# TO BME GROWTH

**Barcelona, May 9, 2024**

In accordance with the provisions of article 227 of the consolidated text of the Law on Market Securities and Investment Services, approved by Royal Legislative Decree 6/2023, of 17 March, and its concordant provisions, as well as Circular 3/2020 of the BME Growth segment of BME MTF Equity, Holaluz-Clidom, S.A. (“Holaluz” or the “Company”) hereby informs you of the following information:

# OTHER RELEVANT INFORMATION

Holaluz-Clidom, S.A. publishes today a business performance update for Q1 2024.

In compliance with the provisions of BME MTF Equity Circular 3/2020, it is hereby expressly stated that the information provided has been prepared under the sole responsibility of the Company and its directors.

**Carlota Pi Amorós**
coFounder and President
HOLALUZ-CLIDOM, S.A

# 2024 Update

*Normalised EBITDA of 22.5 M€ in last 12 months v 4.3 M€ in 2023*

*Strengthened balance sheet and platform from which to continue scaling the business*

## Consolidated

- **Q1 normalized EBITDA of 3.1 M€** despite still challenging underlying market conditions, overcoming last year's Q1 results
- **Normalized EBITDA in last 12 months** to Q1 24 of **22.5 m€** (compared with 4.3m€ for 2023)
- **EBITDA in last 12 months** to Q1 24 at **break-even** (-0.2 M€ compared with -22.8 M€ for 2023)
- **Normalized EBITDA performance YTD in line with guidance**, and comfortable with FY24 normalized EBITDA expectation of 19-24 M€

## Solar

- **2024 to date showing good trends** including Gross Margin (49% in Q1) and monthly sales increases
- Ongoing **focus on cost and efficiencies**, with operating costs further reduced since 2023 year-end
- Breakeven to be **further lowered to <300 installations per month by Q4 24** (2022: 800-1,000; 2023: 600; 2024 Q1: 350)

## Energy Management

- **'Tarifa Justa'** product delivering extraordinarily **low non-payment levels** in 2024

- Holaluz has achieved its **best churn figures in a Q1 since the 2021**.

## Summary

2024 should see several positive policy and regulatory changes providing good tailwinds to our Solar business, although the market is still experiencing some challenging trading conditions. We continue to realise many benefits from migrating our energy management customers to our innovative 'Tarifa Justa' subscription product, which should increase as we progress through the year. Cost and efficiencies remain an ongoing focus, and we have further lowered our operating costs since year-end. We remain comfortable with our **Normalized EBITDA guidance for the year of 19 - 24 M€, an anticipated increase of 341% over 2023**.

We have entered 2024 fitter and stronger, with a well-defined growth strategy. We remain wholly committed to driving the development of the distributed power market and energy transition in Spain and across Europe.

## Navigating the market downturn with a strategic focus that generates value for customers and the company

Challenges in the residential solar market in Spain have continued as a result of (a) prevailing high-interest rates impacting the value proposition of financed sales; (b) lower electricity prices, with average price dropping from 99€/MWh in 2023 to 45€ in Q1 2024, and (c) available subsidies have substantially decreased due to NEXTGEN subsidies being no longer available.

These market conditions have led Holaluz to increase its focus on sales that generate the best value for both the customer and the company, maintaining a superior value proposition by offering the largest savings compared to typical self-consumption installations.

Holaluz sold 482 solar energy systems during the quarter, marking a 37% decrease from the previous quarter and a 46% drop from the same period last year, as a result of the market conditions. However, the structural growth opportunity remains firmly intact: The Spanish market for residential solar remains vastly underpenetrated at less than 5% compared to other European countries with over 25%.

| Solar sales | Q1 2023 | Q4 2023 | Q1 2024 | % change | % change |
|---|---|---|---|---|---|

| | | | | y-o-y | q-o-q |
|---|---|---|---|---|---|
| **Holaluz own installations** | 886 | 763 | 482 | -46% | -37% |

## Continued improvement in Solar unit economics through strategic product and operational enhancements

Continuing the operational optimization process initiated in early 2023, Holaluz has maintained strong solar unit economics in 2024, continuing to achieve a Solar gross margin of 49%.

The key factors driving the strong unit economics include:

- **Sale of larger installations:** the average installation size increased by a further 10% in Q1 2024 compared to Q4 2023, continuing the growth trend from last year when the size had already expanded by 14%. This growth is driven by the company's Value Proposition of maximising electricity savings for customers.
- **High penetration of flexible assets:** monthly battery penetration remains strong at approximately 15%. Additionally, at the end of Q1 2024, the company launched a pilot of a new battery product that is showing promising results in terms of sales and further penetration of batteries.

As a result, Holaluz has managed to reduce the Solar break-even point from 600 installations in Q4-2023 to **350 in Q1-2024** and continues to perform efficiency measures to lower break-even to **fewer than 300 installations by the end of 2024.**

The number of solar energy system installations finalised and billed for the first quarter decreased by 22% quarter-on-quarter to 362.

| Solar installations | Q1 2023 | Q4 2023 | Q1 2024 | % change y-o-y | % change q-o-q |
|---|---|---|---|---|---|
| **Installed** | 996 | 467 | 362 | -64% | -22% |

## The 'Tarifa Justa' product continues to drive efficiency in Energy Management

The Energy Management business continued to perform well in the first quarter, greatly overcoming the challenges achieved in the same period in 2023. The portfolio change to "Tarifa Justa" has resulted in (a) improved customer satisfaction: the predictability and simplicity of Tarifa Justa have enhanced customer experience, reflected in an 11% increase in NPS and other external metrics. (b) significant operational efficiency: the straightforward nature of the billing minimizes the need for customer service contact. (c) improvements to churn rate and non-payments: continued improvements in customer retention, positively impacting the levels of non-payments to extraordinarily low levels, attributable to increased customer satisfaction and billing simplicity.

Solar contracts under management increased by 26% compared to the same period in 2023, with a 4% rise from the last quarter. The portfolio of electricity and maintenance contracts also grew to more than 335,000, driven by higher retention, with the best churn figures for a Q1 since 2021.

| Number of contracts (end of period) | Q1 2023 | Q4 2023 | Q1 2024 | % change y-o-y | % change q-o-q |
|---|---|---|---|---|---|
| **Solar contracts under management** | 12,007 | 14,509 | 15,126 | 26% | 4% |
| **Electricity & maintenance contracts** | 300.000+ | 325,000+ | 335,000+ | NM | NM |
| **Total** | **300.000+** | **325,000+** | **335,000+** | **NM** | **NM** |

## Holaluz navigates market volatility with a strategic focus on delivering high savings and green and local energy to customers

| Revenues (€m) | Q1 2023 | Q4 2023 | Q1 2024 | % change y-o-y | % change q-o-q |
|---|---|---|---|---|---|
| **Energy management** | 194.2 | 116.4 | 82.8 | -57% | -29% |
| **Solar installation** | 9.2 | 5.7 | 4.7 | -49% | -18% |
| **Total** | **203.4** | **122.1** | **87.5** | -57% | -28% |

Energy Management revenues in Q1 '24 experienced a 57% drop and are mainly affected by the very low prices environment the Spanish market faced at the beginning of 2024, with average pool electricity prices of 45€/MWh.

Solar revenues also face an 18% reduction vs Q4 '23, attributable to fewer installations executed in this first quarter of 2024. There is a disparity between the rate of revenue decline in Solar (-18% q-o-q) and the decrease in installation (-22% q-o-q), highlighting the increased ticket size which maximizes electricity savings for customers and fully delivers on Holaluz's value proposition.

The energy purchased through distributed generation continued to be strong, with a growth of 26% compared to the same period in 2023 and 22% quarter over quarter. This is a key metric, as it demonstrates and consolidates the green energy ecosystem model Holaluz is building towards a decentralised, clean, affordable, and easy energy.

| **Energy Managed (GWh)** | **Q1 2023** | **Q4 2023** | **Q1 2024** | **% change y-o-y** | **% change q-o-q** |
|---|---|---|---|---|---|
| **Energy Sold to Customers** | 242.0 | 188.2 | 190.0 | -21% | 1% |
| **Energy purchased through centralized PPAs** | 128 | 149 | 149 | 16% | 0% |
| **Energy purchased through distributed generation** | 5.8 | 6.0 | 7.3 | 26% | 22% |
| **Energy represented** | 1,171 | 1,230 | 897 | -23% | -27% |

## Holaluz continues to expand its customer-centric and impact-driven business model

Holaluz continues to advance the impact-driven business model. This quarter, the company published the first ever Distributed Energy Generation report named "The Rooftop Revolution: An Alternative Path Towards Decarbonisation". The report highlights how leveraging over 10 million rooftops across Spain not only meets 100% of residential electricity demand but also accelerates renewable adoption, reduces infrastructure costs, boosts system resilience, and minimizes environmental impact—key steps towards a sustainable energy future.

Additionally, Holaluz announced a strategic partnership with Sungrow, the world leader in photovoltaic inverters and energy storage systems, to boost residential distributed generation in Spain. This collaboration aims to enhance the efficiency of solar installations, driven by innovative solutions tailored to the Spanish market, as detailed in our joint press release.

Furthermore, Holaluz has achieved a milestone in corporate transparency, receiving certification for algorithmic transparency, reinforcing our commitment to ethical business practices.

## Financing

March 2024 closed with a net debt position of 58.5M€ (64.4M€ in Dec'23). The adjusted net debt amounted to 52.2M€[1]. 2024 started with a leaner and efficient structure as we continued executing cost efficiencies at all levels:  COGS and personnel costs in Solar, and operational costs savings in *energy management*.

The Company is working to refinance its activity with two options open, pending to be confirmed by ICF (Institut Català de Finances) for its formalisation:

- Option reported the 2nd of April:  ICF 10M€ loan, Avançsa 3M€ loan, convertible loans from two family offices amounting 1.8M€ and a 7M€ Equity Line.
- Additional option: ICF 10M€ loan, Avançsa 3M€ loan and 7M€ convertible loan from an industry investor.

Once one of the two alternatives is confirmed, we will provide the corresponding communication to the market. Additionally, the Company has formalised a 4M€ financing, already in the company accounts.

[1] Rooftop Loans are loans for solar panel installations granted to customers that are to be repaid over the next 15 years in fixed instalments included in the monthly electricity bill. These loans are a proof of concept for raising an SPV. HL has no intention of granting any further loans until the SPV is raised. The pending capital of the loans (c6M€) has been deducted since it is considered that they should not be part of the balance sheet in a continuing context of business activity, but rather be transferred to the raised SPV.