2023 FIRST HALF RESULTS

Soltec signed 2.3 GW of contracts by September and expects strong growth in the second half of the year, with more than 2 GW of contracts to be signed imminently

- **Revenues of 107.8 million euros for the quarter and 184.5 million euros for the first six months, due to the low volumes of activity in the first half of the year, as announced by the company at the beginning of the year**
- **The company expects solid demand in the coming quarters, with the signing of 55 contracts totalling 2.3 GW until September 2023, of which 1.3 GW in the last three months**
- **The company has more than 2 GW of additional contracts, to be signed imminently, in regions where it has its own production capacity**
- **The company is boosting its PPA strategy with 260 MW signed in Spain and Brazil and the recent signing of 29.4 MW for five projects under development in Spain**
- **Soltec already has 230 MW in operation and 25 MW under construction and expects to have between 750 MW and 1 GW under construction or in operation by 2025**
- **The current valuation in the Market (€3.3/share) offers a great investment opportunity, with upside potential of +96% relative to the consensus target price**

Madrid, 26 September 2023.

Soltec ended the first half of the year with revenues of 184.5 million euros, EBITDA of -10.2 million euros and net loss of 14.4 million euros.

On a quarterly basis, the April to June results showed consolidated revenues of 107.8 million euros and an adjusted EBITDA of -5.6 million euros, confirming the seasonality of the 2023 financial year, as expected by the company and communicated since the beginning of the year.

Industrial Division: a year that has gone from strength to strength

The industrial division (**Soltec Industrial**) continues to reflect the high value-added of solar trackers and their strong global demand, having delivered more than 1 GW in the first half of the year and reaching a cumulative track record of 17 GW.

In the first half of the year, the industrial division revenues amounted to 174.8 million euros. In the second quarter, revenues amounted to 103.5 million euros, with an EBITDA margin of -4.3%.

The seasonality of the business is reflected in these results and is mainly due to the extension in the deadlines of certain administrative processes in Spain and the publication on of the guidelines for the Inflation Reduction Act (IRA) in the United States.

The division's operating indicators reflect the positive development of the year, with a slow start and an upward trend over the months, benefiting from a clearly stronger second half.

From January to 15 September, the company signed more than 55 solar tracker supply contracts worldwide. This amounts to more than 2.3 GW (286 million euros) of tracker supply contracts.

In addition, the company currently has more than 2 GW of contracts in very advanced negotiations and close to finalisation, in markets where it has local manufacturing capacity, giving it great supply flexibility.

The backlog (signed contracts pending execution) stood at 412 million at the end of August, while the pipeline stood at 16,925 million euros and 140,982 MW at the end of June.

In terms of markets, Europe accounted for 34% of H1 2023 sales, the United States 21% and Latam 45%.

Stronger presence in the United States

The United States is currently the largest market for solar trackers, accounting for almost 50% of global solar tracker sales.

Soltec has strengthen its position in the region, and currently has a highly experienced team in the region, an office in Florida, a logistics centre in Texas, as well as a solid track record in the region of more than 2 GW.

The company expects the region's revenues to grow from 25% (at the end of 2022) to 50% in 2025.

Development division

The photovoltaic project development division (**Soltec Desarrollo**) ended the first half with a pipeline of 14 GW of projects at various stages of development in eight countries.

By stage of development, the company has 488 MW in its backlog, 3,383 MW at an advanced stage, 2,333 MW at an early stage of development and 7,710 MW of identified opportunities.

By country, Brazil has 6,279 MW, Italy 2,706 MW, Spain 2,331 MW, Colombia 1,234 MW, Denmark 733 MW, Mexico 375 MW, Romania 156 MW and the United States 100 MW.

The project development division is characterised by development agreements with various partners in the main regions:

1. In Spain, it has Total as a partner for the joint development of 468 MW. Soltec has a 35% stake in the projects and Total has 65%.

2. In Italy, Soltec has a co-development agreement with Aquila Capital for the joint development of 1.2 GW in the country. In this case, Soltec has a 49% stake in the projects and Aquila Capital a 51% stake.

3. In Italy, the company also has an agreement with ACEA for the joint development of 340 MW, with a 49% stake.

During the first half of the year, the company received favourable Environmental Impact Assessments (DIA) for 549 MW and Prior Administrative Authorisations (AAP) for 508 MW in Spain for projects in Murcia, Valencia and Galicia.

In the first six months of the year, Soltec sold 384 MW of projects under development. Of this, 130 MW related to assets sold in Colombia, and 254 MW corresponded to assets sold to the asset management division.

Asset management division

Through **Soltec Assets**, the company is making progress in generating an additional revenue stream from the sale of energy which will provide the company with recurrence, strength and stability. In the first half of the year, the division generated revenues of 5 million euros and an EBITDA of 4 million euros.

The company currently has 230 MW in operation: 112.5 MW in Brazil (Pedranópolis), 112.5 MW in Brazil (Araxá) and 4.5 MW in Spain (La Asomada).

On the other hand, the company has three projects in very advanced stages of construction in Spain: La Isla (4.5 MW), Los Valientes I and II (14.9 MW) and Totana IV (5.5 MW).

The company recently signed a new PPA for the development of 5 projects in Spain, totalling 29.4 MW, with an investment grade company.

In January 2023, Soltec announced the signing of a 100-million-euro financing agreement with the credit fund advised by Incus Capital to finance its renewable asset management and operation business (**Soltec Assets**). With this operation, Soltec aims to strengthen and accelerate the growth of this division, which is dedicated to the investment, operation and management of renewable energy infrastructures. It also guarantees the construction and commissioning of part of the projects in the development division's portfolio, chiefly in Europe (Spain, Italy) and Brazil.

A unique company trading at a deep discount

The company is currently trading at 3.3 euros/share (closing price on 25 September 2023), and the consensus target price, based on the estimates of the seven financial analysts covering the company, is 6.4 euros, representing a potential upside of 96%.

About Soltec Power Holdings

Soltec Power Holdings (ticker: 'SOL') is a company specialising in vertically integrated solutions in the solar PV sector, with a strong commitment to innovation and sustainability. Headquartered in Murcia, the company was founded in 2004 and currently operates in 16 countries, with a major presence in Spain, North America and Latin America. The company has been listed on the Spanish Continuous Market since 2020.

Soltec structures its activity around three main business areas: i) the **photovoltaic project development division,** with a strong commitment to environmental, social and good governance issues, under the Powertis brand; ii) the **industrial** division, Soltec is the third largest manufacturer of solar trackers in the world and offers its customers additional construction services to ensure a complete and integrated value proposition; iii) **Soltec Asset Management**, a third business division through which Soltec manages the assets it holds in its portfolio, with the aim of maximising its profits in the medium and long term.

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