	9.461.665	Other accounts payable to public authorities	17	3.875.314	2.477.307
Current prepayments and accrued income		1.239.690	380.553	Customer advances		6.219.485	975.461
Cash and cash equivalents	11	34.752.943	94.279.603	Current accruals and deferred income		206.125	204.835
Cash		34.752.943	94.279.603			142.434.853	31.299.621
		131.253.022	122.169.755			705.578.785	341.911.219
TOTAL ASSETS		705.578.785	341.911.219	TOTAL EQUITY AND LIABILITIES			

(*) Presented for comparison purposes only (see Note 2.5).

The accompanying explanatory Notes 1 to 28 are an integral part of the consolidated statement of financial position as at 31 December 2019.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

**SOLARPAC CORPORATION TECNOLÓGICA, S.A.
AND SUBSIDIARIES COMPOSING THE SOLARPAC GROUP**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE PERIOD ENDED 31 DECEMBER 2019 AND 2018 (Notes 1, 2 and 3)**

(Euros)

	Explanatory notes	Period 2019	Period 2018 (*)
CONTINUING OPERATIONS			
Revenue	20.1	82.825.392	26.907.438
Sales		82.825.392	26.907.438
Changes in inventories of finished goods and work in progress		4.815.526	2.318.985
In-house work on non-current assets		2.228.641	765.480
Other operating income	20.2	57.982	108.712
Non-core and other current operating income		-	62.001
Income-related grants transferred to profit or loss		57.982	46.711
OPERATING INCOME		89.927.541	30.100.615
Procurements	10	(35.863.207)	(4.221.903)
Staff costs	20.3	(11.555.236)	(6.673.689)
Wages, salaries and similar expenses		(10.388.393)	(5.804.962)
Employee benefit costs		(1.166.843)	(868.727)
Other operating expenses	20.4	(14.293.338)	(6.533.710)
Outside services		(10.941.399)	(5.785.733)
Taxes other than income tax		(3.251.958)	(793.376)
Losses on and write-down of trade receivables and changes in provisions for commercial transactions		(99.981)	45.399
Depreciation and amortisation charge	6 y 10	(12.658.683)	(3.568.838)
Impairment and gains or losses on disposal of fixed assets		(2.019.590)	(10)
Other income and expenses	20.5	7.888.044	1.927.071
OPERATING EXPENSES		(68.502.010)	(19.071.079)
PROFIT FROM OPERATIONS		21.425.531	11.029.536
Finance income	21	1.068.362	653.077
From investments in equity instruments		287.704	-
From marketable securities and other financial instruments		780.658	653.077
Finance costs	21	(13.994.023)	(9.174.854)
On debts to third parties		(13.994.023)	(9.174.854)
Changes in fair value of financial instruments		654.763	(1.876.613)
Exchange differences	7	3.422.567	842.682
Impairment and gains or losses on disposals of financial instruments		(448.092)	4.018.765
FINANCIAL PROFIT (LOSS)	7	(9.296.423)	(5.536.943)
Share of profits (losses) of companies accounted for using the equity method		189.167	361.424
PROFIT BEFORE TAX	17 y 19	12.318.275	5.854.017
Income tax		(320.782)	(294.728)
PROFIT FOR THE PERIOD		11.997.493	5.559.289
Profit attributable to non-controlling interests		89.311	544.331
Profit attributable to the Parent		11.908.182	5.014.958
Profit / (Loss) per participación (en euros):			
Basic	22.1	0,36	1,16
Diluted	22.2	0,36	1,16

(*) Presented for comparison purposes only (see Note 2.5).

The accompanying explanatory Notes 1 to 28 are an integral part of the consolidated statement of profit or loss for the period ended 31 December 2019.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

**SOLARPACK CORPORACIÓN TECNOLÓGICA, S.A.
AND SUBSIDIARIES COMPOSING THE SOLARPACK GROUP**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019 AND 2018 (Notes 1, 2 and 3)**
(Euros)

A) CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019 AND 2018

	Period ended 31 December 2019	Period ended 31 December 2018 (*)
A) CONSOLIDATED PROFIT PER STATEMENT OF PROFIT OR LOSS	11.997.493	5.559.289
B) OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to profit or loss		
Foreign currency translation differences	(2.412.263)	(829.050)
Adjustments for value change (Note 15)	(5.564.919)	-
Assets measured at fair value through other comprehensive income	1.401.669	2.925.687
Tax effect	1.476.278	(119.971)
	(5.099.235)	1.976.666
TOTAL COMPREHENSIVE INCOME (A+B)	6.898.258	7.535.955
Attributable to:		
a) Attributable to the Parent	7.371.447	6.820.351
b) Attributable to non-controlling interests	(473.189)	715.604

(*) Presented for comparison purposes only (see Note 2.5).

The accompanying explanatory Notes 1 to 28 are an integral part of the consolidated statement of comprehensive income for the period ended 31 December 2019.

B) CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2019 AND 2018

	Share capital (Note 12.1)	Share premium (Note 12.1)	Retained earnings (Note 12.2)	Profit for the period	Interim dividend (Note 12.3)	Adjustments for value change (Note 15)	Translation differences	Assets measured at fair value through other comprehensive income	Non-controlling interests	Total equity
Balance at 31 January 2017	426.650	5.213.067	41.870.263	4.725.577	(262.900)		(3.033.277)	-	4.020.259	52.959.639
IFRS 9 Application (Notes 2.2 and 8)	-	-	(75.577)	-	-		-	-	-	(75.577)
Adjusted Balance at 31 January 2017	426.650	5.213.067	41.794.686	4.725.577	(262.900)	-	(3.033.277)	-	4.020.259	52.884.062
Distribution of profit for the period:										
To reserves	-	-	4.725.577	(4.725.577)	-	-	-	-	-	-
Recognised income and expense	-	-	-	5.014.958	-	-	(1.000.323)	2.805.716	715.604	7.535.955
Dividends (Note 12.3)	-	-	(168.012)	-	-	-	-	-	-	(168.012)
Interim dividends	-	-	(262.900)	-	262.900	-	-	-	-	-
Other transactions (Note 12.1)	(26.649)	(325.834)	(5.084.469)	-	-	-	-	-	-	(5.436.952)
Capital increase with charge to freely available reserves (Note 12.1)	7.599.999	-	(7.599.999)	-	-	-	-	-	-	-
Capital increase (Stock Market) (Note 12.1)	5.301.205	104.698.798	(5.450.173)	-	-	-	-	-	-	104.549.830
Changes in the scope of consolidation (Note 2.8)	-	-	-	-	-	-	-	-	146.576	146.576
Other changes	-	-	23.137	-	-	-	-	-	(27.878)	(4.741)
Balance at 31 December 2018	13.301.205	109.586.031	27.977.847	5.014.958	-	-	(4.033.600)	2.805.716	4.854.561	159.506.718
Distribution of profit for the period:										
To reserves	-	-	5.014.958	(5.014.958)	-	-	-	-	-	-
Recognised income and expense	-	-	-	11.908.182	-	(3.895.405)	(2.042.999)	1.401.669	(473.189)	6.898.258
Changes in the scope of consolidation (Note 2.8)	-	-	4.207.385	-	-	-	-	(4.207.385)	-	-
Changes in the scope of companies accounted for using the equity method	-	-	(213.515)	-	-	-	-	-	-	(213.515)
Capital increase with charge to freely available reserves (Note 12.1)	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-
Balances at 31 December 2019	13.301.205	109.586.031	36.986.675	11.908.182	-	(3.895.405)	(6.076.599)	-	4.381.372	166.191.461

(*) Presented for comparison purposes only (see Note 2.5).

The accompanying explanatory Notes 1 to 28 are an integral part of the consolidated statement of changes in total equity for the period ended 31 December 2019.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 1 and 28). In the event of a discrepancy, the Spanish-language version prevails.

**SOLARPACK CORPORACIÓN TECNOLÓGICA, S.A.
AND SUBSIDIARIES COMPOSING THE SOLARPACK GROUP**

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2019 AND 2018 (Notes 1, 2 and 3)
(Euros)**

	Explanatory notes	Period ended 31 December 2019	Period ended 31 December 2018 (*)
CASH FLOWS FROM OPERATING ACTIVITIES (I)		(9.816.161)	(3.705.065)
Profit for the period before tax		12.318.275	5.854.017
Adjustments for-		19.781.134	7.933.488
- Depreciation and amortisation charge	6	12.658.683	3.568.838
- Losses on and write-down of trade receivables and changes in provisions for commercial transactions		99.981	(45.399)
- Impairment and gains or losses on disposal of financial instruments	7 y 8	448.092	(4.018.765)
- Impairment and gains or losses on disposal of fixed assets	6	2.019.590	10
- Changes in fair value of financial instruments	7, 8 y 15	(654.763)	1.876.613
- Finance income	21	(1.068.362)	(653.077)
- Finance costs	21	13.994.023	9.174.854
- Exchange rate differences	21	(3.422.567)	(842.682)
- In-house work on non-current assets	6	(2.228.641)	(765.480)
- Changes in provisions	13	2.436.523	-
- Long-term provisions for employee benefits	20.3	3.521.409	-
- Share of profits (losses) of companies accounted for using the equity method	7	(189.167)	(361.424)
- Other results	2.8	(7.833.667)	-
Changes in working capital-		(30.318.728)	(9.734.199)
- Inventories	10	(6.432.432)	(4.697.599)
- Trade and other receivables	9	(60.938.530)	(3.768.520)
- Other current assets		228.319	(1.711.798)
- Trade and other payables	16	36.823.915	73.660
- Other non-current assets and liabilities			370.058
Other cash flows from operating activities-		(11.596.842)	(7.758.371)
- Interest paid		(12.665.204)	(9.174.854)
- Interest received		780.658	653.077
- Dividends received		287.704	763.406
CASH FLOWS FROM INVESTING ACTIVITIES (II)		(199.274.228)	(20.855.673)
Payments due to investment-		(200.273.308)	(20.855.673)
- Non-current assets		(172.849.856)	(2.672.518)
- Business combination	2.8	(27.423.452)	(18.183.155)
Proceeds from disposal-		999.080	-
- Non-current assets		-	-
- Other financial assets		999.080	-
CASH FLOWS FROM FINANCING ACTIVITIES (III)		150.994.526	99.732.122
Proceeds and payments relating to equity instruments-		-	102.828.720
- Proceeds from equity instruments	12	-	102.828.720
Proceeds and payments relating to financial liability instruments-		150.994.526	(2.928.586)
- Proceeds from issue of bank borrowings, net		150.995.723	-
- Proceeds from issue of intercompany borrowings, net		-	428.873
- Repayment of bank borrowings		-	(3.213.117)
- Repayment of other borrowings		(1.197)	(144.342)
Dividends and returns on other equity instruments paid-		-	(168.012)
- Dividends	12	-	(168.012)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)		(1.430.797)	(420.530)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		(59.526.660)	74.750.854
Cash and cash equivalents at beginning of period		94.279.603	19.528.749
Cash and cash equivalents at end of six-month period		34.752.943	94.279.603

(*) Presented for comparison purposes only (see Note 2.5).

The accompanying Notes 1 to 28 are an integral part of the statement of cash flows period ended 31 December 2019.

