



## Q1 2023 TRADING UPDATE

# Soltec posts revenues of €77M, confirms its Guidance for 2023 and announces a new sale of 130 MW in Colombia

- The company confirms its guidance for FY 2023, where its activity will be concentrated in the second half thereof
- The company announces the sale of 130 MW in Colombia
- The company posted consolidated revenues of €77M during the first three months of the year
- Its KPIs are a reflection of the sector's robustness and the value proposition of solar trackers

Madrid, May 11, 2023. Soltec has released a trading update, which at the end of Q1 2023 was characterized by the good evolution of the photovoltaic sector worldwide. The good moment the industry is living is due to greater demand and a decrease in global disruptions, which has resulted in better logistics conditions throughout the world.

### **The Industrial Division: The Strength of the Pipeline is a reflection of the Industry's Dynamism**

Soltec's Industrial Division (**Soltec Industrial**) has become a world-leading supplier of solar trackers, with an accumulated track record of 15.9 GW.

Its revenues during the first three months of the year were 71.3 million euros, thereby confirming the seasonality of the industrial business, whose robustness in terms of volumes and margins will be reflected in the second half of the year, as the company announced at the beginning of the year.

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As for the division's KPIs, they are a reflection of the good evolution and dynamism of the sector. Its backlog (signed contracts pending execution) reached 221 million euros in solar tracker supply contracts and other additional services, corresponding to 0.3 GW of solar tracker supply projects.

On the other hand, the pipeline (contracts with a certain probability of execution) stood at 100,000+ MW, amounting to 10,870 million euros. The probability of execution of 1,888 million euros of said pipeline is equal or greater than 50 percent.

### **The Development Division: New Sale of 130 MW in Colombia**

Soltec's Photovoltaic Project Development Division (**Soltec Development**) closed the quarter with a pipeline of 14.2 GW corresponding to projects at different stages of progress in eight countries: Spain, Italy, Denmark, Romania, Brazil, Colombia, Mexico and the United States. Please note that the purpose of this division is to develop projects to the ready-to-build (RTB) status and then sell them either to a third party or to Soltec's Asset Management and Operation Division (**Soltec Assets**).

**Soltec Development announced the sale of 100 percent of two projects in Colombia** amounting to 130 MW. These projects, which are in the initial development phase, are the result of the company's efforts and good management in the Andean country.

Likewise, Soltec has various M&A projects ongoing in different geographies that are of great interest to it owing to the high quality of the assets under development and it expects to complete in the coming quarters.

The pipeline of projects under development is geographically balanced, 45 percent of the projects being located in Europe and 55 percent in the Americas.

It also worth mentioning that in January 2023 the company obtained the environmental impact assessment (DIA) favourable for 401 MW encompassing 16 projects in the Spanish regions of Murcia and Alicante. With them, and in accordance with Spanish Royal Decree-Law 23/2020, Soltec already has all necessary DIAs, which expired in January 2023.

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## The Asset Management Division: 230 MW in Operation and 25 MW under Construction

Last year Soltec began executing its 2022-2025 Strategic Plan, by means of which it announced the creation of a new asset management business line: **Soltec Assets**. Through this division the company expects to have a further flow of revenues from the sale of power that will give it recurrence, solidity and stability. Furthermore, it will allow Soltec to differentiate itself from its competitors and maximize the value of its projects, as well as mitigating the risks in the value chain thanks to geographical and business diversification.

**Soltec Assets** currently has 230 MW in operation, corresponding to the Araxá (Brazil), Pedranópolis (Brazil) and La Asomada (Spain) assets.

The division also has 25 MW under construction in Spain: La Isla (5 MW), Los Valientes I & II (14 MW) and Totana IV (6 MW).

The company expects **Soltec Assets** to have portfolio close to 1 GW by 2025.

In January 2023 Soltec announced it had reached a €100M funding agreement with the credit fund advised by Incus Capital to fund **Soltec Assets**. With this operation Soltec aims to place value on and accelerate the growth of this division specializing in investing in, managing and running renewable energy infrastructures. It will also ensure the construction and commissioning of some of projects in the Development Division's portfolio, mainly in Europe (Spain and Italy) and Brazil.

## 2023 Outlook

Although the environment is still challenging and complicated, Soltec expects the positive trends seen in the photovoltaic industry to be confirmed in 2023 thanks to the global need to increase energy independence and strengthen the industrial chain, together with the good value proposition solar trackers represent in countries with high solar irradiation.

The photovoltaic industry is having an unprecedented moment. Every country has taken appropriate measures to speed up its journey to having secure and cheap energy. The U.S. has already taken different protectionist measures to ramp up its production of renewable components. IRA guidelines are expected to be released

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halfway through the second half of the year, whose impact on the industry will have to be assessed, which will likely be felt by the end of 2023 and mainly throughout 2024.

On the other hand, the Spanish government also clearly supports the development of renewable energy projects. Its recent environmental permits have greenlighted a large number of projects that will commence to be built during the tail end of 2023 and in 2024.

Soltec expects, based on industry trends and the regional evolution of the different regulations, a high demand for the products of its Industrial Division, demand that will clearly materialize at the end of 2023 and throughout 2024.

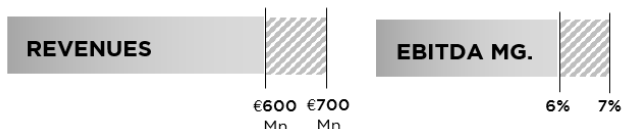
The company likewise expects its EBITDA margins to reach 6-7% levels per annum.

### Guidance for 2023

#### SOLTEC POWER HOLDINGS



#### INDUSTRIAL



#### DEVELOPMENT



#### ASSET MANAGEMENT



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## About Soltec Power Holdings

Soltec Power Holdings (ticker: 'SOL') is a company that specializes in **vertically integrated solutions in the solar photovoltaic power sector** and is strongly committed to innovation and sustainability. Headquartered in Murcia, the company was established in 2004 and currently operates in 16 countries, its presence being strong in Spain, North America and Latin America. The company has been listed in the Spanish Stock Exchange since 2020.

Soltec structures its activity via three large business units: i) the **PV Project Development Division**, which has a strong environmental, social and good governance commitment, under the Powertis brand; ii) the **Industrial Division** (Soltec is the world's third largest solar tracker manufacturer), which provides further construction services to its clients to ensure a complete and integrated value proposition; and iii) **Soltec Asset Management**, through which Soltec manages the assets in its portfolio in order to maximize its benefits in the medium and long terms.

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