



AL MERCADO ALTERNATIVO BURSÁTIL (MAB)

Barcelona, 15 de abril de 2020

En virtud de lo previsto en el artículo 228 del texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, así como en la Circular 6/2018 del Mercado Alternativo Bursátil (MAB), Holaluz-Clidom, S.A. (la “**Sociedad**”) pone en su conocimiento información sobre la evolución de la Sociedad durante el cuarto trimestre de 2019 así como el impacto de la COVID-19 en la operativa de la Sociedad.

Quedamos a su disposición para cuantas aclaraciones consideren oportunas.

En Barcelona, a 15 de abril de 2020.

D. Joaquim Ibern Bosch
Director de Finanzas Corporativas
HOLALUZ-CLIDOM, S.A.



Trading update April 2020

- Holaluz grew by 14.346 new customers during Q4-2019 up to 227.208 clients as of 31 December 2019. During January and February 2020, the upward trend continued adding up 12.380 new customers to 239.588 as of 29 February 2020.

In the self-consumption business area, Holaluz reached 883 customers at the end of Q4, having sold nearly the same self-consumptions installations (385) during Q4-2019 than since the beginning of this activity back in October 2018. At the end of February 2020, the Company had 1.175 self-consumption customers.

- After the COVID-19 outbreak and due to the uncertain environment, Holaluz's management team has decided to protect its liquidity position and therefore to slow down efforts for customer growth, by postponing brand investment while preparing these efforts for the following quarter.

- The management team believes that, by reducing costs and postponing investment on brand awareness, the impact of COVID-19 on its expected results should be limited.

- Holaluz, the green tech energy company, reiterates its operating and financial goals for 2023, remaining fully funded for achieving such goals and holding a strong cash position for the upcoming quarters.



Results for Q4, January 20 and February 20

Supply

The target of the company was to increase its Top of Mind (TOM) during Q4.

Metrics and historical data show that if the customer knowledge of Holaluz increases, the probability of becoming their electricity supplier becomes higher, thanks to the company's universal value proposition: **green** energy, fair prices that lead to **savings** thanks to heavy use of technology and **customer** centricity.

With this goal in mind, the company launched the #PorAlgoSeEmpieza marketing campaign in early October 2019. The results have been in line with the expectations: an increase in the TOM of more than 40% compared to the previous quarter. The daily sales increase from Q3 to Q4 has been +43%.

Prosumers

The company focused during Q4 on local areas in order to test new features of the Holaluz Cloud product. Thus, Holaluz expanded its solar footprint up to a total number of 883 installations, compared to 498 as of September the 30th. Therefore, the prosumers activity achieved almost the same amount of sales in just one quarter --Q4-- than since the beginning of this activity, back in October 2018.

P&L evolution (in M€)

	Q4-18	Q4-19
Revenues	45,94	58,87
COGS	-43,51	- 54,39
Gross Margin	2,44	4,48
Other costs	-2,29	-3,49
Brand	-0,67	-2,55
EBITDA(1)	-0,52	-1,56
IPO Cost		-0,82

(1) not including IPO cost

Our sales increased by 28,1% while our COGS increased by 25,0%. As a consequence, our gross margin increased by 83,6% driven not only by the growth of sales but also due to higher focus of our sales reps on smaller SMEs and also households.

During Q4 brand marketing investment increased by 314% -- the main use of proceeds as explained during the IPO --. The normalized EBITDA was €-1,56M for the 3 months ended December 2019 (not including the one-off IPO cost of €0,82M).

EBITDA for Q4 was very much in line with our expectations. There is EBITDA seasonality in our business due to (excluding growth):

1. Consumption seasonality of our clients
2. Hedging products available
3. Monthly system losses
4. Brand investment campaigns

Taking into account all these variables, the best quarter of the natural year in terms of EBITDA is generally Q3, followed by Q2 and Q1 and finally Q4, which is generally the least profitable one

COVID-19 impact

The Coronavirus outbreak will impact:

- **New customers growth:** during the first weeks of the COVID-19 outbreak, we decided to reduce our marketing investment and as a result we have seen a slowdown of searches for our branded and non-branded keywords and thus a reduction in incoming sales calls from clients. We are still growing, but not at the same daily ratio that we saw from Q4 to end of February. We expect this trend to continue during Q2.
- **Current customers' consumption:** our portfolio is mainly composed of Households, albeit we have a small exposure to the S, of SMEs. Due to the lockout, we are seeing an increase in household consumption. At the same time, SMEs consumption is decreasing. The net effect is a decrease in consumption of around 20%. It is important to point out that households account for most of our total gross margin generation and therefore the impact in gross margin should be reduced. In fact, our forecast still shows higher gross margin generation for year 2020 compared to gross margin for 2019.
- **Hedging:** we hedge all the energy that our clients will consume 12 months after signing their contract with us. In order to hedge this position, we commit to buy this electricity beforehand at an agreed price. In the current scenario, as our total energy consumption has decreased between 18-24%, we have been left with a long position in the future market of electricity. One-off loss on un-hedging this unexpected long position is mostly likely to be realized.
- **Operations:** main potential challenges, operations-wise, going forward are:
 - **WFH:** even though we are a work from home friendly company, it is the first time that we have 100% of our team members working from home. We are happy to say that we have not seen any material impact on our operations and are working very hard on keeping up with our culture and strengthening bonds among our team, while preparing for the day after COVID-19.
 - **Unpaid:** after almost 5 weeks of confinement, we have not seen any substantial increase in unpaid balances so far.



Commitments

In order to tackle the COVID-19 scenario we have taken several actions that allow us to keep on implementing our invincible strategy: building trust with our clients. At the same time, we keep a lean cost structure and focus on potential unpaids:

- Keep all of our A-team.
- Free our total headcount until there is more visibility on the end of COVID-19 outbreak.
- Move part of our sales team capacity to focus on potential unpaids, contractrenovations for SMEs, and lead nurturing.
- Postpone our marketing investment until we see good opportunities for client traction. We are ROI obsessed, more than ever.
- Adjust and renegotiate different operating costs

With all these measures, we feel confident that the annual EBITDA figure should not be materially different from our internal forecast for 2020.

Our long term goals for 2023 stay the same both in terms of number of customers, number of solar installations, revenues and profitability. Holaluz remains fully funded to achieve these goals and holds a strong cash position to overcome this uncertain situation.