PROJECT SOL – SOLAR PV PLANT

Project name: *Project Sol*
Borrower: *CFV Triangulum Australe, S.L.*
Borrower`s Shareholder*: 100% Solaria Energía y Generación Renovables, S.L.*
Project Sponsor: *100% Solaria Energía y Medio Ambiente S.A.*
Sector: *Energy / Renewable (Solar PV)*
Country: *Spain*
Financial Product: *Project Finance*
Banca IMI S.p.A., London Branch: *Lender*
Equator Principles category: *C*

Project description

The Project involves the development, construction, operation and maintenance of 8 solar PV plants having a total capacity of 250MW by Solaria Energía y Medio Ambiente, S.A. ("Solaria"), an Independent Power Producer focused on the development of photovoltaic energy generation that is listed on the Madrid Stock Exchange since June 2007.

The solar plants, which are located in Central and Northern Spain, are built under full turnkey EPC contracts entered with Solaria Ingeniería y Construcción Fotovoltaica S.L., a company 100% owned by Solaria, that will also undertake the Operation and Maintenance of the Project for 7 years. The panels, that use single axis trackers, are provided by Risen and Yingli, two leading Chinese manufacturers.

The plants forming the Project were awarded to Solaria in the 3rd renewable capacity Spanish auction of July 2017 under the Spanish Specific Remuneration Regime, which is the Spanish energy regulatory scheme that guarantees producers a "Reasonable Return" for renewable projects, to be achieved over a regulatory period of 25 years, through subsidies in the event market prices are not sufficient to achieve it.

The project total cost of c. EUR 200m was partially financed through a c. EUR 133m Senior Term Loan underwritten by Natixis and then syndicated to a wider pool of banks.

Summary of Key Environmental Impacts and Risks

The project contributes to the achievement of the Spanish 2020 targets for the reduction of CO_2 emissions, which require additional renewable energy capacity to become operational in the coming years.

In the EIAs, potential environmental impacts have been analysed during the different phases of the PV plants. The potentially significant negative impacts across the Project are related to soil, hydrology, livestock and landscape. The EIA studies propose preventive, corrective and compensatory measures to prevent, eliminate, minimise or compensate these negative impacts on the environment. Following the implementation of these measures, most of the impacts detected are assessed as negligible or minor.

Details on the environmental impacts of 6 out of 8 plants composing the Project are listed in the table below:

PV El Baldío 2019	• The erosion of the soil occupied by the Plant can be a problem during the construction as well as during the operation phase if the soil is kept bare • The impact produced by the evacuation line can be significant due to the possible collision of birds in flight as well as their electrocution when perching on the supports
PV Solaria Tordesillas I	Most relevant environmental impacts during the construction phase of the plant include soil erosion related to land movement, loss of vegetation, potential loss of biodiversity and abundance of animal species due to the loss of important habitats
PV Solaria Santiz I (i.e. Santiz I)	• Most relevant environmental impacts include hydrology, loss of vegetation and potentially fauna • Three moderate impacts remain after corrective measures. The moderate residual impacts are caused by vegetation removal and earthworks, as a result ofabout 1,500 trees being cut on the site (114.6 ha) • The most relevant impacts during the operational phase are the potential mortality of fauna, loss of biodiversity and abundance of animal species, the modification of the local habitat and the barrier effect
PV Lerapa Valdelosa I (i.e. Santiz II)	• Most relevant environmental impacts include potential mortality of fauna, loss of biodiversity and abundance of animal species, the modification of the local habitat, and the barrier effect • The remaining moderate residual impacts are caused by vegetation removal by cutting 350 trees at the project's site
PV Guleve Palacios del Arzobispo I (i.e. Santiz III)	• Most relevant environmental impacts include potential mortality of fauna, loss of biodiversity and abundance of animal species, the modification of the local habitat, and the barrier effect • One moderate impacts remain after corrective measures. The moderate residual impacts are caused by vegetation removal and earthworks. As a result, about 3,514 trees will be cut on the site (3.8 ha) • The most relevant impacts during the operational phase are the potential mortality of fauna, loss of biodiversity and abundance of animal species, the modification of the local habitat, and the barrier effect
PV Poleñino I	The most relevant environmental impacts during construction, operation and dismantling phases are the impacts on fauna such as disturbance, displacement and the barrier effect caused by

	the PV Plant and the risk of collision and electrocution with the aerial evacuation line.