



## TO BME GROWTH

**Barcelona, 26 April 2023**

In accordance with the provisions of article 17 of Regulation (EU) no. 596/2014 on market abuse and 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 key performance indicators and a general update on its business in Q1 2023.

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**

Co-founder and Chief Executive Officer

HOLALUZ-CLIDOM, S.A

# Quarterly Update

## Q1 2023

### Solar installations grew by 81% year-on-year

The number of installations finalised and billed for in the first quarter of 2023 rose by 81% year-on-year to 996. However, this was a 21% decrease when compared to the previous quarter, which had been our best quarter. Lower electricity prices, higher interest rates and economic uncertainty translate into a delay in decisions for large purchases. Our installation time remained industry leading at less than 45 days for 90% of our installations.

Solar installations	Q1 2022	Q4 2022	Q1 2023	% change y-o-y	% change q-o-q
Installed	551	1,268	996	+81%	-21%

### Sales of solar management contracts +138% year-on-year

The total number of sales of solar management contracts amounted to 2,948 in Q1 2023. This is an increase of 138% over the first quarter of 2022 but a decrease of 21% over the previous quarter.

Sales of own installations (which always have a solar management contract attached), amounted to 886, an increase of 97% year-on-year. When compared to the previous quarter, this figure decreased by 23%, however. Sales to solar customers (Cloud) reached 2,062 in the first quarter of 2023, up 162% year-on-year, but also below Q4 2022.

There is evidence of a slowdown in solar sales, which could be due to a variety of factors: seasonality, less urgency for an investment due to the recent decline in electricity prices or the desire to postpone a major investment due to economic uncertainty.

However, this slowdown should be temporary as the structural growth opportunity remains firmly intact: The Spanish market for residential auto-consumption remains vastly underpenetrated (only 3% of the potential rooftops have installed PV systems), while sun hours are superior, making the investment more attractive when compared to returns in these other countries. In addition, subsidies continue to be widely available, from both European and local sources. At the same time, regulation in Spain is still less supportive for solar than that in other European countries; we expect regulation to continue to evolve favourably, thus supporting the demand in the medium term. Last, but not least, while electricity prices have come down from extraordinarily high 2022 levels, they are still at or even above the levels from two years ago.

Sales of solar management contracts	Q1 2022	Q4 2022	Q1 2023	% change y-o-y	% change q-o-q
<b>With HLZ installations*</b>	450	1,149	886	+97%	-23%
<b>Cloud Sales**</b>	788	2,566	2,062	+162%	-20%
<b>Total sales</b>	<b>1,238</b>	<b>3,715</b>	<b>2,948</b>	<b>+138%</b>	<b>-21%</b>

Note: \* Sales differ from the number of installations installed in the table above. Here, we refer to the number of Holaluz installations sold, of which some are installed in the quarter and others are installed in the next quarter.

\*\* Solar management contracts sold to customers where installations were not installed by Holaluz or on behalf of Holaluz.

### Partnership with Santander to generate additional solar sales

At the end of January, Holaluz and Banco Santander announced a collaboration in which customers of the bank's almost 2,000 branches, as well as those of the 1,000 agents and digital channels will have the ability to contract financing for the installation of Holaluz' solar installations. Customers will be able to reduce their electricity bills to zero, while benefiting from preferential conditions of Banco Santander's green financing line. Thanks to ongoing knowledge transfer, continuous improvement in processes and gradual activation across the Santander network, we expect sales from this partnership to increase steadily over the coming quarters.

Separately, in line with Holaluz's strategy to improve the value proposition of our home energy systems for our clients and maximise savings, we expect sales of EV chargers and battery attachment rates to increase going forward.

## Migration to Tarifa Justa successfully completed

The number of electricity & gas contracts decreased compared to one year ago, mainly due to the decommissioning of the gas commercialisation business, which impacted around 70,000 contracts. In Q1 2023, we successfully completed the migration of our electricity portfolio to Tarifa Justa and expect to see the expected benefits of this strategic decision throughout the remainder of the year.

As a reminder, based on more than 4 years of data, the Tarifa Justa portfolio exhibited consistently much higher NPS values. Therefore, churn rates and costs to serve have been significantly lower than for the overall portfolio. In addition, non-payments have tended to be significantly lower due to the predictability of the payments. Finally, cost to serve is also lower as fixed monthly electricity rates are easier to understand by clients. As a result, profitability is higher and the customer lifetime value is impacted positively from this decision.

Holaluz was the first company to introduce a fixed rate tariff in the Spanish market. It was featured in a [Harvard Business Case](#) in November 2020.

<b>Number of contracts (end of period)</b>	<b>Q1 2022</b>	<b>Q4 2022</b>	<b>Q1 2023</b>	<b>% change y-o-y</b>	<b>% change q-o-q</b>
<b>Solar contracts under management</b>	7,023	11,384	12,007	+71%	+5%
<b>Electricity &amp; maintenance contracts</b>	300,000+	~300,000	300,000+	NM	NM
<b>Gas contracts</b>	70,000	4,000	0	NM	NM
<b>Total</b>	<b>370,000+</b>	<b>300,000+</b>	<b>300,000+</b>	<b>NM</b>	<b>NM</b>

At the end of the first quarter 2023, Holaluz counted 12,007 solar contracts under management, an increase of 71% year-on-year. The growth was attributable both to the increase in own installations as well as to taking over the energy management of third-party installations.

## Year-on-year revenue decrease driven by lower electricity prices

Revenues from the sale of solar installations reached €9.2m in Q1 2023, which is an increase of 119% compared to the previous year, but a decrease of 24% when compared with the previous quarter. As explained above, we have seen a slowdown in the pace of sales from high levels, which led to less installations being recognised in the quarter.

Revenues (€m)	Q1 2022	Q4 2022	Q1 2023	% change y-o-y	% change q-o-q
Energy management	319.5	156.2	194.2	-39%	24%
Solar installation	4.2	12.1	9.2	+119%	-24%
<b>Total</b>	<b>323.7</b>	<b>168.3</b>	<b>203.4</b>	<b>-37%</b>	<b>21%</b>

Note: Figures estimated. Energy Management is the sum of the previously separately reported business lines of Supply and Representation (Route-to-Market). Representation revenues amounted to €144.5m in Q1 2022, €56.8m in Q4 2022 and €93.5m in Q1 2023.

In Energy Management, revenues decreased year-over-year. This is due to the decrease in energy prices (which resulted in lower revenues in the representation business and in the part of the portfolio which is on an indexed tariff), the decrease in the electricity portfolio, as well as the exit of the gas commercialisation business, which tends to have a seasonally strong first quarter of the year. Revenues increased when compared to the previous quarter, mainly driven by a significant increase in renewable energy production in the first quarter, which benefited revenues in our route-to-market activity.

Energy Managed (GWh)	Q1 2022	Q4 2022	Q1 2023	% change y-o-y	% change q-o-q
Energy Sold to Customers	308	236	242	-21%	+3%
Energy purchased through centralised PPAs	163	169	128	-21%	-24%
Energy purchased through distributed generation	1.5	2.4	5.8	+287%	+142%
Energy represented	809	805	1,171	+45%	+46%

## Financing

As a result of the usual working capital seasonality of the business as well as increased inventories, net debt increased in the quarter, bringing it to around €78.4m as of 31 March 2023. Adjusting for c€7.7m in rooftop loans<sup>1</sup> and for the market value at 31 March of the gas inventory held for resale, the level of net debt would be around €70.7m.

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<sup>1</sup> Rooftop Loans are the loans for photovoltaic installations granted to customers which were undertaken as a proof of concept for raising an SPV. Holaluz does not at present intend to provide such additional loans without raising an SPV and we have deducted these from net debt as we do not consider that these should form part of our balance sheet on an ongoing basis and would expect these loans to be transferred to an SPV when one is raised.