



TO BME GROWTH

Barcelona, January 31, 2023

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 key performance indicators and a general update on its business for Q4 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

Chief Executive Officer and cofounder

HOLALUZ-CLIDOM, S.A

Quarterly Update

Q4 2023

Executive summary

- **Holaluz will deliver on Normalised EBITDA** guidance, reaching 3M€ for FY2023.
- Holaluz **doubled its solar market share** from 1.6% in 2022 to more than 3% in 2023, almost matching FY2022 solar sales despite a 50% market slowdown^{1,2}. This market share is in line with the market share of top residential solar companies in Europe.³
- **Unit economics achieved in Q4 are better than ever**, with **record financial metrics in both Solar and Energy Management**:
 - **Solar**→ **48.9% gross margin over sales, reducing break-even point** from 800-1,000 installations per month to around 600.
 - This represents an increase of 8.6 p.p. y-o-y.
 - Increased ticket size by more than 30% y-o-y thanks to focusing on larger installations and battery penetration.
 - COGS optimization achieving a unitary cost reduction of more than 20% vs FY2022 and lead acquisition cost reduction of more than 47% y-o-y.
 - Cost reduction initiatives fully materialized with the company completing the organizational resizing by the end of 2023.
 - **Energy management**→ **record contribution margin thanks to operational cost savings**:
 - This represents an increase of more than 15 p.p. y-o-y.
 - Thanks to the Tarifa Justa and an ongoing optimization in operating costs, external call centre costs were reduced by 58% y-o-y, with significant improvement in churn rate, bad debt, customer satisfaction, and invoicing simplification.
- Holaluz has a portfolio of **+325,000 contracts under management by Q4-2023**.
- Holaluz **continues expanding its customer-centric and impact-driven business model**, obtaining the ISO:14001 EMS certification and achieving the following ESG milestones:
 - More than 2.7 million tons of CO₂e avoided since Holaluz inception
 - 42% of women across the company, including sales and installation teams
 - 4 out of 5 stars in Trustpilot
 - 29% of women in the Board of Directors
- **For 2024, the company will focus on 5 key strategic areas**:
 - Unleashing the power of **Distributed Generation**

- Launching the **Subscription-Based leasing product for Solar**
- Launching the first **Virtual Power Plant in Spain**.
- Increasing **flexible assets penetration** (batteries and EV chargers)
- Enhancing **Tarifa Justa** green electricity subscription product for EM.

Holaluz will deliver on Normalised EBITDA guidance provided in October 2023, reaching 3M€ for FY2023.

The year presented important challenges for the solar residential industry due to a significant residential solar market slowdown of 50% vs. 2022 according to UNEF¹ and APPA². Yet, Holaluz's level of sales has been practically maintained for the same period.

Holaluz strategically focused on larger solar installations and sales of flexible assets to improve the value delivered to customers. Holaluz has also focused on operational excellence to improve Gross Margin and reduce operating costs, amongst others leveraging the positive impacts from the portfolio change to Tarifa Justa. As a result, Holaluz has achieved high per-customer profitability in both Solar and Energy Management and an increase in Solar market share.

Resilient sales drive market share gains of almost 100%, amidst a 50% market decline in 2023

Residential solar market in Spain in 2023 has decreased between 49-54%^{1,2} according to UNEF and APPA as a result of (a) higher interest rates impacting the value proposition of financed sales; (b) lower electricity prices relative to 2022 and (c) NEXTGEN subsidies coming to an end.

Despite these very challenging market conditions, Holaluz **outperformed** the industry average in terms of sales, **showcasing the superiority of the company's value proposition** while focusing on profitable sales that generate both value for the customer and the company.

¹Unión Española Fotovoltaica (UNEF). (2024, January 18). En 2023 se instalaron en España 1.706 MW de autoconsumo fotovoltaico. Retrieved from <https://www.unef.es/es/comunicacion/comunicacion-post/en-2023-se-instalaron-en-espana-1706-mw-de-autoconsumo-fotovoltaico>

²APPA Renovables. (2023). Informe Autoconsumo Fotovoltaico 2023. Retrieved from (January 26, 2024) <https://www.informeautoconsumo.es/wp-content/uploads/2024/01/Informe-Autoconsumo-Fotovoltaico-2023.pdf>

This results in a market share for Holaluz between 2.5% and 3.5% leading to a **~100% increase in market share** for residential solar compared to last year's 1.6%-2% market share range^{1,2}.

As a reference, German top-3 players hold a **combined market share of 15-25%**³, a reference that consolidates Holaluz as one of the top players in the Spanish residential solar market.

Solar sales	FY 2022	FY 2023
Holaluz own installations	3,593	3,346

Throughout the year, Holaluz sold 3,346 solar energy systems, marking a slight 6.9% decrease compared to the previous year. In the fourth quarter, 763 solar energy systems were sold, representing a 2% increase from the previous quarter and a 34% decrease from the same quarter in the previous year, which is notably less than the overall market decrease of 49-54%^{1,2}.

Solar sales	Q1 2023	Q2 2023	Q3 2023	Q4 2023	% change y-o-y	% change q-o-q
Holaluz own installations	886	949	748	763	-34%	2%

Strong improvement in Solar unit economics

Building on the operational optimization process initiated earlier in the year, Holaluz experienced a strong improvement in solar unit economics. In the fourth quarter, the Solar Gross Margin reached 48.9%, an increase of 8.6 p.p. year-over-year.

Holaluz is better positioned now to serve its customers and adapt effectively to market dynamics. This progress was marked by several key initiatives:

- **Sale of larger installations:** average installation size increased by more than 30% relative to the beginning of the year, driven by the Value Proposition of maximising electricity savings.

³Schröder, P. (2023, November). The beginning of the "fire-sale" consolidation within solar from the Nordics to Germany... LinkedIn. Retrieved from https://www.linkedin.com/posts/philipp-schröder-b94b6576_eon-vor-%C3%BCbernahme-von-klarsolar-activity-7127563053205794816-CmuS

- **Sale of flexible assets:** Holaluz achieved a ~15% monthly battery penetration after the battery product launch in mid-May, leveraging the unique agreement with Tesla and increasing the one-off GP per installation.
- **COGS optimization:** Holaluz reduced unitary COGS by more than 20% vs FY2022 through a series of cost reduction initiatives both in materials and installation.
- **Diversification of lead acquisition channels:** in the fourth quarter, 48% of sales were sourced by alternative sources to digital, 8 p.p. higher than last quarter. This diversification effectively optimised the lead acquisition costs, resulting in a reduction of 47% year-over-year.
- **Centralisation of sales and installation structure:** Holaluz has undergone a significant transformation in organising its sales and installation teams. Moving from a fully decentralised model spread across Spain, Holaluz has adopted a more centralised operational approach. This shift focuses on optimising operations in regions with high demand and leveraging partnerships, aligning with our 2022 initiative of vertical integration in delivery installations. Our goal is to establish a balanced hybrid model, where around 50% of total sales are managed internally and the remainder through external partners upholding Holaluz's quality and customer experience standards. This strategic move towards centralization has enhanced resource allocation efficiency, ensuring both profitability and operational effectiveness, while still maintaining extensive coverage across Spain.
- **Warehouse and supply chain reorganisation:** to align with the new operational structure, warehouses and supply chain logistics were reorganised. This was aimed at supporting the centralised hybrid model and ensuring smoother, more efficient service delivery.

As a result of the above efforts in unit economics, Holaluz reduced the Solar break-even point from 800-1,000 installations to around 600 per month.

Solar installations	Q1 2023	Q2 2023	Q3 2023	Q4 2023	% change y-o-y	% change q-o-q
Installed	996	749	579	467	-63%	-19%

Over the entire year, the number of installations completed and recognized as revenue was **2,791**. In the fourth quarter, there were 467 installations, which represents a 19% decrease compared to the previous quarter and a 63% decrease year-on-year. **During this quarter, the company experienced a larger discrepancy between the volume of sales and the number of installations, attributed to temporary operational challenges that reduced the operational capacity in Q4**, since the team in charge of delivering installations –permitting,

installation, and legalisation- faced constraints due to the company's recent reorganisation, which included the ERE⁴ process.

This backlog of solar energy systems sold in Q4 and not installed before December 31st are being delivered in Q1 2024.

Holaluz is committed to providing unmatched customer savings by maximising rooftop utilisation

Holaluz customers benefit from the highest savings in the market, with more than 75% of them achieving 70%+ guaranteed savings after Solar. When combining **solar with batteries, 60%+ of the customers pay 0 € for their electricity needs.**

The company's approach to residential solar energy systems is highly personalised, guaranteeing savings each month through clients' energy bills. This customization is made possible by leveraging extensive use of data from Holaluz's energy management business. By designing installations that maximise rooftop space, Holaluz not only caters to the energy needs of the household but also extends the benefits to the surrounding community connected through the company's energy management platform.

Very strong unit economics in EM resulting from Tarifa Justa subscription model

In 2023, Holaluz completed the transition of its electricity portfolio to the Tarifa Justa product, a strategy that has proven to be highly advantageous for customers and the company. Tarifa Justa, characterised by its fixed monthly rate model, simplifies billing and reduces the variability of monthly expenses for customers. This shift has led to multiple benefits, including (a) **improved customer satisfaction**: the predictability and simplicity of Tarifa Justa have enhanced customer experience, reflected in internal and external metrics. (b) **significant operational efficiency**: external call centre costs were reduced by 58% year-over-year, as the need for customer service contact is minimised due to the straightforward nature of the billing. (c) **churn rate and bad debt improvements**: the product has seen a continual improvement in customer retention, positively impacting the levels of bad debts, attributable to increased customer satisfaction and billing simplicity.

⁴ An ERE, or Expediente de Regulación de Empleo, is a legal procedure in Spain that allows for company-wide layoffs due to economic or structural reasons.

Consistent Performance in Energy Management and Maintenance contracts

At the end of Q4 2023, Holaluz had a **portfolio of 14,509 solar contracts under management**, an increase of 27.45% year-on-year (+3,125 solar contracts), as the company continues to build its green distributed generation ecosystem by converting residential rooftops into green electricity generators and connecting them to nearby residential customers via the company's platform that leverages the proximity network.

The portfolio of electricity and maintenance contracts remained stable compared to both Q4 2022 and the previous quarter. The total number of contracts amounted to more than 325,000 at the end of Q4, which can be explained by higher retention and the sales of maintenance contracts.

Number of contracts (end of period)	Q4 2022	Q3 2023	Q4 2023	% change y-o-y	% change q-o-q
Solar contracts under management	11,384	13,803	14,509	27%	5%
Electricity & maintenance contracts	297,666	325,000+	325,000+	NM	NM
Total	309,050	325,000+	325,000+	NM	NM

Solar revenue in line with past quarter despite a 19% drop in installations while Energy Management revenue is impacted by lower electricity prices vs. 2022

In the fourth quarter, solar installation sales amounted to 5.7M€, marking a decline of 53% year-over-year and a 2% decline quarter-over-quarter. This contrasts favourably with the more pronounced decrease in installation volumes, which dropped by 63% year-over-year and 19% quarter-over-quarter. Such a disparity between revenue and installation declines highlights Holaluz's successful strategy to increase profitability, primarily through the increase in ticket size due to the focus on larger installations and the penetration of flexible assets.

In Energy Management, revenues decreased by 26% year-over-year and 35% quarter-over-quarter due to lower energy prices.

Revenues (€M)	Q4 2022	Q3 2023	Q4 2023	% change y-o-y	% change q-o-q
Energy management	156.2	178.4	116.4	-26%	-35%
Solar installation	12.1	5.8	5.7	-53%	-2%
Total	168.3	184.2	122.1	-27%	-34%

Note: Q4 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 €56.8m in Q4 2022, €103.7m in Q3 2023, and €60.5m in Q4 2023.

The energy purchased through distributed generation remained strong with a growth of 150% year-over-year and a decrease of 53% quarter-over-quarter due to seasonality. This is a key metric, as it consolidates the green energy ecosystem model Holaluz is building towards a decentralised, clean, affordable, and easy energy.

Energy Managed (GWh)	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Energy Sold to Customers	242.0	187.2	187.8	188.2
Energy purchased through centralised PPAs	128	187	184	149
Energy purchased through distributed generation	5.8	12.6	12.8	6.0
Energy represented	1,171	1,559	1,468	1,230

Cost reduction initiatives fully materialized with the company's organizational resizing, paving the way for sustainable growth

Throughout 2023, **Holaluz performed a substantial operational optimization** to adapt to the slowdown in the solar market. This process was completed in **the fourth quarter with an organizational resizing, impacting 25% of the total workforce**, in line with the temporary slowdown in installation demand.

The roles primarily affected were in the solar installation, sales, and operations support teams. Additionally, the 2024 budget has been meticulously optimised to concentrate on activities and projects that deliver the greatest value.

Holaluz continues expanding its customer-centric and impact-driven business model

Holaluz's ESG DNA and impact business model deliver financial results while demonstrating that **it is possible to build an energy transition company with real impact** on both the planet and people. Since its foundation, the company has successfully **avoided the emission of more than 2.7 million tons of CO₂e, with 191,966 tons of CO₂e avoided in 2023**, furthering Holaluz's commitment to keep the planet's temperature increase to 1.5°C below pre-industrial levels.

As part of Holaluz's commitment to environmental protection, the company has **obtained the ISO:14001 Environmental Management System (EMS) certification**, awarded by AENOR, for the design and installation of photovoltaic systems, and the energy management activities on its main warehouses and HQ. This certification is based on a set of procedures and technical instructions to improve the daily environmental practices of the company, such as water, energy, fuel, and waste generated, and also promote better environmental behaviour by the suppliers by integrating them into the organisation's standards to measure and minimise the environmental impact.

Holaluz is also dedicated to equality and diversity. The company actively implements policies to encourage equal treatment and opportunities between men and women. Despite operating in a traditionally male-dominated sector, Holaluz is pleased to note that, by the end of the year, **women make up 42% of Holaluz's workforce**. Additionally, **29% of the board is composed of women**.

During 2023, Holaluz also **maintained the highest score in the industry in Trustpilot** – a platform that collects customer feedback – scoring “Great” with 4 stars (4.0 points), from more than 5,400 customer reviews on the platform. This represents a substantial improvement from a score of 2 stars (2.2 points) in March 2023.

Furthermore, the milestone of scoring 4.0 points has been achieved one quarter before planned with more than **56% of the total reviews of Holaluz on the platform registered under 5 stars (top rating)**. This reinforces Holaluz’s commitment to putting its customers at the core of all decision-making processes.

ESG

2023

Tons of CO2e avoided	191,966
% women in workforce	42%
% women in board of directors	29%
Trustpilot	4/5

Financing

December 2023 closed with a net debt position of €64,4M thereby continuing the positive trend of improving the company’s Balance sheet (€74.9M in June '23 and 66.6M€ on Sept 23). The adjusted net debt amounted to €58.3M⁵. Q4 was a pivotal step for the company’s journey as we continue to execute on Energy Management while reducing the cash burn of solar by 65% with the ambition to reach break-even in 2025 as stated in the guidance given in October 2023. Ultimately, we are starting 2024 with a leaner and efficient structure which is allowing the company to adapt to the market more flexibly.

Market outlook

Holaluz continues to underscore the significant structural growth opportunity in Distributed Generation. This perspective aligns with the findings of the International Energy Agency’s (IEA) *‘Renewables 2023’ report*, which evaluates global policies and their impact on the adoption of renewable energy technologies. Notably, the report positions Europe as a leader

⁵ 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.

in the expansion of Distributed Solar Photovoltaic (PV), which is rapidly emerging as the continent's fastest-growing renewable energy segment.

In the case of Spain, the IEA report anticipates a major transition from centralised to Distributed Solar PV systems, which represents a pivotal step in the energy transition journey. The strategic advantage of Distributed Solar PV lies amongst others in its capacity to utilise local networks, thereby alleviating transmission grid load efficiently. This optimised transmission capacity can be redirected to support larger centralised renewable projects, thereby fostering a more diverse and resilient renewable energy ecosystem.

In Spain, there are 10 million domestic rooftops, nearly 7 million of which are single-family rooftops, and the rest are rooftops in multi-family buildings. Additionally, we have an average of 1,400 hours of annual sunlight, compared to just under 1,000 hours in Germany. As of the end of 2022, the number of domestic installations is less than 300,000, which is less than 0.3% of the total. Germany is already above 20%, the Netherlands at 35%, Hawaii at 35%, and California reaching 25% – with almost 100% battery penetration. Australia has 1 kW of distributed solar power installed per capita, while Vietnam, installed 7 GW of distributed solar on their citizens' rooftops in six months – equivalent to 14 combined-cycle power plants. In Spain, the current battery penetration is virtually non-existent.

Moreover, the Spanish Government has published a new PNIEC with a goal of 19 GW of self-consumption for 2030 (compared to the current ~2 GW installed base of residential installations), which will continue expanding the market. Electricity prices are expected to be twice as much as those before the war in Ukraine and VAT reductions and special tax reductions are expected to be removed in the short term.

Thus, **the opportunity for The Rooftop Revolution and Holaluz remains intact.**

Holaluz's roadmap to continue building the largest energy community in Europe

In 2024, Holaluz will continue to lead the way in energy innovation, with a strategic focus on these five key areas:

1. **Unleashing the power of Distributed Generation:** Holaluz will actively work towards scaling collective self-consumption, enabling the widespread production and consumption of local, 100% green energy.

2. **Subscription-Based Leasing for Solar:** The company plans to launch an innovative leasing product, aimed at democratising access to solar energy, particularly for those hindered by high banking interest rates and stringent loan conditions.
3. **Spain's First Virtual Power Plant (VPP):** By leveraging the company's extensive expertise in technology and data, Holaluz is set to create Spain's first Virtual Power Plant (VPP). This innovative initiative will remotely optimise the flexible assets of customers connected to Holaluz's network, including batteries and EV chargers, enhancing both savings and overall grid resilience.
4. **Increasing Flexible Assets Penetration:** Holaluz is committed to driving the electrification of energy demand by expanding the deployment of flexible assets, such as batteries and EV chargers.
5. **Enhancing the Tarifa Justa for Energy Management:** Holaluz will continue to refine its flagship energy management product, Tarifa Justa. This ongoing refinement aims to further optimise customer experience and savings.

Holaluz's commitment to maintaining a superior value proposition of products and services is firmly rooted in the goal of creating the largest and most impactful energy community in Europe. We are convinced that distributed generation is crucial for the energy transition, and our efforts are focused on unleashing its potential.

The year 2023 was marked by significant learnings and progress, building the foundations for Holaluz's continued efforts towards a 100% green Planet. As we move forward into 2024, our confidence in the business is strong, and we firmly reiterate our Guidance for both 2024 and 2025. This confidence is backed by our performance in 2023 and the clear, well-defined objectives we have established for the years to come.