SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.
(established and incorporated in Spain pursuant to the Capital Companies Act)

Maximum outstanding balance of € 150,000,000
Commercial Paper Programme 2023 / *Programa de Pagarés 2023*

BASE INFORMATION MEMORANDUM (*DOCUMENTO BASE INFORMATIVO*) ON THE ADMISSION TO TRADING OF COMMERCIAL PAPER (*PAGARÉS*) ON THE ALTERNATIVE FIXED-INCOME MARKET ("MARF")

SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. ("**Solaria**" or the "**Issuer**" and jointly with the companies of the group of which the company is the head, the "**Group**"), a public limited company (*sociedad anónima*) incorporated under the laws of Spain with registered office at calle Princesa 2, 28008 Madrid, registered in the Madrid Commercial Registry under Volume 18402, Sheet 168, Page M-319304, Entry 1, and with Tax ID number (NIF) A-83511501 and LEI Code 959800PM2YJU406K2789, will request the admission (*incorporación*) to trading of commercial paper notes (the "**Commercial Paper**" and the corresponding programme, the "**Commercial Paper Programme**") which will be issued in accordance with the provisions set out in this Base Information Memorandum (the "**Information Memorandum**") on the Alternative Fixed-Income Market (*Mercado Alternativo de Renta Fija*) ("**MARF**").

The Commercial Paper will be represented by book entries (*anotaciones en cuenta*) at Sociedad de Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**") which, together with its participating entities (the "**Participating Entities**"), will be responsible for its accounting record.

An Investment in the Commercial Paper involves certain risks.

Read section 1 of the Information Memorandum on Risk Factors.

MARF is a multilateral trading facility in accordance with the terms of article 68 of Law 6/2023, dated March 17, on Securities Markets and Investment Services (the "Securities Market Act"). This Information Memorandum is the one required in Circular 2/2018, of 4 December, of MARF, on admission (*incorporación*) and removal of securities on the Alternative Fixed Income Market ("Circular 2/2018"). MARF has not carried out any kind of verification or testing with regard to this Information Memorandum or with regard to the content of the documentation and information provided by the Issuer in compliance with Circular 2/2018.

The Commercial Paper will only be addressed to (i) qualified investors as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council, of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Prospectus Regulation"); including (ii) eligible counterparties, as defined in Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (the "MiFID II") and article 196 of the Securities Market Act; 2 and (iii) professional clients, as defined in the Prospectus Regulation, MiFID II and articles 194 and 205 of the Securities Market Act, or any provision which may replace or supplement it in the future.

No action has been taken in any jurisdiction to permit a public offering of the Commercial Paper or the possession or distribution of the Information Memorandum or any other offering material in any country or jurisdiction where such action is required for said purpose. This Information Memorandum (*Documento Base Informativo de Incorporación*) does not represent a prospectus (*folleto informativo*) approved and registered with the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*, "CNMV"). The subscription of the Commercial Paper does not represent a public offering pursuant to the provisions set out in article 35 of the Securities Market Act, which removes the obligation to approve, register and publish a prospectus at the CNMV.

ENTITIES AND CO-LEAD MANAGERS
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The date of this document is 14 December 2023

IMPORTANT INFORMATION

Potential investors should not base their investment decision on information other than the information contained in this Information Memorandum.

The Placement Entities do not take responsibility for the content of this Information Memorandum. The Placement Entities have entered into a collaboration agreement with the Issuer to place the Commercial Paper but neither the Placement Entities nor any other entity has accepted any undertaking to underwrite the Commercial Paper. This is without prejudice to the Placement Entities being able to acquire part of the Commercial Paper in their own name.

NO ACTION HAS BEEN TAKEN IN ANY JURISDICTION TO PERMIT A PUBLIC OFFERING OF THE COMMERCIAL PAPER OR THE POSESSION OR DISTRIBUTION OF THE INFORMATION MEMORANDUM OR ANY OTHER OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE SUCH ACTION IS REQUIRED FOR SAID PURPOSE. THIS DOCUMENT IS NOT TO BE DISTRIBUTED, DIRECT OR INDIRECTLY, IN ANY JURISDICTION WHERE SUCH DISTRIBUTION MAY REPRESENT AN OFFERING. THIS DOCUMENT IS NOT AN OFFER FOR THE SALE OF SECURITIES NOR A REQUEST TO PURCHASE SECURITIES AND THERE IS NO OFFER OF SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SALE IS CONSIDERED CONTRARY TO APPLICABLE LEGISLATION.

PRODUCT GOVERNANCE RULES UNDER MiFID II

THE TARGET MARKET WILL ONLY BE ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS

Exclusively for the purposes of the product approval process to be carried out by each producer, following the assessment of the target market for the Commercial Paper, it has been concluded that: (i) the market to which the Commercial Paper are intended to be issued is solely for qualified investors, including "eligible counterparties" and "professional clients" as defined for each of these terms in the Directive 2020/1504/EU of the European Parliament and of the Council of October 7, 2020 amending Directive 2014/65/EU on markets in financial instruments and amending Directives 2002/92/EC and 2011/61/EC ("**MiFID II**") and their implementing legislation and (ii) all channels of distribution of the Commercial Paper to eligible counterparties and professional clients are appropriate.

Any person who, after the initial placement of the Commercial Paper, offers, sells, places, recommends or otherwise makes available the Commercial Paper (the "**Distributor**") shall take into account the assessment of the producer's target market. However, any Distributor subject to MiFID II shall be responsible for carrying out its own assessment of the target market with respect to the Commercial Paper, either by applying the evaluation of the target market of the producer or/and to identify appropriate distribution channel.

BAN ON SALES TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA- PRIIPS REGULATION

The Commercial Paper are not intended for offer, sale, or any other form of making available, nor should they be offered, sold to, or made available to retail investors in the European Economic Area ("**EEA**"). For these purposes, "retail investor" means a person who meets either or both of the following definitions: (i) a retail customer in the sense of paragraph (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (UE) 2016/97 of the European Parliament and of the Council of January 20, 2016 (as amended), where that client would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. As a result, no key information document required by Regulation (EU) No. 1286/2014 of the European Parliament and of the Council of November 26, 2014 (as amended, the "**PRIIPs Regulation**"), for offering or selling the Commercial Paper or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Commercial Paper or otherwise making them available to any retail investor in the EEA, otherwise such activities may be unlawful under the PRIIPs Regulation.

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BASE INFORMATION MEMORANDUM (*DOCUMENTO BASE INFORMATIVO*) ON THE ADMISSION TO TRADING OF COMMERCIAL PAPER (*PAGARÉS*)

1 Risk factors

An investment in the Commercial Paper is subject to a number of risks. Potential investors should carefully assess the risks described below, together with the remaining information contained in this Information Memorandum, before investing in the Commercial Paper. If any of the risks described below actually materializes, the business, financial condition and/or operating results of the Issuer, as well as the ability of the Issuer to reimburse the Commercial Paper upon maturity, could be adversely affected and, accordingly, the market price of the Commercial Paper may decrease, resulting in a loss of all or part of any investment made in the Commercial Paper.

The Issuer believes that the following factors represent the main or material risks inherent to the investment in the Commercial Paper, however default in payment of the Commercial Paper at maturity may be due to other unknown or unforeseen factors. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any of such contingencies occurring. The Issuer does not state that the factors described below are exhaustive and it is possible that the risks and uncertainties described may not be the only ones the Issuer faces. Additional risks and uncertainties currently unknown or considered immaterial alone or jointly with others (either identified in the present Information Memorandum or not) may have a material adverse effect on the business, financial condition and/or operating results of the Issuer, as well as on the ability of the Issuer to reimburse the Commercial Paper upon maturity, resulting in a loss of all or part of any investment made in the Commercial Paper.

1.1 Essential information on the main specific risks regarding the Issuer or its sector of activity

The main specific risks of the Issuer or its sector of activity are the following:

1.1.1 Risk factors derived from the current economic situation

The renewable energy industry is a regulated sector, which has been highly dependent on public finance due to the need of support for the development of technologies that were not profitable by their own means for many years. Although this situation has changed significantly in the last years, and the support required is nowadays very limited or not even required for new projects, many existing projects still rely heavily on subsidies and support from the regulation.

In some countries such as Spain, these subsidies, as well as other factors, engendered a rising public debt starting in the year 2000 in the electric system. However, since 2008 and in view of the decision of the Spanish government to eliminate the deficit generated by the electric system each year, changes in regulation have greatly reduced the renewable energy sector's dependence on government financing. Similar situations have happened in countries like Italy or Greece where the Issuer holds projects and where the subsidies granted are a heavy burden on the accounts.

New developments have a lower dependence on regulation, as those undertaken under the auctions developed in the last years in Spain, where the impact of regulation is only to guarantee under certain circumstances a minimum price for the energy. In addition, there is an important growth of new projects developed outside auctions or regulated mechanisms that receive their revenues by selling energy to the wholesale market or to third parties through a long-term purchase agreement.

As explained below, the renewable energy sector is affected by the economic situation, as this influences (i) for the Spanish projects, the yield of the 10-year Spanish government bonds ("**Spanish Government Bonds**"); (ii) energy prices in the wholesale and the Power Purchase Agreement ("**PPA**") market; (iii) the introduction in Spain of certain measures destined to mitigate the growth of the price of gas as a consequence of the Ukraine / Russian conflict (iv) the equilibrium between income and expenses of the electric system (v) growth of energy demand for the development of new projects, and (vi) the irruption of new competitors in Spain of the renewable energy sector. In addition, the government of Spain has implemented through 2022 new taxes such as (i) Law 9/2022, of July 28, which establishes rules that facilitate the use of financial and other information for the prevention, detection, investigation or prosecution of criminal offences, amending Organic Law 8/1980 , of September 22, of Financing of the Autonomous Communities and other related provisions and of modification of the Organic Law 10/1995, of November 23, of the Penal Code; (ii) Royal Decree-Law 6/2022, of March 29, by which certain measures are adopted and extended to respond to the economic and social consequences of the war in Ukraine, to deal with situations of social and economic vulnerability, and to the economic and social recovery of the island of La Palma and (iii) Royal Decree-Law 20/2022, of December 27, on measures to respond to the economic and social consequences of the War in Ukraine and to support the reconstruction of the island of La Palma and other situations of vulnerability, and to the economic and social recovery of the island of La Palma.

Despite the “phase one” trade deal between China and the US signed at the beginning of 2020, commercial war between both countries continues. Spain has had during this current 2023 municipal, regional and general elections, and this has led to transitory political tensions both in the regions where the local elections have taken place and the whole country by itself. However, it looks that once all the government naming has been concluded tensions are ceasing. Greece is staring its recovery from the huge crisis in the last years, but still shows signs of weakness that could be impacted by internal and external factors. In the case of Uruguay, its economy can be affected by the economic evolution and issues of some of their neighbors as Argentina or Brazil, which have suffered certain difficulties recently that could worsen in the future.

As indicated above, a portion of the income to be received by existing renewable energy facilities in Spain starting from 2020 onwards will be directly linked to the yield of 10-year Spanish Government Bonds over the two previous years (2018 and 2019) plus a 300-basis point margin, which may be modified (see risk factor “Risks derived from change in the compensation parameters”).

In the case of Italy and Greece, where the Issuer holds relevant investments, a significant portion of the income or even the total income to be received by existing renewable energy facilities is based on a fixed feed-in-tariff, which can be affected by the equilibrium of the accounts of the system. Additionally, in Italy, by means of *DL 4/2022 sostegni ter and related ARERA Resolution No. 266/2022*, the government has introduced certain measures in order to adjust the incomes of the production of electricity by the companies producing such electricity un order to mitigate the impact of the gas price (“clawback”). In Uruguay, the projects sell the energy through a PPA agreement with Usinas y Transmisiones Electricas (“**UTE**”) which is the national electric company and so could be affected by political or economic changes in the country.

After three years of the outbreak of COVID-19, the situation created by the pandemic seems to be overcame and normalized but we cannot rule out that new outbreaks could affect the global economy, due to the interruption or slowdown of supply chains.

In addition, war conflict between Ukraine and Russia, conflict between Israel and Palestine, the poor relations between the United States and Russia, China and Taiwan, and sanctions by the United States, the EU and the UK against Russia, Belarus, and/or regions of Ukraine leads into an adverse impact on the global economic of many countries which could in turn affect availability of supplies and our relationship with our suppliers and contractors. During 2023, inflation and commodity prices have spiraled upwards, affecting raw materials, production, and logistic cost. Our internal sourcing costs might significantly impact our internal rate of returns due to higher costs of multiple raw materials at present and in the future. Despite having signed forward contracts in order to fix the cost of our projects, we cannot guarantee that the raw material price increase and/or logistic price increase could materialize in the provider requesting a price adjustment or not complying with delivery dates or with the delivery of the equipment at all.

According to the European Central Bank (“**ECB**”) macroeconomic projections of September 2023 the annual average real GDP growth is expected to slow to 0.7% in 2023 (from 3.4% in 2022), before rebounding to 1.0% in 2024 and 1.5% in 2025. Regarding inflation, is expected to fall below 5.6% by the end of 2023 and 3.2% in 2024, before moderating further to the inflation target of 2.1% in 2025.

In particular, in Spain, according to the Bank of Spain’s macroeconomic projections for the Spanish economy (September 2023), the HICP inflation rate will slow from 8.3% in 2022 to 3.6% in 2023, increasing for a slight rebounding to 4.3% in 2024.

On the other hand, the increase in energy prices is added to a context of inflation that was already at high levels, both in Spain and in most developed countries. The Governing Council of the ECB announced its intention to continue raising interest rates significantly at a steady pace and in keeping them at levels that are sufficiently restrictive to try to ensure a return to lower levels of inflation. Accordingly, the ECB decided to raise the interest rates to 3% on February 2, 2023, followed by new increases to 3.5% on March 16, 3.75% on May 4, 4% on June 15, 4.25% on July 27 and finally 4.5% on September 14, level that the ECB decided to keep without any increase on its meeting at October 26. The rise in interest rates caused the value of the long-term bonds acquired by banks to decrease, as bonds that were issued after interest rates hiked will now pay out more than similar-length bonds when interest rates were lower, thus making the years and years of payments from the older, longer-term bond less attractive. As a result of the higher interest rates, longer term maturity assets acquired by banks when interest rates were lower are now worth less than their face values. The above, among others, have caused much unrest in the banking sector, leading to the need for the US Federal Reserve to bail out banks such as Silicon Valley Bank and Signature Bank, or in Europe the takeover of Credit Suisse by UBS, which may lead to negative effects for the Spanish banking sector and the Spanish economy in general.

New projects to be developed in the future are less reliant on regulation as they will only receive wholesale energy sale price or PPA price. In the case of the wholesale energy these revenues will be affected by the volatility of the market price, which is also influenced by the global economy, and specially for the extension of regulatory measures as the “Iberian exception” or clawback, or the recovery of the generation tax.

In the case of the PPA the volatility can be mitigated but the possible energy off-takers will need as well financial stability and visibility to be able to agree on long term agreements.

1.1.2 Specific risk factors of the Issuer and the Group, its industry and business

A) Competitor risk

The Group conducts its activity in the electricity sector and, more specifically, in the photovoltaic sector, which is currently expanding and has limited barriers of entrance in certain activities of the business.

This sector requires significant human, material, technical and financial resources in which other specialized companies and large international groups operate. Experience, material, technical and financial resources, as well as local knowledge of each market, are key factors for the proper development of the business.

In the future, the characteristics and incentives being currently implemented in this sector may attract new competitors that could have a negative impact on the market and on the Issuer's own business.

B) Regulatory risk

The photovoltaic (“**PV**”) sector is highly regulated. The PV plants must comply with various rules and regulations pursuant to applicable law in each country (in Spain, particularly, Royal Decree 1955/2000, of December 1, which regulates the activities of transport, distribution, marketing, supply and authorization procedures for electrical energy installations, Royal Decree 1183/2020, of 29 December, on access and connection to transport network and distribution of electric energy, and Royal Decree 23/2020, of 23 June, approving measures in the field of energy and in other areas for economic reactivation, have had a significant impact since its entry into force during last year). The subsidiaries of the Issuer and electric energy production facilities are subject to strict rules regarding the development, construction, and operation of facilities (including rules and regulations regarding the acquisition or usage of land, obtaining governmental authorizations, environmental protection, and energy production).

For the projects in operation the subsidiaries of the Issuer could face the revocation of the governmental authorization granted and/or the loss of the special compensation system and/or be subject to penalties, including fines or criminal penalties.

For the new projects, the subsidiaries of the Issuer could face changes in the procedures or requirements, delays in the issuance of the permits and even rejection of the request, which could delay the development and execution of the projects or even make them unfeasible.

Moreover, the regulated income of the plants is ruled by:

(i) For the Spanish PV plants, Royal Decree 413/2014 of 6 June, governing electric energy production from renewable sources, cogeneration and waste, and Order IET/1045/2014 of 16 June which approves the remuneration parameters for standard plants that will apply to certain renewable-energy, cogeneration and waste-to-energy generation plants, applicable since 13 July 2013 and Royal Decree 960/2020, of 3 November, regulating the economic regime for renewable energy for electricity generation facilities

(ii) For the Italian PV plants, Conto II and Conto IV are the two frameworks that determine the remuneration scheme for the plants. These systems have suffered adjustments as the Spalma Incentive, which reduced the revenues of the PV plants and that could take place again in the future. In fact, the Italian Government has included a new tax which limits the price of electricity sold to the market, effectively obliging to return revenues above a certain threshold received during the last months. This regulation was ruled out by the Italian Courts, but similar or even more damaging measures could be implemented in the future.

(iii) Greek plants sell their energy under Law 3299/2004, on investment incentives and Law 3468/2006 on production of electricity from renewable energy sources, and the Ministerial Decision 2000/2002.

(iv) In Uruguay, the projects sell the energy through a PPA agreement with UTE which is the national electric company and so could be affected by political or economic changes in the country.

In addition, power generation activity is also subject to various external costs, defined by rules and regulations, such as taxes on the production value of electric energy which could also change.

Additionally, electric energy producers are subject to the payment of access fees for transmission and distribution networks, which establishes the fees for transmission and distribution network access that electric energy producers must pay which may also change in the future.

The Issuer cannot guarantee that there will not be any modifications to the current rules and legal provisions regarding both income and costs, which, if significant, could have a material adverse effect on the business, financial condition and/or results of operations of the subsidiaries of the Issuer and the Issuer.

Moreover, Spanish Government issued on 14 September 2021 Royal Decree 17/2021 on urgent measures to mitigate the impact of the gas prices rise in the retail markets of gas and electricity ("**RD 17/2021**") which comes due to the rise of the gas prices in the wholesale markets which have a significant impact in the retail markets and so for the final consumers. RD 17/2021 establishes that the remuneration of the electricity production activity of the non-greenhouse gas-emitting technology production facilities will be reduced by an amount proportional to the higher income obtained by these facilities as a result of the incorporation into the prices of electricity in the wholesale market for the value of the price of natural gas by marginal emitting technologies. This reduction will be applicable to the holders of each of the electricity production facilities that do not emit greenhouse gases in the Spanish territory, whatever their technology is. RD 17/2021 excludes from the scope of application the facilities in the electrical systems of non-peninsular territories, as well as production facilities that have a recognized remuneration framework of those regulated in article 14 of Law 24/2013, of December 26. This excludes the solar photovoltaic plants included under the regime of the auction carried out by virtue of Royal Decree 650/2017 of 16 June Establishing a quota of 3,000 MW of installed power for new electrical energy production facilities from renewable energy sources in the peninsular electrical system, to which the specific remuneration regime may be granted ("**RD 650/2017**") (the "**Spanish Auction**"). The Issuer has 250 MW awarded under the auction of RD 650/2017 that are currently under operation. The application of RD 17/2021 has been extended until 31 December 2023 by means of Royal Decree-Law 18/2022, of October 18, which approves measures to reinforce the protection of energy consumers and contribute to the reduction of natural gas consumption in application of the "Plan + security for your energy (+SE)", as well as measures regarding the remuneration of personnel at the service of the public sector and the protection of eventual agricultural workers affected by the drought.

On 29 March and 13 May 2022, Government issued (i) Royal Decree-Law 6/2022, of 29 March, adopting urgent measures under the National Plan in response to the economic and social consequences of the war in Ukraine (the "**Royal Decree-Law 6/2022**"), and (ii) Royal Decree-Law 10/2022, of 13 May establishing a temporary production cost adjustment mechanism to reduce the price of electricity on the wholesale market (the "**Royal Decree-Law 10/2022**") , that created the so called "Iberic mechanism".

On 27 October 2021 Spanish Government issued and additional Royal Decree Law, Royal Decree-Law 23/2021, of October 26, on urgent measures in energy matters for the protection of consumers and the introduction of transparency in the wholesale and retail electricity and natural gas markets ("**RD 23/2021**") which amended RD 17/2021 outlines the scope of application of the mechanism designed by the Spanish Government to reduce excess payment of the renewable electricity producers in the electricity market, called "clawback", created to reduce the "windfall profits", specifying which power generating facilities shall be excluded from applying said mechanism.

This new RD establishes (i) that the energy produced by the electric power generation facilities referred to in article 5 of RD 17/2021 that is covered by any term contracting instrument whose date of execution is prior to the entry into force of the RD 23/2021 is excluded, provided that the hedging price associated with said instruments is fixed, and (ii) the energy produced by the electric power generation facilities referred to in article 5 of RD 17/2021 that is covered by some term contracting instrument that, having been entered into force after the entry into force of RD 17/2021, includes a coverage period equal to or greater than one year and the coverage price is fixed.

According to the above, the PPAs entered by the Issuer will not be affected by RD 17/2021. Additionally, Royal Decree 29/2021 of 21 December, whereby urgent measures are adopted in the energy field to promote electric mobility, self-consumption, and the deployment of renewable energies. All of them tried to address the price crisis from the perspective of the different energy products affected –mainly natural gas and electricity– and their impact on the final consumers of these products; Royal Decree 17/2022 of 20 September by which urgent measures are adopted in the field of energy, in the application of the remuneration system to cogeneration facilities and temporarily reduces the rate of Value Added Tax applicable to deliveries, imports and intra-community acquisitions of certain fuels, with several energy-related measures, such as the VAT reduction from 21% to 5% on supplies of natural gas, pellets, briquettes and firewood; the possibility that cogeneration temporarily abandons its regulated remuneration regime, so that the Iberian Mechanism is applied; or the creation of a new service for active demand response that will increase the flexibility and security of the electrical system; Royal Decree 18/2022, of 18 October, approving measures to reinforce the protection of energy consumers and to contribute to the reduction of natural gas consumption in application of the "Plan + security for your energy (+SE)", as well as measures regarding remuneration personnel at the service of the public sector and protection of casual agricultural workers affected by drought, which contains seventy-three measures grouped around six objectives: savings and efficiency; transformation of the energy system; extension of protection to citizens, especially the vulnerable; fiscal measures; industry transformation thanks to renewable energy or hydrogen, and solidarity with the rest of the European countries. In addition, EU Regulation 2022/1369 of the Council, of 5 August 2022, on measures for the reduction of the gas demand and EU Regulation 2022/1854 of the Council of 6 October 2022, on emergency intervention to face the raise of the energy prices. EU regulation included in the "EU Regulatory Framework" to face the raise of the gas price.

C) Risks derived from changes in the compensation parameters

The regulatory framework applicable to the Spanish renewable energy sector determines the plant's income considering several compensation parameters, such as the standard income from sales of energy at market price, standard operating costs, and profitability over the standard value of the initial investment. Depending on the specific compensation parameters the rules and regulations provide that said parameters will remain fixed for a period of either three (3) or six (6) years, after which they will be reviewed using the specified mechanism.

According to the current regulatory framework, there are three-year periods, each known as "regulatory half-periods," after each of which the compensation parameters Ro and Rinv, may be reviewed, considering the expected market price for the next period and any deviations that may have occurred during the previous period.

There are also six-year periods, each known as "regulatory periods," after each of which the compensation parameters Ro and Rinv may be modified according to the evolution of the interest rate of the 10-year Spanish Government Bonds plus a margin.

The value of the initial investment and the duration of the regulatory useful life will remain unchanged throughout the life of the relevant projects.

Therefore, there is a risk of variation in the parameters of the plants' compensation based on changes in the yield on 10-year Spanish Government Bonds, as well as the regulatory parameters themselves, which might be changed by the Ministry of Industry, Energy and Tourism.

In fact, given the high wholesale electricity market price it has been extensively discussed a possible reduction of the regulatory half-periods, finishing with immediate effect the current one and issuing a new short period considering the higher received and expected market revenues which will imply lower future remuneration parameters.

D) Risk related to the Issuer's shareholding structure

The Issuer is a stock listed company, but 34.91% of the shares belong to Diaz-Tejeiro family through DTL Corporación, S.L. (DTL). A situation could arise in which DTL's interests, as main shareholder, may be in conflict with the Issuer's interests all of which could have a negative effect on business, financial condition and/or results of operations of the Issuer.

E) Risk related to the execution of the business plan

The Issuer is currently building more than 1,425 MW mainly in Spain. The Issuer holds 18.6 GW in projects under pipeline in Spain, Portugal, Italy, Germany, Greece, and Portugal.

The Issuer's project development activities are subject to uncertainty. Projects under development are complex and extensive in scope, and are subject to significant uncertainties, as a result of which the Issuer may not be able to complete them as planned or at all. In course of development, the Issuer may uncover problems or encounter difficulties with projects, included but not limited to the following:

- i) The Issuer may encounter difficulties in obtaining and maintaining governmental permits, licenses and approvals required by existing laws and regulations or unanticipated regulations.
- ii) The Issuer may face delays associated with challenges to permits or regulatory approvals.
- iii) The Issuer may encounter difficulties in securing adequate property with sufficient solar resources or at an acceptable price.
- iv) Adverse changes in the underlying political, legal, economic, and sanitary environment.
- v) Such matters arising during development stages may result in delays or additional costs that could render the project less competitive than the Issuer initially anticipated.
- vi) The Issuer may face difficulties agreeing long term PPA contracts with off takers.
- vii) The Issuer may obtain worse long-term financing conditions or delays in the financial closing of the projects.

The foregoing could adversely affect the pace of the Group`s growth, prospects and/or results of operation.

F) Risk associated to the international expansion of the business

The Issuer currently operates solar plants in Spain, Italy, Portugal, Greece, and Uruguay, and holds offices in Spain, Italy, and Germany as part of the expansion plan. This strategy exposes the Issuer to certain risks related to entering new markets and managing international operations, which include the following:

- i) The Issuer's experience, knowledge, and competitive advantages in its current primary market in Spain may not be fully transferable to new markets.
- ii) Changes in local government renewable power pricing policies.
- iii) Challenges in maintaining strong relationships on favorable terms with reliable local technical, financial, and legal partners.
- iv) Increased managerial, financial accounting and reporting burdens resulting from an expanded global business, which may present significant challenges in implementing and maintaining adequate internal controls; and
- v) Failure to comply with and monitor a wide variety of foreign laws, legal standards, and foreign regulations.

G) Construction risk

Once a project is ready to be built, it remains subject to risks in the construction phase relating to engineering, equipment or "engineering, procurement, and construction" ("**EPC**") performance. Any failure to meet construction deadlines and budgets may have a material effect on its results.

The company is currently building more than 1,425 MW which are at different stages of the process: engineering, procurement, construction and connection phases.

There are certain risks that are inherent to construction projects, such as shortages and increased costs of materials, machinery, and labor.

If any of the Issuer's contractors fail to meet agreed deadlines and budgets, or if there are any interruptions arising from adverse weather conditions or unexpected technical or environmental difficulties, there may be resulting delays and excess construction costs. This could also lead to penalties under PPA contracts with third parties. Contractor liability clauses, included in most standard construction agreements entered into with contractors, generally cover these situations, although they may not cover the total value of any resulting losses. In the event of construction delays, the Issuer may receive revenues later than expected and could face penalties and even contractual termination.

H) Country risk

The main operations of the Issuer are concentrated in Spain, Italia and Uruguay considered to be low or moderate-risk countries, the credit ratings of which are the follows:

Country	Moody's	S&P	Fitch
Spain	Baa1	A	A-
Italy	Baa3	BBB	BBB
Germany	Aaa	AAA	AAA
Portugal	A3	BBB+	BBB+
Uruguay	Baa2	BBB+	BBB-

Despite the incorporation of new assets in the last years, the weight of Spain is still very high in the Issuer business (90% in 2022 vs. 87'8% in 2023[1] calculated as of the net sales) and as far as the strategic plan is focused on Spain, the weight should increase in the coming years. The main risks associated to Spain are the following:

- Changes to environment and administrative policies.
- Changes in the market.
- Clawback applied over the price at which the energy is sold to the market.
- Economic crises, political instability, Ukraine / Russia war conflict, Israel / Palestine conflict, COVID-19 situation; and
- Changes in regulation.

The foregoing could have a strong impact on the pace of the Group`s growth, prospects, and results of operation.

I) Risk arising from supplier agreements and outsourcing services

The Issuer outsources some of the activities related to the execution of the projects, such as construction and key component supply, and therefore depends on agreements signed with external providers that usually contain penalties in case of non-compliance.

Any situation giving rise to a breach of agreements, as well as the replacement of existing counterparties, if necessary, and the difficulty or the inability of the Issuer to find a counterparty that can fulfil the required conditions, could have a negative impact on the business, results, and the financial condition of the Issuer.

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[1] Figure considering the period 1st January 2023 – 30th June 2023.

The prices for the transportation of the components, mainly coming from China, have increased considerably, this results in a major difficulty of the Suppliers to ship the components to Spain and a higher price for the Issuer for the transportation of the components. Moreover, there are bottlenecks in the supply chains regarding the components which may lead in certain delays in the supply of the goods.

J) Technological risk and/or risk of operation of PV plants

The operation of PV plants can involve moderate technical and administrative complexity and require a certain degree of attention, resources, and knowledge. Despite the appropriate operation, maintenance and management of the plant, damage may be caused, and problems may arise in the technical facilities, which could prove difficult to solve and leave the equipment totally or partially out of operation, either temporarily or indefinitely. In addition to a reduction in income as a consequence of a decrease in generation, the repair or replacement of said equipment can generate expenses that could have negative effects on the business, financial condition and/or operating results of the subsidiaries of the Issuer, affecting the resources it generates to fulfil the obligations derived from the issue of this Commercial Paper Programme.

K) Risk of shortage or changes in the price of supplies

The Issuer’s business depends on the availability of supplies, equipment (PV modules, inverters, transformers, etc.), material and/or labor, the prices of which could change and the availability of which could be scarce during the next years. This could impact on the timing, and costs of the projects, with a direct impact on the business, results, and the financial condition of the Issuer.

In addition to the above, due to the Ukraine / Russia war conflict, the Israel / Palestine conflict, and China zero COVID have led in a general increase in raw materials and transportation prices, the Issuer may have certain delays in the reception of certain equipment as the factories in certain countries (*i.e.* China) as a consequence of the above. However, these delays are limited and the impact in the termination of the PV Plants for 2023-2024 will not be significant.

It could also happen that the EU decides to establish entry barriers for some non-EU components as PV modules or inverters, this could lead to an increase in the cost of the projects due to the difficulty or even impossibility to find alternative suppliers in EU.

A conflict between China and Taiwan could also have a relevant impact for the possible sanctions to be established.

L) Environmental risk

The subsidiaries of the Issuer are required to comply with relevant state, autonomous community and relevant local rules and regulations regarding the protection of the environment.

In the event of failure to comply with current and future environmental rules and regulations, the subsidiaries and or the Issuer could be forced to pay considerable penalties or even abandon the business.

Some of the PV plant’s equipment, such as the transformers, contain oil, and in the event of a failure or an accident and regardless of all preventive measure (oil leak or *fugas de aceite*) installed, discharges can occur leading to soil contamination.

In general, the plants must also comply with the conditions and requirements established in its environmental impact license or equivalent document according to local regulations.

M) Meteorological and natural disaster risk

Adverse meteorological conditions as well as natural disasters, accidents and other unforeseeable events can cause delays in the construction process, repairs or maintenance at the plants, affecting its timing and operation, causing negative effects on the business, the financial position and the results of the Issuer’s operations, and thus affecting the income it generates to fulfil the obligations derived from the issue of the Commercial Paper Programme.

N) Risks derived from solar radiation volatility

Energy production at solar plants is directly linked to the solar resources available. More solar resources mean more electric energy production and therefore more income from market sales and remuneration for operations as defined by the regulations.

The average annual estimated energy production for the different plants is calculated based on historical irradiation data. However, it is possible for solar irradiation to vary from one year to the next, directly affecting plants income.

O) Risk of litigation and claims

The Issuer and its subsidiaries may be involved in litigation and claims because of its activities, the results of which are difficult to predict. At present, there are no records of the Issuer and its subsidiaries being involved in any relevant litigation or claims or being liable to pay any amounts as a result of the outcome of previous claims of litigation.

P) Risk of events not covered by the insurance policies

Even considering that the Issuer has the obligation to take out the insurance policies, unforeseeable events not covered by said policies could still occur. The occurrence of such unforeseeable events could have negative effects on the business, financial condition and/or results of operation of the Issuer or its subsidiaries, affecting the income it generates to fulfil the obligations derived from the issue of this Commercial Paper Programme.

Q) Risks derived from the volatility of the market price of electricity

In addition to the incentives included in the rules and regulations, a portion of the compensation received by the existing plants in Spain, Portugal and Italy is linked to the market price of electricity, which may vary during the life cycle of the Issue.

The new plants to be developed have lower or even null regulated support and so the reliance on energy market price is much higher.

Market prices can be volatile and are subject to multiple factors such as: (i) the cost of the commodities used as a primary energy source; (ii) demand from end consumers; (iii) the availability of renewable resources (wind, solar, hydraulic energy, etc.); (iv) the price of greenhouse gas emission allowances and (v) inflation trends.

In order to mitigate the risk associated with the price of electricity in the short term, the Issuer is signing long term contracts (PPAs) under the terms of which the price is fixed on an annual basis. Therefore, the price volatility derived from changes in markets would be limited to the non PPAs contracts. On the other side, the evolution of the market price of electricity as well as the new renewable capacity installed affect the PPA liquidity of the market, which could also harden the closing of this kind of agreements.

Solaria has also secured more than 1.6 GW under long term PPAs with Repsol, Alpiq, Statkraft, Axpo, Shell, Iberian utilities, or FIT schemes, as the Spanish and Portuguese auction, which allow to receive a fixed price for a significant part of the energy sold by the new projects. Regarding the Portuguese auction, the Government recently announced that the projects under the auction could sell 100% of their production to the spot price in the wholesale market for up to 2 years and that the auction prices would be adjusted to inflation.

R) Risk related to financing projects

The Issuer could experience difficulties, under certain conditions or in certain markets, in securing debt financing for its projects on terms that enable satisfactory project profitability or even at all, or such financing may be subject to restrictive terms that increase operating costs and reduce project values.

Factors that could adversely impact the availability or cost of financing for the Issuer's projects include, but are not limited to, the following:

i) An increase in market interest rates.
ii) Diminished credit quality of the Issuer's PPA counterparties.
iii) PPAs with less bankable clauses.
iv) Elevated merchant exposure for project revenues that causes lenders to require increased equity investment.
v) Technical or legal issues of a project identified in the course of the bank due diligence; and
vi) Adverse general lending market conditions.

If the Issuer is unable to arrange debt financing or if it is only available under unfavorable terms, the Issuer may not be able to build some of its pipeline projects or may be able to do so only under less profitable terms.

S) <u>Risk derived from PPA</u>

Part of the value and viability of the Issuer depends upon its ability to sell the electricity under long term PPAs with creditworthy counterparties at adequate price levels.

Factors that could adversely impact the PPA business of the Issuer include, but are not limited to, the following:

i) Low energy market prices or downward trend in energy prices could reduce the interest of off takers in closing long term agreements, thus draining liquidity from the market.
ii) Lower PPA prices may reduce the supply of project financing debt and hence potentially increase the required equity contribution, thereby weighing on project profitability.
iii) No assurance can be given that the Issuer will be able to renew or secure new PPAs after an initial PPA ends or as to the prices under with electricity produced may be sold under any subsequent PPA or in wholesale markets following the expiration of the initial PPA.
iv) The failure of PPA counterparties to fulfil their contractual obligations to the Issuer could have a material effect on the business, results, and the financial condition of the Issuer; and
v) Eventual increase on the financing costs, though the financing framework agreement recently signed with the European Investment Bank (BEI under Spanish terms) for an amount of 1.7 bn EUR mitigates part of the risk.

T) <u>Risk derived from inability to retain key employees</u>

The Issuer's success and its ability to carry out its growth initiatives depend on qualified executives and employees, in particular certain executive officers and employees with expertise in the development, financing, engineering, construction, operation and maintenance of projects. The loss of these key members could have a negative effect on business, financial condition and/or results of operations of the Issuer.

U) <u>Risk related to Issuer's reliance on third parties</u>

The Issuer has agreements with a number of third parties who have agreed to perform services in relation to the Commercial Paper Programme. In the event that any of such parties fails to perform their obligations under the respective agreements, payments on the Commercial Paper Programme may be adversely affected.

V) <u>Risk related to potential conflict of interest</u>

Each of the transaction parties (other than the Issuer) and their affiliates in the course of each of their respective businesses may provide services to other transaction parties and to third parties, and in the course of the provision of such services, conflicts of interest may arise between such transaction parties and their affiliates or between such transaction parties and their affiliates and third parties. Each of the transaction parties (other than the Issuer) and their affiliates may provide such services and enter into arrangements with any person without regard to or constraint resulting from any such conflicts of interest arising as a result of it being a transaction party.

W) Exchange rate risk

Some of the projects owned by the Issuer, as the Uruguayan plants, receive the payment for the energy sold in USD. Although the project debt is also in USD, which provides a hedge, the dividend distributed to the Issuer are in USD and so could be affected by modifications of the exchange rate EUR/USD.

1.1.3 Financial risks factors

i) Credit risk

Issuer's credit risk depends mainly on the payment capacity of the counterparties with respect to which the subsidiaries of the Issuer have or may have exposure regarding the project's operations.

The main counterparties with respect to which the subsidiaries of the issuer have exposure are:

(i) the CNMC for the regulated revenues in Spain;
(ii) Gestore Servizi Energetici ("**GSE**") for the regulated revenues in Italy;
(iii) the market representatives ("**Market Representatives**") for the sale to the wholesale market;
(iv) UTE for the revenues of the Uruguayan PV plants;
(v) Repsol group as off-taker in the PPAs signed;
(vi) Alpiq group as off-taker in the PPA signed;
(vii) Statkraft group as off-taker in the PPA signed;
(viii) Axpo group as off-taker in the PPA signed;
(ix) Shell group as off-taker in the PPA signed;
(x) Iberian Utilities as off-takers in the PPAs signed;
(xi) Portuguese government as off-taker for the Portuguese Auction; and
(xii) Spanish government as off-taker of the Spanish Auction.

CNMC, GSE and UTE are public entities with strong financial records and history.

In the case of Spain, the portion of the income corresponding to energy sold at market price is collected through the Market Representatives. The Issuer has a credit risk derived from the inability of the Market Representative to timely fulfil its payment obligations to the Issuer, which risk is mitigated in part in the corresponding agreement by means of guarantees provided by the Market Representatives.

The risk related to the energy sold to the PPA counterparties under the PPAs is mitigated in part by collaterals.

ii) Interest rate risks

Interest rate risk is the probability of changes in market interest rates causing the Issuer to fail to fulfil its financial obligations.

The subsidiaries of the Issuer have obtained for the existing projects long term financing through project finance agreements, whose interest rate risk is partially covered by credit derivatives (swaps), and project bond issuances, which have been issued at a fixed interest rate, which would mean they are not subject to significant interest rate variations.

It must be highlighted that, for the existing projects in Spain, a large portion of the incomes are linked to the yield on Spanish Government Bonds, which is reset every 6 years.

In the case of the new projects, higher interest rates would imply lower leverage and higher equity needs, which could impact on the resources needed and financial compromises of the Issuer.

The prospect of inflation may lead to fluctuations and a rise in the interest rates which may affect in future long-term financing for the upcoming projects that the group is developing in the Iberian area increasing the Issuer's Group financial expenses related to its variable rate borrowing, as well as the costs of refinancing existing debt of the Issuer's group.

There is also a contingent risk related to the future projects developed by the Issuer whose financing has not been agreed under terms of fixed interest rates and/or foreseeable costs.

iii) Liquidity risk

Liquidity risk is the probability of the Issuer to default on its financial obligations in the short term.

The Issuer does not have significant financial obligations in the short-term related to the existing projects. On the other side, the Issuer is developing an extensive growth strategy with the development of more than 18 GW of new projects in Iberia, Italy, and Germany. The development and execution of these projects will need long-term financing from banks or bond investors. Although the Issuer has a long experience in project finance and bond finance, the process could suffer delays or changes on expected conditions that could affect the global liquidity of the Issuer.

iv) Financial covenants

As stated in the Audited Consolidated Financial Statements, on 31 December 2022, the Group has recorded, under the heading "Bonds and other marketable securities", short and long-term debt for a total amount of 135.161 thousand euros corresponding to the Project Bonds issued by its subsidiaries. The corresponding financing agreements foresee early redemption in the event of non-compliance with the Debt Service Coverage Ratio (DSCR).

In addition, the Group register project financing that amounts 602.486 thousand euros which are also subject to compliance with the Debt Service Coverage Ratio (DSCR). We foresee early repayment in the event of non-compliance with the Debt Service Coverage Ratio (DSCR).

Both amounts represent 737.647 thousand euros, approximately 70% of the Group's total financing.

1.2 Essential information regarding the specific risks of the securities

The main risks of the Commercial Paper are the following:

- Market risk. The Commercial Paper are fixed-income securities assets, and their market price is subject to potential fluctuations, mainly due to the evolution of interest rates. Therefore, the Issuer cannot ensure that the Commercial Paper will be traded at a market price that is equal to or higher than the subscription price.

- Credit risk. The Commercial Paper is secured by the Issuer’s total net worth. The credit risk arises from the potential inability of the counterparty to comply with the obligations set out in the agreement and involves the possible loss that a full or a partial breach of these obligations could cause.

- Risk relating to changes in the credit rating of the Issuer. The Issuer’s credit rating may be downgraded due to an increase of its indebtedness or due to the deterioration of its financial ratios, which would imply a worsening of the Issuer’s capacity to meet its payment obligations.

  On 26 March 2019, Ethifinance Ratings, S.L. (hereinafter, “**Ethifinance**”) issued a rating report assigning the Issuer a credit rating of BBB, with a positive outlook. One year later, on 8 April 2020 a new report was issued updating that rating. As a result of this new report, Ethifinance assigned the Issuer with a rating of BBB with a stable outlook. On 15 April 2021 and 5 April 2022 Ethifinance updated the Issuers rating with a BBB and a stable outlook. On April 4, 2023, Ethifinance updated and increased the rating to BBB+ with a stable outlook. This rating focuses on an assessment of solvency and the associated credit risk in the medium and long term.

  Pursuant to Ethifinance's nomenclature, a BBB+ rating means “adequate capacity to honor its financial commitments.”

- Liquidity risk. This is the risk by virtue of which investors may not be able to find a counterparty for the securities when they want to sell the Commercial Paper prior to their maturity date. Even though the admission (*incorporación*) of the Commercial Paper will be requested to MARF in order to mitigate this risk, an active trading on the market cannot be guaranteed.

  Moreover, the Issuer has not entered into any liquidity agreement, and, consequently, no entity has undertaken to ensure put and call prices of the Commercial Paper. Therefore, investors may not find a counterparty for the Commercial Paper.

- Risk relating to Spanish Insolvency Law: In accordance with Royal Decree Law 1/2020, of 5 May, governing Insolvency, and its related regulations (*Texto Refundido Ley Concursal*) (the "**Insolvency Law"**), in case of insolvency (*concurso*) of the Issuer, credits held by investors as a result of the Commercial Paper shall rank behind privileged credits, but ahead of subordinated credits (except if they could be classified as subordinated in accordance with Article 281 of the Insolvency Law). In accordance with Article 281 of the Insolvency Law, the following are deemed to be subordinated credits, among others: (i) Credits that, having been lodged late, are included by the insolvency administrators in the creditors list, as well as those which, not having been lodged, or having been lodged late, are included in such list subsequent communications or by the judge when deciding in relation to the contestation thereof, (ii) Credits for charges and interest of any kind, including interest in arrears, except for credits secured by collateral up to the extent of the security interest, and (iii) Credits held by any of the persons especially related to the debtor, as referred to in Article 283 of the Insolvency Law.

2 Information of the issuer and its Group

Full name of the Issuer, including its address and identification data

The full name of the Issuer is SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. (previously Solaria Energía y Medio Ambiente, S.L.) ("**Solaria**" or the "**Issuer**") a public limited company (*sociedad anónima*) incorporated under the laws of Spain with registered office at Princesa 2 28008 Madrid, registered in the Madrid Commercial Registry under Volume 18402, Sheet 168, Page M-319304, Entry 1.

It was incorporated on 27 November 2002, by virtue of a notarial instrument executed before the Notary of Madrid, Mr. Norberto González Sobrino and recorded in his notarial records under number 4.616.

On 21 March 2007, the Company filed an application with the Madrid Mercantile Registry to transform its status from a private limited liability company to a public limited liability company, in accordance with a Resolution approved by a General Meeting of the Company´s shareholders held on 1 January 2007 and on 18 May 2007, the Company was registered in the Mercantile Registry as a public limited liability company.

The Issuer is a holding company incorporated with sole purpose of supplying and installing solar energy plants. As from the second half of 2005, the Company started its expansion by building a PV and thermal module production plants.

The shares of the Issuer have been admitted to trading on the Spanish Stock Exchange since 2007 and since 19 October 2020, the Issuer is part of the Spanish Stock Exchange IBEX-35.

As of the date of this Information Memorandum, the share capital of the Issuer is represented by 124,950,876 shares with a par value of 0.01 euro each, fully paid up. All shares carry the same political and economic rights.

The Tax Identification Number of the Issuer is A-83511501 and its LEI Code is 959800PM2YJU406K2789.

Website: https://www.solariaenergia.com

Principal shareholders and organizational structure

The chart included as **Annex I** shows the corporate structure of the Issuer and the Operating Companies within the Group.

Brief description of the Issuer´s activity

Founded in 2002, the Issuer is dedicated to renewables and more specifically to solar PV power generation.

Listed in the Spanish stock market since June 2007, the Issuer has historically covered the entire solar energy value chain from wafer production to solar parks management. In recent years, the Issuer's business model has evolved, closing its solar panel manufacturing facilities and focusing exclusively on the activities of the solar energy value chain offering higher margins and return for its shareholders, leveraging the experience of the company in the solar business selling electricity from the own solar PV projects developed in house. It has evolved from being an industrial group to one of the major independent solar PV power generation players in Spain and in Europe.

Today, the main activities of the Issuer are:

- Project origination and development (Greenfield).
- Operation and maintenance ("**O&M**").
- Engineering Procurement and Construction of PV Plants:
- Acquisition of solar PV assets in operation (brownfield); and
- Power generation, receiving revenues from its own plants connected to the grid.

Although, from its beginning, the Issuer has always maintained an international vocation to diversify its revenues, Spain is still its main market with around 2/3 of the sales. This exposure should increase since Spain is still the focus of the Group's strategy in the short term.

Issuer's portfolio of assets in operation includes 61 solar PV power plants for a combined total of 1,658MW of installed capacity distributed as follows: Spain 1,554MW, Portugal 63,3 MW, Uruguay 23MW, Italy 17MW and Greece 0.4MW.

The existing assets operate under regulated and merchant schemes in Spain, Italy, and Greece, and under a PPA model in Portugal and Uruguay. In addition to these assets, the Issuer has at the end of the third quarter of 2023 a total of 1,425 GW under construction.

The Issuer holds 18.6 GW in projects under pipeline in Spain, Portugal, Germany, Italy, Greece, and Portugal.

<u>*Track record of Solaria*</u>

- <u>2002-2008:</u>

Solaria was founded in 2002 to design, manufacture, install and develop PV and thermal solar solutions. Between 2005 and 2007, the Group significantly increase its production capacity in modules (Puertollano Plant in 2005 and Fuenmayor plant in 2007) and PV cells (Puertollano Plant in 2007). The manufacturing capacity exceeds 200 MW in 2007 in PV modules.

In June 2007, the Issuer achieved another milestone, being the first company in the sector listed in the Spanish stock exchange thanks to which the company initiates a strategy of vertical integration towards the in-house development of PV generation plants.

In 2008, the Issuer is the largest Spanish developer of PV solar plants with 44 MW, where it also acts as EPC contractor and in charge of the O&M activities. However, regulatory changes in Spain generate a climate of uncertainty in the sector that penalizes the financing of projects in Spain, negatively affecting the growth potential.

- <u>2009-2013:</u>

The Issuer initiates an international expansion plan focused on mature markets such as Germany, Italy, France and, to a lesser extent, others without a track record such as Brazil. During 2010, it had more than 40 additional MW developed, built, and financed in Italy, Greece, Germany, and the Czech Republic. China's competition begins to place the module manufacturing sector in serious competitiveness problems, which in the case of Spain is aggravated by the standstill on investments in manufacturing plants due to the regulatory changes.

At the end of 2013, after having supplied more than 300 MW to the sector, the lack of competitiveness and profitability make it impossible for the Issuer to continue with the industrial business of manufacturing modules, implying the start of the plants closure and a reduction of the workforce. In addition, the Issuer proceeds to a gradual sale of its generation assets in Europe, Germany, and the Czech Republic, to initiate financial restructuring plans and investment in generation plants in new immature markets with potential for energy demand. The company publishes high losses due to the loss of value of industrial assets in the process of closing and the lower revenues due to the closing of the sale of its PV modules division.

- 2014-2015:

During 2014, Solaria completed a downsizing plan (*Expediente de regulacion de empleo*) to proceed to the definitive closure of its industrial facilities in Puertollano and Fuenmayor, confirming the basis of the new strategic direction, although a loss-making financial situation persists as a result of high indebtedness that required its restructuring. The funding schemes are agreed in an agreement with Société Générale and consider a subscription of capital increases on Solaria request (agreement 'PACEO') and the sale of industrial (machinery) and generation (plants in Germany, Czech Republic, and some asset of Italy) assets.

In 2015, the Group was still in need of more funding and a debt renegotiation before making the required investments to grow in line with the new guidelines.

- 2016-2023:

During this period, Solaria has successfully undertaken the process of debt restructuring through the amortization of almost all the recourse debt and the refinancing of the nonrecourse debt. The financial restructuring has been possible through the refinancing of the plants in operation through project bonds issuance with an average life of over 20 years at a fixed rate. These issuances have permitted to reduce the debt cost, increase the leverage, free up new resources for the parent company, and improve the cash flows of the projects. These new financial resources enable the cancelation of almost all of the recourse debt of the Group and allow to finance the growth through the acquisition of new generation plants and the development of new projects.

In this way, in 2017, Solaria announced the commissioning of two plants in Uruguay (Yarnel and Natelu) with a peak output of 22.7 MW, plant acquisitions; Magacela (Spain), Villamañan (Spain), UTA 1 (Italy), and the award of 250 MW in the third renewable auction in Spain.

In the first half of 2018, the company executes the acquisition of the SAE1 and remaining 50% of Elassona plants. In July, the company closes successfully a €96.7M capital increase that has allowed to strengthen the liquidity and fund the strategic plan announced in June. At the end of 2018, the company also signs two PPAs with Repsol, for a total capacity of 102 MW, becoming one of the most relevant independent power producers in the PPA market and ensuring income stability of these projects in the long term.

During 2019, Solaria has successfully accomplished the construction of PV Plants for a total of 250 MW awarded to Solaria in the third renewable auction in Spain, as mentioned above. Additionally, Solaria finished the construction of a 30MW PV plant in Medina del Campo, which is one the PV Plants included within the PPA contract entered into with Repsol.

Additionally, Solaria has been awarded 64 MWp in Portugal in the 2019 renewable auction.

Solaria registered its first commercial paper programme in MARF on March 25, 2019, for an amount up to €50,000,000 for a one year period, which has been renewed on a yearly basis. In particular, on December 23, 2021, Solaria registered a commercial paper programme in MARF for a higher amount up to €100,000,000 and with maturity date December 23, 2022. That program was replaced by a new program on December 22, 2022, for the same amount and a termination date of December 22, 2023. At the date of this Information Memorandum, the outstanding balance of the referred commercial paper programme is €92,200,000.

In 2021 Solaria was awarded with 180 MW in Spain in the 2021 renewable auction.

During 2022, the Issuer has financed the construction of fifteen (15) PV Plants projects located in Guadalajara, Zamora, Ciudad Real and Valladolid with the European Investment Bank, ABN Amro Bank, N.V. and Commerzbank Aktiengesellschaft for an amount of 371,945,578.17 euro with a total capacity of 736MW and other additional four (4) PV Projects located in Castille and León with Banco Sabadell, S.A. for an approximate amount of 135,000,000 euros with a total capacity of 285MW.

In 2022 Solaria has begun to develop solar projects in Germany with a local team based in Germany that is currently developing origination works.

During 2023, the Issuer has financed the construction of twenty (24) PV Plants projects located in Burgos, Lérida, Guadalajara, León and Palencia with the European Investment Bank and Banco Santander S.A of 514.809.750 with a total capacity of 1,084MW.

The Issuer´s objective is to continue growing mainly in Southern Europe through own developments and acquisitions of operating plants, which allow an increase of the Group's generation portfolio.

The Issuer continues to fulfill its strategic plan and now has 1,658 MW connected, representing a 66% increase compared to the same period last year. During this period, Solaria has also progressed in its technology diversification and international strategy. In this regard, Solaria has reached 2.5 GW of assured capacity for new projects in Italy, with the development of three clusters: Palermo (241 MW), Luccano (243 MW), and Spinazzola (308 MW). In Germany, a new office has been opened in Berlin, and opportunities for 5.6 GW have been identified. Lastly, hybridizations with wind power have been requested at Solaria's own connection points in Spain and Portugal, totaling 1,200 MW, which are part of a package with an identified wind resource potential of over 3 GW.

Object of the Issuer

The corporate object of the Issuer is included in article 2 of its bylaws (*estatutos sociales*), which read as follows:

"1. The Company's corporate object is to carry out the following activities:

> *a) Installation and repair of solar, thermal, and photovoltaic installations, wind energy and any other type of renewable energy.*
> *b) Fabrications of modules, cells, and components of solar, thermal, and photovoltaic energy, wind energy and any other type of renewable energy.*
> *c) Installation and repair of plumbing, gas, electricity, cold, heat and air conditioning.*
> *d) Realization and execution of technical projects of the devices (a) to (c) above.*
> *e) Provision of maintenance and conservation services for works carried out either by the Company itself or by third parties.*
> *f) Representation and commercialization by any legal means admitted by law, including import and export, of all goods and services related to the activity described.*
> *g) Teaching of courses to third parties of all the subjects contained in this Article.*
> *h) Construction, purchase, and lease of real estate.*
> *i) Marketing of computer and electronic products and services provided for the study and analysis of processes for mechanical processing, programming for electronic equipment for data recording on computer supports, as well as the sale of programs and other related to computer and process of data.*

2. The Company may carry out activities that are part of its corporate purpose totally or partially, directly, or indirectly through the ownership of shares or interests in companies with identical or similar purposes.

3. All activities for which the law requires special requirements that are not fulfilled by this Company are excluded from the corporate purpose.

4. If the legal provisions for the exercise of any of the activities included in the corporate purpose require a professional title, administrative authorization or registration in public records, such activities must be carried out by means of persons who have such professional ownership and, in any case, they cannot be started before they have fulfilled the required administrative requirements."

Administrative and management bodies

The management of the Issuer is entrusted to a Board of Directors formed by Mr. Enrique Díaz-Tejeiro Gutiérrez, Mr. José Arturo Díaz-Tejeiro Larrañaga, Mrs. María Dolores Larrañaga Horna, Mr. Carlos Francisco Abad Rico, Mr. Manuel Azpilicueta Ferrer and María José Canel Crespo as members of the Board of Directors (*consejeros*).

Mr. Enrique Díaz-Tejeiro Gutiérrez, is President of the Board of Directors of Solaria since May 2007. He is an Industrial Engineer and had been Director of the company "Camping Gas Española" and General Director of the company "Divigrasa" as well as Facultative Director of the company "ASEI" (integrated in Enagás group).

Mr. José Arturo Díaz-Tejeiro Larrañaga is First Vice President of the Board of Directors of Solaria since June 2021. He is an Industrial Engineer and holds an MBA from "Instituto de Empresa" and is certified as "Experto en Sistemas Fotovoltaicos".

Mrs. María Dolores Larrañaga Horna is member of the Board of Directors as dominical director of Solaria since 30 June 2022. She is director and representative shareholder of the company Tupenfield, S.L. which holds an important stake in the ownership of Solaria.

Mr. Carlos Francisco Abad Rico is member of the Board of Directors of Solaria since June 2007. He is an economist and holds an MBA from Columbia University. He is also President of Haya Real Estate.

Mr. Manuel Azpilicueta Ferrer is member of the Board of Directors of Solaria since May 2007. He is a Commercial Technician and a State Economist. Between 1976 and 1985 he was Vice President of the National Institute of Industry (INI), President of Banco Unión and President of "Repsol Butano".

Mrs. María José Canel Crespo is a member of the Board of Directors of Solaria since June 2023. PhD in Communication (University of Navarra, Spain), Public Management Leadership Program (IESE), Professor of Political Communication and Public Sector, Universidad Complutense de Madrid, Spain. She is Co-Chair of the Political Marketing and Communication section of the European Group for Public Administration (EGPA) and founding president of ACOP.

Financial information

The Issuer's consolidated financial statements for the financial years ended on 31 December 2021 and 31 December 2022 (and, when available, 31 December 2023), audited and without reservations, can be directly downloaded in the following link: https://solariaenergia.com/informacion-economica/

Notwithstanding the above, hereby we include some of the Issuer's main financial figures of the last fiscal year

ASSETS	2022	2021
NON-CURRENT ASSETS	1,226,276	854,468
Intangible assets	**165**	**168**
Patents, licenses, trademarks and similar rights	76	76
Computer software	89	92
Surface rights	**103,805**	**112,053**
Property, plant and equipment	**973,557**	**671,303**
Land and buildings	37,245	22,333
Technical installations and machinery	743,783	504,870
Property, plant and equipment under construction	192,529	144,100
Non-current financial assets	**68,643**	**1,478**
Other financial assets	3,676	1,478
Derivatives	64,967	-
Deferred tax assets	**80,106**	**69,466**
CURRENT ASSETS	200,682	188,284
Trade and other receivables	**49,155**	**34,716**
Trade receivables	40,670	34,489
Other receivables	183	227
Other receivables from public authorities	8,302	-
Current investments	**110**	**301**
Other financial assets	110	301
Prepayments for current assets	**760**	**416**
Cash and cash equivalents	**150,657**	**152,851**
Cash	150,657	152,851
TOTAL ASSETS	1,426,958	1,042,752

EQUITY AND LIABILITIES	2022	2021
EQUITY	344,728	247,355
CAPITAL AND RESERVES	**371,885**	**280,396**
Capital	**1,250**	**1,250**
Registered capital	1,250	1,250
Share premium	**309,676**	**309,676**
Reserves	**45,359**	**45,359**
Legal reserve	5,311	5,311
Voluntary reserves	40,048	40,048
Prior years' losses	**(75,888)**	**(123,924)**
Non-controlling interests	**1,440**	**-**
Profit for the year	**90,048**	**48,035**
VALUATION ADJUSTMENTS	**(27,157)**	**(33,041)**
Hedging transactions	(26,744)	(32,645)
Translation differences	(413)	(396)
NON-CURRENT LIABILITIES	897,010	621,752
Non-current loans and borrowings	**880,779**	**621,752**
Bank borrowings	556,496	355,958
Bonds and other marketable securities	128,336	122,100
Lease liabilities	99,744	106,151
Derivatives	96,203	37,543
Deferred tax liabilities	**16,231**	**-**
CURRENT LIABILITIES	185,220	173,645
Current loans and borrowings	**96,975**	**84,168**
Bank borrowings	45,990	23,629
Bonds and other marketable securities	46,825	54,502
Lease liabilities	4,160	4,681
Derivatives	-	575
Other financial liabilities	-	781
Trade and other payables	**88,245**	**89,477**
Suppliers and other payables	81,886	83,907
Personnel - salaries payable	2,678	2,522
Current tax liabilities	3,021	2,577
Other payables to public authorities	660	464
Advances from customers	-	7
TOTAL EQUITY AND LIABILITIES	1,426,958	1,042,752

Consolidated income statement:

	2022	2021
CONTINUING OPERATIONS		
Revenue	**139,281**	**95,070**
Sales	138,636	94,664
Rendering of services	645	406
Other income	**9,975**	**4,469**
Self-constructed assets	**18,092**	**10,985**
Personnel expenses	**(13,483)**	**(10,501)**
Salaries, wages and similar	(11,106)	(8,783)
Employee benefits expense	(2,377)	(1,718)
Other operating expenses	**(6,778)**	**(6,640)**
External services	(5,254)	(3,983)
Taxes other than income tax	(1,524)	(2,657)
Amortization and depreciation	**(24,989)**	**(20,383)**
OPERATING PROFIT	122,098	73,000
Finance income	**344**	**328**
Other finance income	344	328
Finance costs	**(21,374)**	**(16,873)**
Interest on third-party borrowings	(21,374)	(16,700)
Other finance costs	-	(173)
Exchange differences	**2**	**(202)**
NET FINANCE INCOME/(EXPENSE)	(21,028)	(16,747)
CONSOLIDATED INCOME BEFORE TAX	101,070	56,253
Income tax expense	**(11,022)**	**(8,218)**
NET INCOME	90,048	48,035
Basic and diluted earnings per share (€)	0.72	0.38

Commercial Paper Programme 2023 / *Programa de Pagarés 2023.*

4 Persons responsible

Mr. Darío López Clemente, in the name and on behalf of Solaria, is responsible for the entire content of this Base Information Memorandum (*Documento Base Informativo de Incorporación*), pursuant to his condition as general manager of the Issuer.

Mr. Darío López Clemente hereby declares that the information contained in this Information Memorandum is, to the best of his knowledge and after executing the reasonable diligence to ensure that it is as stated, compliant with the facts and does not suffer from any omission that could affect the content.

5 Duties of the registered advisor of the MARF

Andersen Tax & Legal Iberia, S.L.P. is a Spanish company registered in the Valencia Companies Register under volume 3.997, book 1.309, folder 192, sheet V-17.732, with C.I.F. B-46356481 and LEI 59800M3PTD81PRSWP78, domiciled at C/ Pintor Sorolla 1, 46002 – Valencia, admitted as registered advisor company of the Alternative Fixed-Income Market according to instruction (*Instrucción Operativa*) 3/2023, of March 23 ("**Andersen**" or the "**Registered Advisor**").

Andersen has been designated as Registered Advisor of the Issuer. Accordingly, the Registered Advisor shall enable the Issuer to comply with the obligations and responsibilities to be assumed on incorporating its issues into the multilateral trading facility, the Alternative Fixed-Income Market ("**MARF**" or the "**Market**"), acting as specialist liaison between both, MARF and Solaria, and as a means to facilitate the insertion and development of the same under the new securities trading regime.

Therefore, Andersen must provide MARF with any periodically information it may require and, on the other hand, MARF may require as much information as it may deem necessary regarding the actions to be carried out and its corresponding obligations, being authorized to perform as many actions as necessary, where appropriate, in order to verify the information provided.

The Issuer must have, at any time, a designated Registered Advisor registered in the "Market Registered Advisor Registry" (*Registro de Asesores Registrados del Mercado*).

Andersen has been designated as Registered Advisor of the Issuer in order to provide advisory services to Solaria (i) on the admission to trading (*incorporación*) of the securities issued, (ii) on compliance with any obligations and responsibilities applicable to the Issuer for taking part on MARF, (iii) on compiling and presenting the financial and business information required, and (iv) in order to ensure that the information complies with these regulatory requirements.

As Registered Advisor, Andersen with respect to the request for the admission (*incorporación*) to trading of the Commercial Paper on MARF:

> (i) has verified that the Issuer complies with the requirements of MARF's regulations for the admission (*incorporación*) of the securities to trading;
>
> (ii) has assisted the Issuer in the preparation of the Information Memorandum, has reviewed all the information provided by the Issuer to the Market in connection with the request for the admission (*incorporación*) to trading of the securities on MARF and has checked that the information provided complies with the requirements of applicable regulations and does not leave out any relevant information that could lead to confusion among potential investors.

Once the securities are admitted to trading, the Registered Advisor will:

> (i) review the information that the Issuer prepares for MARF periodically or on a one-off basis, and verify that this information meets the requirements concerning content and deadlines set out in the regulations;
>
> (ii) advise the Issuer on the events that might affect compliance with the obligations assumed when including its securities to trading on MARF, and on the best way of treating such events in order to avoid breach of said obligations;
>
> (iii) report to MARF any events that could represent a breach by the Issuer of its obligations in case it notices any potential and relevant breach that had not been rectified following notification; and
>
> (iv) manage, answer and deal with queries and requests for information from MARF regarding the situation of the Issuer, progress of its activity, the level of compliance with its obligations and any other data the Market may deem relevant.

Regarding the previous, the Registered Advisor shall perform the following actions:

> (i) maintain regular and necessary contact with the Issuer and analyse any exceptional situations that may arise concerning the evolution of the price, trading volumes and other relevant circumstances regarding trading of the Issuer's securities;
>
> (ii) sign any declarations which, in general, have been set out in the regulations as a consequence of the admission (*incorporación*) to trading of the securities on MARF, as well as with regard to the information required from companies with securities on the Market;
>
> (iii) forward to MARF, without delay, the communications received in response to queries and requests for information the latter may send.

6 Maximum outstanding balance

The maximum amount of this Commercial Paper Programme will be a nominal of ONE HUNDRED AND FIFTY MILLION EUROS (€ 150,000,000).

This amount is understood as the maximum outstanding balance of all the Commercial Paper issued at any given time pursuant to the Information Memorandum.

7 Description of the type and class of the securities. Nominal value

The Commercial Paper are securities issued at discount, which represent a debt for the Issuer, accrue interest and can be reimbursed at their nominal value on maturity. An ISIN code (International Securities Identification Number) will be assigned to each Commercial Paper with the same maturity issued under the Commercial Paper Programme.

Each Commercial Paper will have a nominal value of ONE HUNDRED THOUSAND EUROS (€100,000), meaning that the maximum number of Commercial Paper in circulation at any given time shall not exceed one thousand (1,500).

8 Governing law of the securities

The securities are issued in accordance with the Spanish legislation applicable to the Issuer or to the Commercial Paper. In particular, the Commercial Paper is issued pursuant to Law 6/2023, dated March 17, on Securities Markets and Investment Services ("**Securities Market Act**"), in accordance with its current wording and with any other related regulations.

The courts and tribunals of the city of Madrid have exclusive jurisdiction to settle any disputes arising from or in connection with the Commercial Paper (including disputes regarding any non-contractual obligation arising from or in connection with the Commercial Paper).

9 Representation of the securities through book entries

The Commercial Paper to be issued under the Commercial Paper Programme will be represented by book entries, as set out in the mechanisms for trading on the MARF for which admission (*incorporación*) of the securities is requested. The party in charge of accounting records is Iberclear as managing entity of the Spanish Central Registry (*Registro Central*), together with its Participating Entities (*entidades participantes*).

Iberclear, with registered office in Madrid, Plaza de la Lealtad, 1, will be in charge of the accounting records together with its participating entities, pursuant to the provisions of article 8.3 of the Spanish Securities Market and Investment Services Act and Royal Decree 814/2023, of November 8, on financial instruments, admission to trading, registration of negotiable securities, and market infrastructures (*Real Decreto 814/2023, de 8 de noviembre, sobre instrumentos financieros, admisión a negociación, registro de valores negociables e infraestructuras de mercado*), which shall repeal and replace it.

10 Currency of the issue

The Commercial Paper issued under the Commercial Paper Programme will be denominated in Euros.

11 Order of priority

The Commercial Paper issued by the Issuer under the Commercial Paper Programme will not be secured by any *in rem* guarantees (*garantías reales*) or guaranteed by any personal guarantees (*garantías personales*). The capital and the interest of the Commercial Paper will be secured by the Issuer's total net worth.

For the purposes of priority, should the Issuer file for insolvency, the investors are behind any privileged creditors that the Issuer has on that date, pursuant to the classification and order of priority of credits set out in Insolvency Law.

12 Description of the rights inherent to the securities and the procedure to exercise such rights. Method and term for payment and delivery of the securities

In accordance with the applicable legislation, the Commercial Paper issued under the Commercial Paper Programme will not represent, for the investor that acquires them, any present and/or future political rights over the Issuer.

The economic and financial rights of the investors associated to the acquisition and holding of the Commercial Paper will be those arising from the conditions of the interest rate, yields and redemption prices with which they are issued, specified in sections 13, 14 and 16 bellow.

The date of disbursement of the Commercial Paper will coincide with its date of issuance, and the effective value of the Commercial Paper will be paid to the Issuer by Banco de Sabadell, S.A. (as paying agent), into the account specified by the Issuer on the corresponding date of issuance.

In all cases the Placement Entities will issue a nominative and non-negotiable certificate of acquisition. The referred document will provisionally credit the subscription of the Commercial Paper until the appropriate book entry is practiced, which will grant its holder the right to request the relevant legitimacy certificate (*certificado de legitimación*). Furthermore, the Issuer will report the disbursement to MARF and Iberclear through the corresponding certificate.

13 Date of issue. Term of the Commercial Paper Programme

The term of the Commercial Paper Programme is of one (1) year from the date of incorporation of this Information Memorandum with MARF.

As the Commercial Paper Programme is a continuous type, the securities may be issued and subscribed on any day during its term. Notwithstanding the previous, the Issuer reserves the right not to issue new securities when it deems such action appropriate, pursuant to the cash needs of the Issuer or because it has found more advantageous conditions of funding.

The issue date and disbursement date of the Commercial Paper will be stipulated in the complementary certificates corresponding to each issue. The date of issue, disbursement and admission of the Commercial Paper may not be subsequent to the expiry date of the Commercial Paper Programme.

14 Nominal interest rate. Indication of the yield and calculation method

The annual nominal interest will be set in each adjudication. The Commercial Paper will be issued at the interest rate agreed by and between the relevant placement entities (for these purposes, and jointly with any other entity that may be appointed from time to time, the "**Placement Entities")** and the Issuer or between the Issuer and any other additional placement entities that are appointed by the Issuer. The yield will be implicit in the nominal value of the Commercial Paper, to be reimbursed on the maturity date.

The interest at which the Placement Entities transfers the Commercial Paper to third parties will be the rate freely agreed between the interested parties.

As these are discounted securities with an implicit rate of return, the cash amount to be paid out by the investor varies in accordance with the issue interest rate and period agreed.

Therefore, the cash amount of the Commercial Paper may be calculated by applying the following formulas:

- When the Commercial Paper is issued for a term of 365 days or less:

$$E = \frac{N}{1 + i_n \frac{d}{365}}$$

- When the Commercial Paper is issued for a term greater than 365 days:

$$E = \frac{N}{(1+i)^{\frac{d}{365}}}$$

Whereby:

N = nominal amount of the Commercial Paper.
E = cash amount of the Commercial Paper.
d = number of days of the period to maturity.
i = nominal interest rate, expressed as an integer value.

A table is included to help the investor, specifying the cash value tables for different rates of interest and redemption periods, and there is also a column showing the variation of the cash value of the Commercial Paper by increasing the period of this by 10 days.

	7 days			30 days			60 days			90 days			180 days			270 days			365 days		
Nominal rate (%)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)	Subscription price (euros)	IRR / AER (%)	+ 10 days (euros)
1	99,980.8	1	-27.4	99,917.9	1	-27.4	99,835.9	1	-27.3	99,754.0	1	-27.2	99,509.3	1	-27.2	99,265.71	1.00%	-26.99	99,009.9	1	-26.8
1.25	99,976.0	1.26	-34.2	99,897.4	1.26	-34.2	99,794.9	1.26	-34.1	99,692.7	1.26	-34	99,387.3	1.25	-33.8	99,083.81	1.25%	-33.61	98,765.4	1.25	-33.4
1.5	99,971.2 +	1.51	-41	99,876.9	1.51	-41	99,754.0	1.51	-40.8	99,631.5	1.51	-40.8	99,265.7	1.51	-40.5	98,902.59	1.50%	-40.18	98,522.2	1.5	-39.9
1.75	99,966.4	1.77	-47.8	99,856.4	1.76	-47.8	99,713.2	1.76	-47.7	99,570.3	1.76	-47.5	99,144.4	1.76	-47.1	98,722.02	1.75%	-46.71	98,280.1	1.75	-46.3
2	99,961.7	2.02	-54.8	99,835.9	2.02	-54.6	99,672.3	2.02	-54.4	99,509.3	2.02	-54.3	99,023.3	2.01	-53.7	98,542.12	2.01%	-53.18	98,039.2	2	-52.6
2.25	99,956.9	2.28	-61.6	99,815.4	2.27	-61.4	99,631.5	2.27	-61.2	99,448.3	2.27	-61	98,902.6	2.26	-60.3	98,362.86	2.26%	-59.61	97,799.5	2.25	-58.9
2.5	99,952.1	2.53	-68.4	99,794.9	2.53	-68.1	99,590.7	2.53	-67.9	99,387.3	2.52	-67.6	98,782.1	2.52	-66.8	98,184.26	2.51%	-65.98	97,561.0	2.5	-65.2
2.75	99,947.3	2.79	-75.2	99,774.5	2.78	-75	99,550.0	2.78	-74.6	99,326.5	2.78	-74.3	98,662.0	2.77	-73.3	98,006.31	2.76%	-72.31	97,323.6	2.75	-71.3
3	99,942.5	3.04	-82	99,754.0	3.04	-81.7	99,509.3	3.04	-81.4	99,265.7	3.03	-80.9	98,542.1	3.02	-79.7	97,829.00	3.01%	-78.60	97,087.4	3	-77.4
3.25	99,937.7	3.3	-88.8	99,733.6	3.3	-88.5	99,468.6	3.29	-88	99,205.0	3.29	-87.6	98,422.5	3.28	-86.1	97,652.33	3.26%	-84.84	96,852.3	3.25	-83.5
3.5	99,932.9	3.56	-95.6	99,713.2	3.56	-95.3	99,427.9	3.55	-94.7	99,144.4	3.55	-94.2	98,303.3	3.53	-92.6	97,476.30	3.52%	-91.03	96,618.4	3.5	-89.5
3.75	99,928.1	3.82	-102.5	99,692.7	3.82	-102	99,387.3	3.81	-101.3	99,083.8	3.8	-100.7	98,184.3	3.79	-99.0	97,300.90	3.77%	-97.17	96,385.5	3.75	-95.3
4	99,923.3	4.08	-109.3	99,672.3	4.07	-108.7	99,346.8	4.07	-108.1	99,023.3	4.06	-107.3	98,065.6	4.04	-105.3	97,126.13	4.02%	-103.27	96,153.8	4	-101.2
4.25	99,918.6	4.34	-116.2	99,651.9	4.33	-115.5	99,306.2	4.33	-11.7	98,962.9	4.32	-113.9	97,947.1	4.3	-111.5	96,951.99	4.27%	-109.33	95,923.3	4.25	-107.1
4.5	99,913.8	4.6	-123	99,631.5	4.59	-122.2	99,265.7	4.59	-121.3	98,902.6	4.58	-120.5	97,829.0	4.55	-117.9	96,778.47	4.53%	-115.33	95,693.8	4.5	-112.8
4.75	99,909.0	4.86	-129.7	99,611.1	4.85	-129	99,225.2	4.85	-127.9	98,842.3	4.84	-127	97,711.1	4.81	-124	96,605.57	4.78%	-121.30	95,465.4	4.75	-118.5
5	99,904.2	5.12	-136.5	99,590.7	5.12	-135.7	99,184.8	5.11	-134.6	98,782.1	5.09	-133.5	97,593.6	5.06	-130.3	96,433.29	5.03%	-127.22	95,238.1	5	-124.1
5.25	99,899.4	5.39	-143.3	99,570.3	5.38	-142.4	99,144.4	5.37	-141.2	98,722.0	5.35	-140	97,76.3	5.32	-136.5	96,261.62	5.29%	-133.10	95,011.9	5.25	-129.7
5.5	99,894.6	5.65	-150.1	99,550.0	5.64	-149.1	99,104.0	5.63	-147.8	98,662.0	5.62	-146.5	97,359.3	5.58	-142.6	96,090.56	5.54%	-138.93	94,786.7	5.5	-135.2
5.75	99,889.8	5.92	-156.9	99,529.6	5.9	-155.8	99,063.6	5.89	-154.3	98,602.0	5.88	-152.9	97,242.6	5.83	-148.8	95,920.11	5.79%	-144.72	94,562.6	5.75	-140.6
6	99,885.1	6.18	-163.8	99,509.3	6.17	-162.5	99,023.3	6.15	-160.9	98,542.1	6.14	-159.4	97,126.1	6.09	-154.8	95,750.26	6.05%	-150.47	94,339.6	6	-146.1

Given the different types of issues that will be applied throughout the Commercial Paper Programme, we cannot predetermine the internal rate of return (IRR) for the investor. In any case, it will be determined in accordance with the formula detailed below:

$$i = \left[\left(\frac{N}{E}\right)^{365/d} - 1\right]$$

Whereby:

i = effective annual interest rate, expressed as an integer value.
N = nominal amount of the Commercial Paper.
E = cash amount at the time of subscription or acquisition.
d = number of calendar days between the date of issue (inclusive) and the date of maturity (exclusive).

15 Paying agent and depository entities

The entities collaborating in the Program as Placement Entities are at the date of registration of this Offering Memorandum:

- Beka Finance S.V., S.A.
- Banco Santander, S.A.
- Banco Sabadell SA
- PKF Attest Capital Markets S.V, S.A

Additionally, the Issuer may subscribe other placement agreements with new placement entities for the placement of the Commercial Papers. This issue, or the substitution or removal of a placement entity, will be communicated to MARF by means of the corresponding relevant fact ("*Otra Información Relevante*").

A placement agreement has been entered into by the Issuer and the Placement Entities for the Commercial Paper Programme, including the possibility to sell to third parties.

Banco de Sabadell, S.A. will act as paying agent (the "**Paying Agent**").

The Issuer has not designated any securities' depository entity. Each subscriber will designate, from among the participants in Iberclear, the entity in which to deposit its securities.

16 Redemption price and provisions regarding maturity of the securities. Date and methods of redemption

The Commercial Paper issued under the Commercial Paper Programme will be redeemed at their nominal value on the date indicated in the document proving acquisition, applying, when appropriate, the corresponding withholding tax.

The Commercial Paper issued under the Commercial Paper Programme may have a redemption period of between three (3) business days and seven hundred and thirty (730) calendar days (twenty-four (24) months). For these purposes and others throughout this document, "**Business Day**" means a day on which the *Trans-European Automated Real-Time Gross Settlement Express Transfer* (known as "**T2**") System or any successor thereto is operating, except from those days that, in spite of being Business Days according to T2, are holidays in the city of Madrid.

The Commercial Paper will not include an early redemption option for the Issuer (*call*) or for the securities' holder (*put*). Regardless of the previous, the Commercial Paper may be early redeemed given that, for any reason, they are in legitimate possession of the Issuer.

Given that the Commercial Paper will be traded in MARF, their redemption will take place pursuant to the operating rules of the clearance system of the Market, being paid, on maturity date, the nominal amount of the securities to their legitimate holder. Banco de Sabadell, S.A. as delegated paying agent does not take any liability whatsoever regarding reimbursement by the Issuer of the Commercial Paper on the maturity date.

Should the reimbursement not coincide with a Business Day according to the T2 calendar, reimbursement will be deferred to the first subsequent Business Day. Neither of the aforementioned cases will have any effect on the amount to be paid.

17 Valid term to claim the reimbursement of the principal

In accordance with article 1,964 of the Spanish Civil Code, reimbursement of the nominal value of the securities will no longer be callable after five (5) years from maturity.

18 Minimum and maximum issue period

As previously stated, during the validity of this Information Memorandum the Commercial Paper issued may have a redemption period of between three (3) Business Days and seven hundred and thirty (730) calendar days (twenty-four (24) months).

19 Early redemption

The Commercial Paper will not include an early redemption option for the Issuer (*call*) or for the securities' holder (*put*). Regardless of the previous, the Commercial Paper may be early redeemed given that, for any reason, they are in legitimate possession of the Issuer.

20 Restrictions on the free transferability of the securities

In accordance with the applicable legislation, there are no specific or generic restrictions on the free transferability of the Commercial Paper to be issued.

21 Taxation of the securities

In accordance with the provisions set out in current legislation, the Commercial Paper is rated as financial assets with implicit returns. Following is described the tax regime applicable to the acquisition, ownership and, if only, later transfer of the offered Commercial Paper.

This summary is not intended to be, nor should it be construed to be legal or tax advice. This summary is not a complete analysis or description of all the possible Spanish tax implications of such transactions and does not address all tax considerations that may be relevant to all categories of potential investors, some of whom may be subject to special rules (for instance, EU pension funds and EU harmonized collective investment institutions). In particular, this tax section does not address the Spanish tax consequences applicable to partnerships or other entities that are taxed as "look through" entities (such as trusts or estates).

Similarly, this information does not take into account specific regulations or the specialties in place in other Autonomous Communities of Spain (including the Autonomous Cities of Ceuta and Melilla).

Accordingly, prospective investors in the Commercial Paper should consult their own tax advisors as to the applicable tax consequences of their purchase, ownership, and disposition of our Commercial Paper, including the effect of tax laws of any other jurisdiction, based on their particular circumstances.

The description of Spanish tax laws set forth below is based on law currently in effect in Spain as at the date of the Commercial Paper Programme, and on administrative interpretations of Spanish law. As a result, this description is subject to any changes in such laws or interpretations occurring after the date of the Commercial Paper Programme, including changes having retrospective effect.

For illustrative purposes only, the applicable regulations will be:

Law 35/2006, of 28 November, governing Personal Income Tax and partial amendment of the laws on Corporate Tax, Non-residents Income Tax and Wealth Tax (“PIT Law”), as well as Royal Decree 439/2007, of 30 March, which approves the Regulation on Personal Income Tax and modifies the Regulations on Pension Funds and Plans approved through Royal Decree 304/2004, of 20 February (“PIT Regulation”);
- Law 27/2014, of 27 November, of the Corporate Tax Law (“CIT Law”) as well as Corporate Tax Regulations approved through Royal Decree 634/2015, of 10 July (“CIT Regulation”);
- Royal Legislative Decree 5/2004, of 5 March, which approves the consolidated text of the Non-residents Income Tax Law (“NRIT Law”), and in Royal Decree 1776/2004, of 30 July, which approves the regulations of Non-residents Income Tax (“NRIT Regulation”);
- Law 19/1991, of 6 June, of the Wealth Tax (“WT Law”);
- Law 38/2022, of December 27, of the Extraordinary Solidarity Tax.
- Law 29/1987, of 18 December, of the Inheritance and Gift Tax (“IGT Law”).
- Law 37/1992, of 28 December, regulating Value Added Tax (“VAT Law”); and
- Royal Decree 1/1993, of 24 September, regulating the consolidated text of Law of the tax on Onerous Property Transfers and Documented Legal Acts (“OPT and DLA Law”).
- Law 38/2022 of 27 December on the establishment of temporary energy taxes and taxes on credit institutions and financial credit establishments and creating the temporary solidarity tax on large fortunes and amending certain tax rules (“Law 38/2022”).
- Additional Provision One of Law 10/2014, of 26 June, of management, supervision and solvency of credit institutions (Law 10/2014) (in terms of the regulation applicable in Bizkaia, the tax regulation equivalent to that contained in Additional Provision One of Law 10/2014 is the one contained in Additional Provision One of Foral Act 1/2012, of 29 February. Given the nature of the Issuer and for the purposes of this Programme, it is understood that the normative reference to Additional Provision One of Law 10/2014 comprises both two).
- Royal Decree 1065/2007, of 27 July, approving the General Regulations for tax management and inspection actions and procedures ("RD 1065/2007”).

As a general rule, in order to dispose of or obtain the reimbursement of financial assets with implicit yield that are subject to withholding tax at the time of the transfer, redemption or reimbursement, the prior acquisition must be proved through a notary public or through the financial institutions obliged to perform withholdings together with the price of the transaction. The financial institutions through which the payment of interest is made, or which intervene in the transfer, redemption or reimbursement of the securities holder must determine and notify the income allocated to the taxpayer to both the holder of the security as well as to the Tax Authorities. The Tax Authorities must also be notified of those persons taking part in the aforementioned transactions. This as it will be explained more in detail below.

Investors that are individuals with tax residence on Spanish territory

Personal Income Tax

Income obtained by the assets holders that are taxpayers of the Personal Income Tax (IRPF) because of the transfer, redemption or reimbursement thereof will be considered as an implicit yield (movable income) derived from the transfer of own capital to third parties, in the terms provided in article 25.2 of IRPF Law.

The difference between the value of subscription or acquisition of the asset and its transfer, redemption, or reimbursement value will be added to the saving taxable base of the financial year in which the sale, redemption or reimbursement takes place. The tax will be paid at the rate in force, which is currently 19% up to €6,000, 21% from €6,000.01 to €50,000 23% from €50,000.01 to €200.000, 26% from 200,001 to €300,000 and 28% from €300,000 onwards.

In order to carry out the transfer or reimbursement of the assets, the prior acquisition must be certified by a public notary or by the financial institutions obliged to carry out the withholding tax, together with the acquisition price at which the transaction was carried out. The Issuer shall not be entitled to reimburse the financial assets in case the asset holder does not certify its condition through the corresponding certificate.

In general, the implicit yield derived from the investments in commercial paper by individuals that are resident on Spanish territory are subject to withholding tax at source, as interim payment of Personal Income Tax at the current rate of 19%. The withholding carried out will be deductible from the Personal Income Tax amount, giving rise, where appropriate, to the tax rebates provided for in current legislation.

In the case of returns obtained through the transfer of the Commercial Paper, the financial institution acting on behalf of the transferring party will be obliged to make the withholding at source.

In the case of returns obtained through the reimbursement, the entity obliged to make the withholding will be the Issuer or the financial institution responsible for the transaction.

Similarly, to the extent that the securities are subject the tax regime set out in Additional Provision One of Law 10/2014, of 26 June, governing the legal system, supervision and solvency of credit institutions ("**Law 10/2014**") the reporting regime set out in article 44 of Royal Decree 1065/2007, of 27 July, will apply pursuant to the wording given in Royal Decree 1145/2011, of 29 July, for the securities issued with a redemption period of 12 or less months.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the amortization or redemption period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable.

Wealth tax

Individuals are subject to Spanish Wealth Tax ("WT") on all their assets (such as the Commercial Paper) owned every December 31 net of debt, irrespective of where the assets are located.

Spanish Wealth Tax Law (*Ley 19/1991, de 6 de junio, del Impuesto sobre el Patrimonio*) exempts from taxation the first €700,000 of net wealth owned by an individual (some additional exemptions may apply on specific assets); the rest of the net wealth is taxed at rates ranging between 0.2% and 3.5%. However, this taxation may vary depending on the Spanish Autonomous Community of residence of the corresponding Spanish Holder.

Spanish individuals subject to Spanish Wealth Tax filing obligations will be obliged to include reference (in the corresponding tax form) to the Commercial Paper yearly owned on December 31. This paper should be reported at their average market value during the last quarter of the year. The Spanish Ministry of Finance and Taxation publishes annually such market value for the purposes of the Spanish Wealth Tax.

Finally, the General State Budget Act for year 2021 repealed the second paragraph of the sole article of the Royal Decree-Law 13/2011, of 16 September, by which the Wealth Tax was re-established, with a temporary character, therefore derogating the general rebate of 100% of the total tax liability, with effect from 1st January 2021.

Extraordinary Solidarity Tax

In order to harmonize wealth taxation among Spanish regions, the Government also passed a new, temporary tax for high-net-worth individuals. In particular, Spanish tax resident taxpayers whose net worth exceeds €3.7 million would be taxed on a worldwide basis. However, the Extraordinary Solidarity Tax law foresees, in the case of taxpayers resident in Spain, an exemption of 700,000 euros.

Tax rates would start at 1.7%, above Euro 3 million; 2.1% between Euro 5 and 10 million and 3.5% above Euros 10 million.

This new tax is foreseen as a two-year temporary measure, so it would only be levied based on a high-net-worth individual's wealth as of 31 December 2022 and 31 December 2023 (the deadline for the filing and payment will be July 30th, the following year).

As a guarantee to avoid double taxation with Wealth Tax, in the calculation of the resulting tax liability for the Extraordinary Solidarity Tax, the Wealth Tax liability for the year actually paid will be deducted.

Inheritance and Gift Tax

Moreover, pursuant to IGT Law, individuals resident in Spain that acquire the securities or rights over these securities through inheritance or gift will be subject to the Inheritance and Gift Tax ("**IGT**") without prejudice to the specific legislation applicable in each Autonomous Community. The effective tax rate, after applying all relevant factors, ranges from 7.65% to 81.6%. Some tax benefits may reduce the effective tax rates (bearing in mind the Autonomous regions provisions).

Investors that are entities with tax residence on Spanish territory

Corporate Income Tax

The profits obtained by Corporate Tax taxpayers when said profits arise from these financial assets are exempt from the obligation of carrying out the withholding tax provided that the commercial paper (i) are represented by book entries and (ii) are traded on a Spanish official secondary market of securities, or on a multilateral trading facility such as the MARF. Otherwise, the withholding at source -performed as an interim payment of Corporation Tax- will be carried out at the current rate of 19%. The interim withholding carried out will be deductible from the Corporate Tax amount payable.

The procedure to introduce the exemption described in the previous paragraph will be the one set out in the Order of 22 December 1999, without prejudice to which is explained in sections "*Reporting Regime set out in article 44 of Royal Decree 1065/2007*"and "*General Reporting Regime*".

The financial institutions by means of which the transfer or reimbursement is carried out will be obliged to determine the implicit yield attributable to the securities holder and to notify such income to both the holder and the Tax Authorities.

Notwithstanding the foregoing, to the extent that the securities are subject to the regime set out in Additional Provision One of Law 10/2014, the procedure set out in article 44 of Royal Decree 1065/2007, of 27 July, will be applicable in accordance with the wording given through Royal Decree 1145/2011, of 29 July, for the securities issued with a redemption of 12 or less months.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the amortization or redemption period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable.

Wealth Tax

Legal entities are not subject to Wealth Tax.

Extraordinary Solidarity Tax

Legal entities are not subject to Extraordinary Solidarity Tax.

Inheritance and Gift Tax

Legal entities do not pay Inheritance and Gift Tax and will be subject to the Corporate Income Tax Law.

Investors that are not resident on Spanish territory

Non-residents income-tax for investors not resident in Spain with a permanent establishment

Non-resident investors with a permanent establishment in Spain will be subject to the provisions governed by Chapter III of the referred IRNR Law, without prejudice to which is established by the Treaties entered into by Spain to avoid double taxation.

Income obtained by non-resident investors with a permanent establishment in Spain will not be subject to withholding tax on account of the Non-residents Income Tax upon the same terms indicated above for legal entities resident in Spain. The withholding tax procedure will be also the same as provided for such entities.

Non-residents income-tax for investors not resident in Spain without permanent establishment

To the extent that the provisions set out in Additional Provision One of Law 10/2014 are met, the implicit yield derived from the securities will be exempt from Non-residents Income-tax in the same terms as the public debt (regardless it is obtained through a tax haven). If the aforementioned Additional Provision One is not applicable, the returns resulting from the difference between the value of redemption, transfer, reimbursement or swap of the securities issued under the Commercial Paper Programme and their subscription or acquisition value, will be subject to taxation at a tax rate of 19%, in general. Tax treaties and domestic exemptions should be borne in mind.

In order to apply the exemption referred to in the previous paragraph to the securities issued with a redemption of 12 or less months, it will be necessary to comply with the procedure set out in article 44 of Royal Decree 1065/2007, of 27 July, in the wording given by Royal Decree 1145/2011, of 29 July.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the amortization or redemption period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable.

Wealth Tax

Without prejudice to the provisions set out in the treaties to avoid double taxation, in general those individuals that do not reside in Spain pursuant to the provisions set out in article 9 of the IRPF Law and who, at 31 December each year, own properties that are located in Spain or rights that are executable in Spain, are subject to Wealth Tax, without prejudice to any applicable exemptions.

Taxpayers will be entitled to apply a minimum exemption amount to 700,000 euros, as well as the general scale of charges whose tax rates ranges from 0.2% to 3.5%, and without prejudice to what had already been established, where appropriate, in each Autonomous Region.

The valuation of these assets will be subject to the same criteria as provided in connection with individuals' resident for tax purposes in Spain.

However, it should be taken into account that those securities whose implicit yields are exempt from the IRNR will be also exempt from Wealth Tax.

Finally, the General State Budget Act for year 2021 derogated the second paragraph of the sole article of the Royal Decree-Law 13/2011, of 16 September, by which the Wealth Tax was re-established with a temporary character, therefore derogating the general rebate of 100% of the total tax liability, with effect from 1st January 2021.

Moreover, since the resolution issued by the Court of Justice of the European Union on September 3, 2014, which involve the amendment to the Fourth Additional Provision of IP Law, Non-Spanish individual holders tax resident in a State of the European Union or of the European Economic Area will be entitled to apply the specific regulation of the Autonomous Community where their most valuable assets are located and which trigger this Spanish Wealth Tax due to the fact that they are located or are to be exercised within the Spanish territory. We recommend investors to consult their own advisors in this regard.

Inheritance and Gift Tax.

Without prejudice to the provisions set out in the treaties to avoid double taxation, individuals non-resident in Spain that acquire securities located in Spain or executable rights over the same through inheritance or gift will be subject to Inheritance and Gift Tax pursuant to state laws, regardless of the residence of the heir or the beneficiary. The applicable tax rate, after applying all relevant factors, ranges approximately between 7.65 % and 81.6% for individuals.

However, according to the resolution issued by the Court of Justice of the European Union on September 3, 2014 (case C-127/12) if the deceased, heir or the donee are resident in a European Union or European Economic Area Member State, depending on the specific situation, the applicable rules will be those corresponding to the relevant autonomous regions according to the law. Accordingly, prospective holders should consult their tax advisors.

Also, as a consequence of the recent Judgements of February 19, March 21 and March 22, 2018, the Supreme Court has declared that the application of state regulations when the deceased, heir or done is resident outside of a Member State of the European Union or the European Economic Area violates Community law to the free movement of capital, so even in that case it would be appropriate to defend the application of regional regulations in the same cases as if the deceased, heir or donee was resident in a Member State. The Spanish Tax Administration ("Dirección General de 57 Tributos") has expressed the same opinion under their binding resolutions V3151-18 and V3193-18.

REPORTING REGIME SET OUT IN ARTICLE 44 OF THE ROYAL DECREE 1065/2007

In the event that the First Additional Provision of Law 10/2014 applies to the issue of the commercial paper, the reporting regime established in article 44 of the Royal Decree 1065/2007, as amended by Royal Decree 1145/2011, of 29 July will apply thereto. The above as long as the commercial paper issued has a redemption period equal or lower than twelve months.

In case the referred reporting regime applies, (i) the entities maintaining the securities in its third parties accounts, and (ii) entities managing the securities compensation and liquidation systems established in a foreign country which have signed an agreement with such compensation and liquidation entity domiciled within the Spanish territory, shall file before the Issuer, or the financial institution acting on its behalf, the statement according to the form annex to the aforesaid Royal Decree 1145/2011, which will include:

- Identification of the securities
- Reimbursement date.
- Total amount of income derived from the reimbursement of the securities
- Amount of income corresponding to taxpayers of Personal Income Tax
- Amount of income that shall be paid on its gross amount

Income corresponding to non-residents without a permanent establishment in Spain, to taxpayers of Corporate Income Tax and to non-residents with permanent establishment in Spain, will be paid on its gross amount.

According to the wording of section 6 of article 44 after the aforesaid legal modification, such statement will be submitted the working day prior to the maturity date of the paper, taking into account the situation at the end of the market of the mentioned day. Such statement could be presented through electronic processes.

The lack of submission of the statement referred to in article 44, by any of the obliged entities, at the date foreseen in first paragraph of article 44.6 would imply, for the Issuer or its authorized paying agent, the obligation of paying the income corresponding to such entity on its net amount resulting after deducting withholding taxes at the general tax rate over the total amount of such interest.

Subsequently, if the obliged entity submits the statement established in article 44 prior to the 10th day of the month following to the month when the maturity of the paper takes place, the Issuer or its authorized paying agent will refund the exceeded withholding.

GENERAL REPORTING REGIME

In the event that the First Additional Provision of Law 10/2014 did not apply to the issue of the commercial paper or applying, the redemption period was higher than twelve months, the information obligations set out in articles 92 of the IRPF Regulation and article 63 of the IS Regulation would be applicable.

As per such provisions, in order to carry out the transfer or reimbursement of the assets, the prior acquisition of the same must be certified by notaries public or financial institutions obliged to perform the withholding, as well as showing the price at which the transaction was carried out.

INDIRECT TAXATION IN THE ACQUISITION AND TRANSFER OF THE SECURITIES ISSUED

The acquisition and, where appropriate, subsequent transfer of the Commercial Paper is exempt from Value Added Tax and Tax on Onerous Property Transfers and Documented Legal Acts (Stamp Duty), as per Law 37/1992, of 28 December, regulating Value Added Tax ("**IVA Law**") and Royal Decree 1/1993, of 24 September, regulating the consolidated text of Law of the tax on Onerous Property Transfers and Documented Legal Acts, under the terms provided by the referred legislation.

22 Publication of the Information Memorandum

This Information Memorandum will be published on the website of MARF (https://www.bolsasymercados.es/bme-exchange/es/Mercados-y-Cotizaciones/Renta-Fija/Admision-a-Cotizar/MARF-Incorporacion-de-Pagares).

23 Description of the placement system and, if applicable, subscription of the issue

Issuance and placement of Commercial Paper through customized placement by the Placement Entities.

On any Business Day, between 10 a.m. and 2 p.m., the Issuer may receive personalized requests from the Placement Entities, for a minimum amount of ONE HUNDRED THOUSAND EUROS (€100,000), whereby the nominal value of each Commercial Paper is ONE HUNDRED THOUSAND EUROS (€ 100,000).

The Placement Entities act as broker in the placement of the Commercial Paper, without prejudice to which the Placement Entities may subscribe Commercial Paper in its own name.

The determination of the price in each case will be performed through an agreement between the Issuer and the Placement Entities, and the terms of said agreement will be confirmed by fax, which will be sent by the Issuer to the Placement Entities. The rate applied to third parties by the Placement Entities may not be the same as the acquisition price of the same.

The agreement between the Issuer and the Placement Entities will be closed on the same day as the request, whereby the date of payment and issue will be the one agreed by the parties, although this cannot exceed two Business Days following the issue agreement date.

Publication of the admission (incorporación) to trading.

The admission (*incorporación*) to trading will be published on the website of MARF (https://www.bolsasymercados.es/bme-exchange/es/Mercados-y-Cotizaciones/Renta-Fija/Admision-a-Cotizar/MARF-Incorporacion-de-Pagares).

24 Costs for financial and auditing services, and other services provided to the Issuer regarding the issue/admission (*incorporación*) and where appropriate, insurance costs, regarding the issue, placement, and admission (*incorporación*)

The costs for all financial and auditing services, and other services provided to the Issuer for the issue/admission to trading of the Commercial Paper sum up a total of SEVENTY-FIVE THOUSAND SEVEN HUNDRED AND FIFTY EUROS (€75,750) excluding taxes (assuming the issue of SEVENTY-FIVE MILLION EUROS (€75,000,000) under the Commercial Paper Programme), and including the fees of MARF and Iberclear.

25 Admission (*incorporación*) to trading of the securities

25.1 Request for admission to trading (incorporación) of the securities on MARF

Deadline for the admission (incorporación) to trading

The admission (*incorporación*) to trading of the securities described in the present Information Memorandum will be requested for the multilateral trading facility known as the Alternative Fixed-Income Market (MARF). The Issuer hereby undertakes to carry out all the necessary actions so that the Commercial Paper is listed on MARF within seven (7) days from the date of issuance of the securities. For these purposes, as stated above, the date of issuance coincides with the date of disbursement. Under no circumstances will the deadline exceed the maturity of the Commercial Paper. In the event of breach of the aforementioned deadline, the reasons for the delay will be notified to MARF and will be published as other relevant information (*otra información relevante)* in the MARF's website. This is without prejudice to any possible contractual liability that may be incurred by the Issuer. The date of incorporation of the Commercial Paper must be, in any event, a date falling within the validity period of the Commercial Paper Programme and under no circumstances will the listing period exceed the maturity date of the Commercial Paper.

MARF has the legal structure of a multilateral trading facility (MTF) (*sistema multilateral de negociación (SMN)*), under the terms set out in Article 68 of the Securities Market Act, constituting an unofficial alternative market for the trading of fixed-income securities.

This Information Memorandum follow the applicable proceedings on admission (*incorporación*) to trading and removal of MARF set out in its own Regulations and other applicable regulations.

Neither the competent body of MARF, the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) or the Placement Entities have approved or carried out any verification or testing regarding the content of the Information Memorandum, the audited financial statements submitted by the Issuer required under Circular 2/2018, of 4 December 2018 of MARF or the rating report issued by Ethifinance. The intervention of the competent body of MARF does not represent a statement or recognition of the full, comprehensible, and consistent nature of the information set out in the documentation provided by the Issuer.

It is recommended that the investor fully and carefully reads the present Information Memorandum prior to making any investment decision regarding the securities.

The Issuer hereby expressly declares that it is aware of the requirements and conditions necessary for the acceptance, permanence, and removal of the securities on MARF, according to current legislation and the requirements of its competent body, and expressly agrees to comply with them.

The Issuer hereby expressly declares that it is aware of the requirements for registration and settlement on Iberclear. The settlement of transactions will be performed through Iberclear.

26 Liquidity agreement

The Issuer has not entered into any liquidity undertaking with any entity regarding the Commercial Paper to be issued under the Commercial Paper Programme.

As the person responsible for this Information Memorandum:

SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.

ISSUER
Solaria Energía y Medio Ambiente, S.A.
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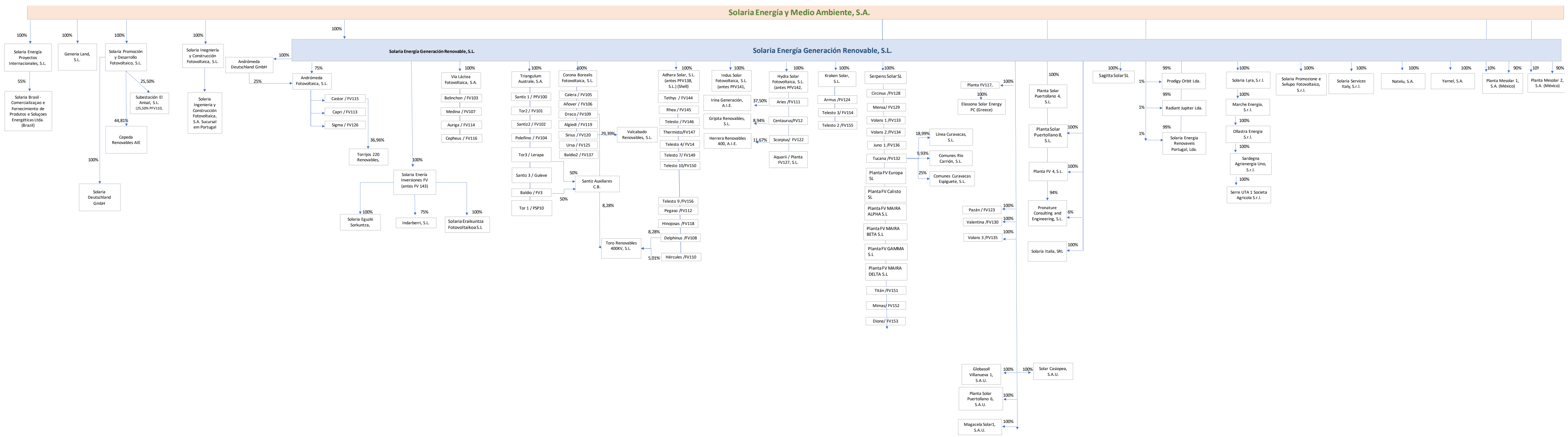
28008 Madrid

PLACEMENT ENTITIES AND CO-LEAD MANAGERS
Beka Finance S.V., S.A.
Banco Santander, S.A
Banco Sabadell SA
PKF Attest Capital Markets S.V, S.A

REGISTERED ADVISOR
Andersen Tax & Legal Iberia, S.L.P.

PAYING AGENT
Banco de Sabadell, S.A.

ANNEX I:
Issuer's group chart



ANNEX II:
Annual Accounts

The Issuer's consolidated financial statements for the financial years ended on 31 December 2021 and 31 December 2022, can be directly downloaded in the following link: https://solariaenergia.com/informacion-economica/