

Holaluz continues with the adaptation of its team to the temporary slowdown of the solar market

- As previously explained in the results report of October 31st, **high interest rates** and a **false impression of price moderation** due to subsidisation, as well as the ability of oil and gas companies to offer energy well below the market price in the short term, **have slowed down residential customers' decision-making to invest in solar installations**. This situation has led to a market drop of 25-50% compared to 2022.
- Holaluz has focused on **improving its operations with a focus on operational excellence**. Through the intensive use of technology and the digitalization of processes, **Holaluz has managed to achieve a positive Normalized EBITDA of €5.9 million** at the end of the third quarter, reaching the break-even point in the Normalized EBITDA, and to **reiterate the low range of the Normalized EBITDA target for 2023**.
- **Following the adaptation of the company to the real and current market needs, Holaluz announces a team adaptation of 200 people** that will mainly impact installers and sales teams as well as solar operations support roles.
- The new **PNIEC** published by the Government of Spain sets a target of **19 GW of self-consumption by 2030** (compared to the current installed base of approximately 2 GW). The latter, together with a foreseeable rise in energy prices, confirms that **the cornerstones of The Rooftop Revolution and Holaluz potential remain intact**. For all these reasons, after this economic situation, **the company will continue to enjoy a strong position to lead the energy transition towards a 100% green model**.

Barcelona, November 13, 2023. Holaluz, an energy transition technology company aiming at connecting people to green energy to decarbonize the world, is adapting to the current solar market situation by **resizing its team in line with the temporary slowdown in installation demand**.

High interest rates and a **false impression of price moderation** due to subsidisation (temporary VAT reduction from 21% to 5% and electricity tax reduction from 5% to 1%, as well as the temporary 90% charge reduction), along with the ability of oil and gas companies to offer energy well below the market price, **have slowed down residential customers' decision-making to invest in solar installations**. This situation has also slowed down the industry's forecasts after a very positive 2022 and an expected record-breaking 2023.



According to the industry's data, 2023 saw a market drop of 25–50% compared to 2022. Against this backdrop, as explained in the October 31 results report, during the last 10 months the company has focused on improving its operations by focusing on operational excellence. Through the intensive use of technology and the digitalization of processes, Holaluz has managed to improve the value proposition while also significantly improving unit economics.

After a negative first half of the year, **Holaluz has managed to reverse the results, reaching a positive Normalized EBITDA of €5.9 million** by the end of the third quarter, reaching a break-even point in Normalized EBITDA and well in line to meet the low range of the guidance for 2023. Despite the current market conditions, **the company expects to close the year with a number of installations similar to the year 2022 (3,000 installations)**. Gross margin per installation also increased from 35.7% in 2022 to 43.8% in the first half of the year and 50% in the third quarter, as a result of the focus on optimisation.

Following the **adaptation of the company to the market's real and current needs, Holaluz announces a team adaptation of 200 people that will mainly impact the installers and sales teams and solar operations support roles.**

Carlota Pi, the company's CEO and co-founder, said: "I am deeply sorry that I had to make this decision. We firmly believe that our purpose is more valid and necessary than ever. This adaptation to the market situation will allow us to maintain our position of strength and continue to lead, when the circumstances improve, the transition towards a 100% green energy model. I'm very positive about the future and really optimistic regarding the way we're going to continue to transform how energy is produced and consumed in the Land of the Sun."

The Rooftop Revolution, more necessary than ever

Holaluz was born with the purpose of completely decarbonizing the world by connecting people to green energy and transitioning from a centralized, polluting and inefficient system to a **distributed, green and efficient production, storage and consumption model.**

In 2021, the company **decided to fully commit to distributed solar production through The Rooftop Revolution** and make it the cornerstone of its strategy, aiming at offering Spanish families a unique green, cheap and easy energy value proposition and thus creating a sustainable competitive advantage to win the market.

In 2022, Holaluz decided to **go one step further by investing in the three main pillars of energy transition: infrastructure, technology and marketing.** The solar division's **monthly installation capacity went from 50 in January 2022 to more than 500 in October that same year.**

As of the end of 2022, domestic installations in Spain amounted to less than 300,000, equal to a **penetration of 0.3% compared to 25–30% in other European markets such as Germany or the Netherlands.** The new PNIEC published by the Government of Spain sets a target of **19 GW of self-consumption by 2030 (compared to the current installed base of ~2 GW).** Lastly, energy prices



are still 50 to 100% higher than those before the war in Ukraine, and VAT, the special tax on electricity and charges reductions are expected to be removed in the short term. **For all these reasons, the cornerstones of the The Rooftop Revolution and Holaluz potential remain intact.**

Holaluz's value proposition remains unique in the market, with 75% of customers enjoying guaranteed savings of more than 70% after solar installation. Therefore, after this economic period, the company will continue to enjoy a strong position to lead the energy transition towards a 100% green model.

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