



7c solarparken

Brief Comment on 9M 2022 Results & Annual Outlook

29 NOVEMBER 2022

VIRTUAL PRESENTATION

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AGENDA



IPP PORTFOLIO UPDATE

NINE-MONTHS 2022

PRICE CAP

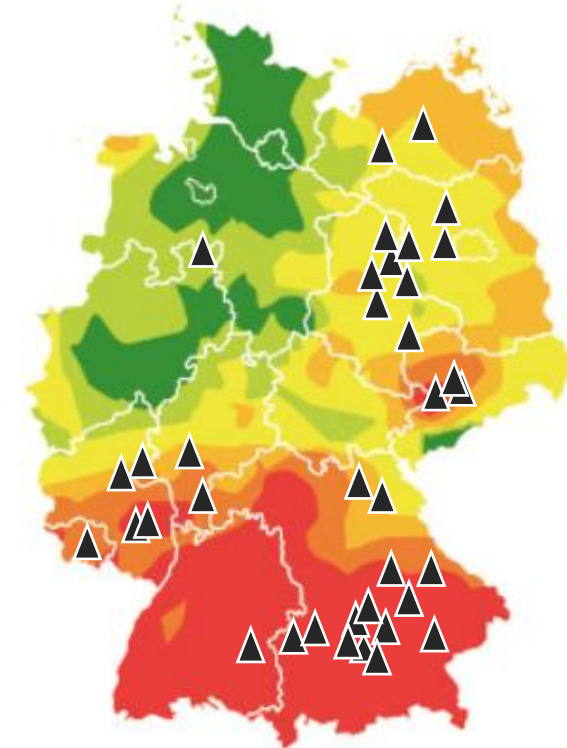
GUIDANCE 2022

IPP PORTFOLIO Existing Parks 380 MWp, running EBITDA ca. EUR 53 Mio (*)



	MWp Capacity	GWh Production	kWh/kWp Yield	EUR/MWh FIT	in EUR Mio Sales	in EUR Mio EBITDA
Germany	341	342	1.004	167	57	49
Freefield	250	254	1.014	154	39	33
Rooftop	85	75	882	227	17	15
Wind	6	14	2.350	87	1	1
Belgium	40	35	894	135	5	4
Freefield						
Rooftop	40	35	894	135	5	4
IPP PORTFOLIO	380	378	993	164	62	53

LOCATION OF GERMAN PARKS > 2 MWP



- German PV assets concentrated in Bavaria, Eastern Germany, and Rhineland-Palatinate
- Belgium accounts for 10% of portfolio
- Average plant size: 2.4 MWp
- Average year of commissioning: 2016 (weighted capacity) / 2012 (weighted revenues)
- (*) Average capture price (based on long-term PV market price of EUR 77/MWh): **EUR 164/MWh**
 - Germany: Feed-in Tariffs are state-guaranteed and fixed for 20 years + year of commissioning
 - Belgium: mainly on-site PPA's (plus capital subsidy or green certificates for older parks)
- Rooftop and land lease contracts usually running 20 years + at least 5 years extension option
- Small diversification into onshore wind

NEWLY ENTERED CONSTRUCTION Three PPA-Installations totaling 12 MWp



PROJECTS TO BE ADDED TO IPP PORTFOLIO ONCE ONGOING CONSTRUCTION WORKS ARE FINISHED



BURGWINDHEIM II

Merchant Price / virtual PPA Project

10.8 MWp

1 050 kWh/kWp

Grid connection: Q2'23



NINOVE (BE)

On-site PPA Project

0.5 MWp

850 kWh/kWp

Grid connection: Q1'23



LEDEGEM (BE)

On-site PPA Project

0.3 MWp

875 kWh/kWp

Grid connection: Q1'23

IPP PORTFOLIO Breakdown of 380 MWp by Tariff and Year of Commissioning

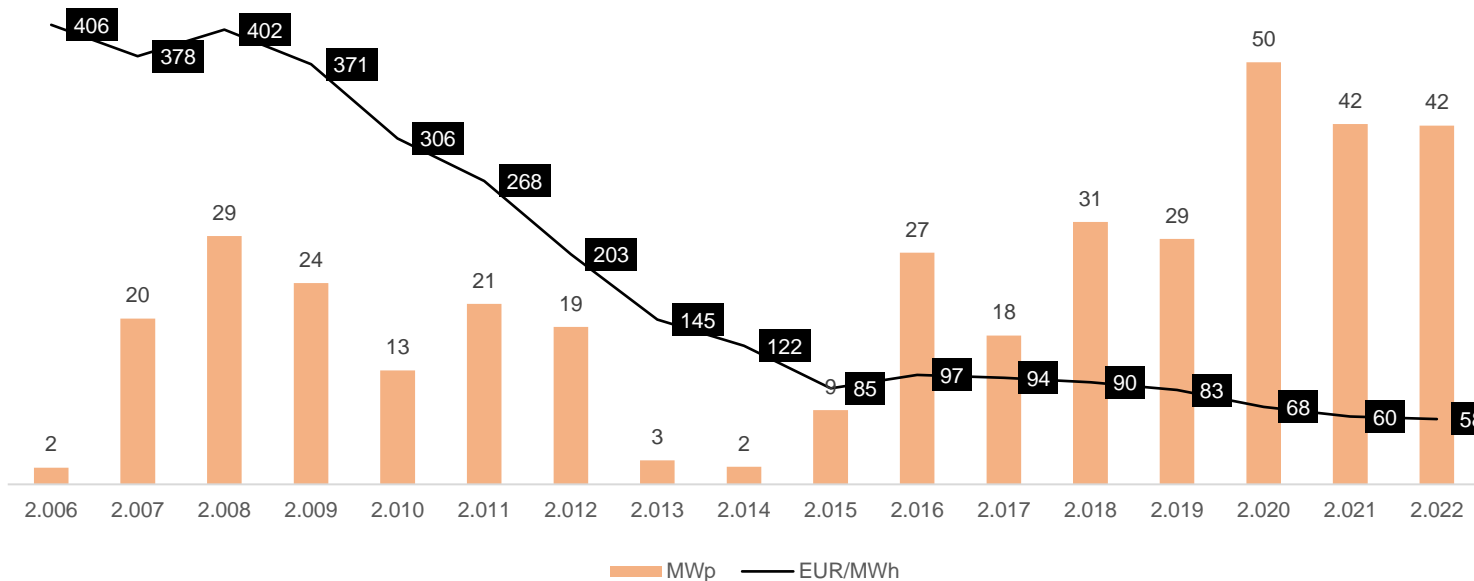


COMMISSIONING YEAR AND AVERAGE FEED-IN TARIFF (EUR/MWH) PER YEAR

PARKS WITH HIGH EBITDA



PARKS WITH POWER PRICE OPTION VALUE



HEDGE

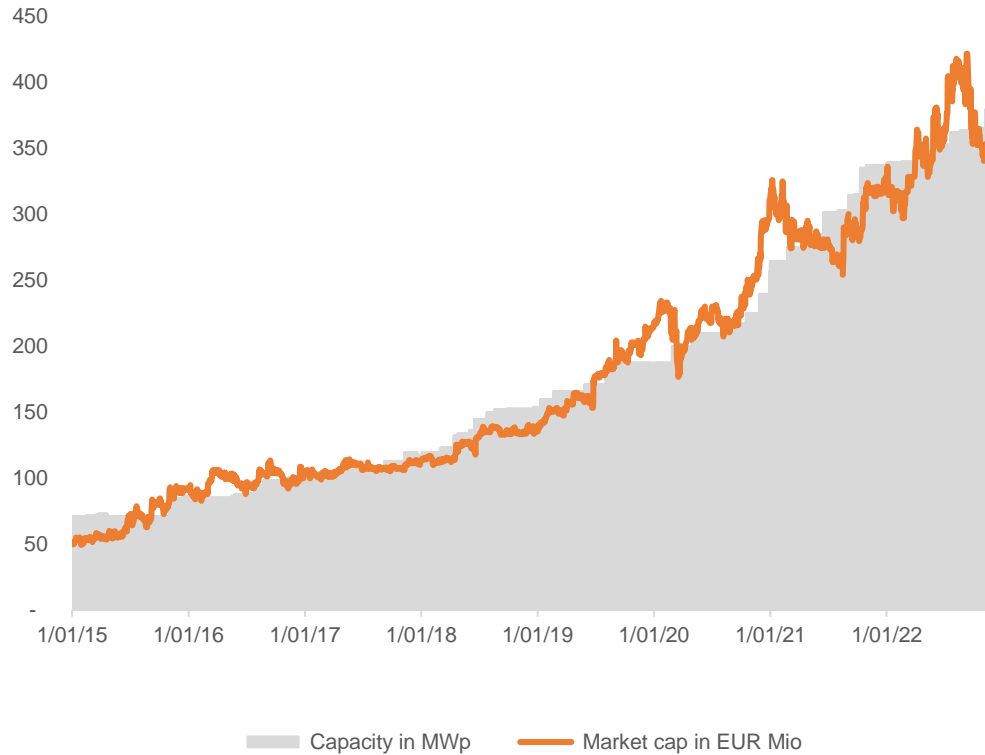
Out of the additions realised in 2020-22, a total of 93 MWp is subject to a swap agreement with a large European electricity supplier.

The underlying volumes are sold at EUR 149.5/MWh as from June 2022 until December 2023.

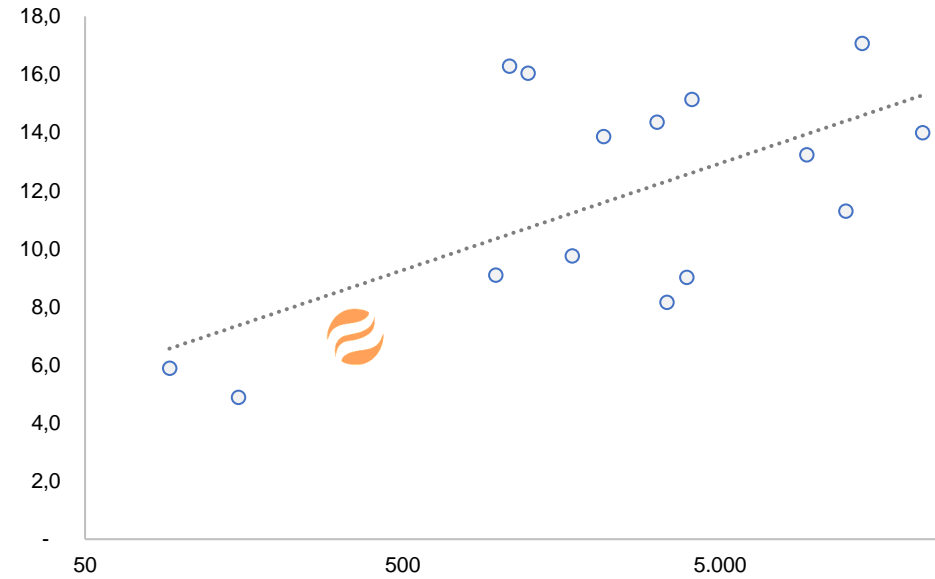
VALUATION Market Cap versus Installed Capacity



MWP VERSUS MARKET CAP



P/CF (Y-AXIS) VERSUS MARKET CAP (X-AXIS IN EUR MIO) FOR PEER GROUP



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SPECIFIC PV OUTPUT IN GERMANY Very sunny 9M'22 +6% vs. Long-Term Average



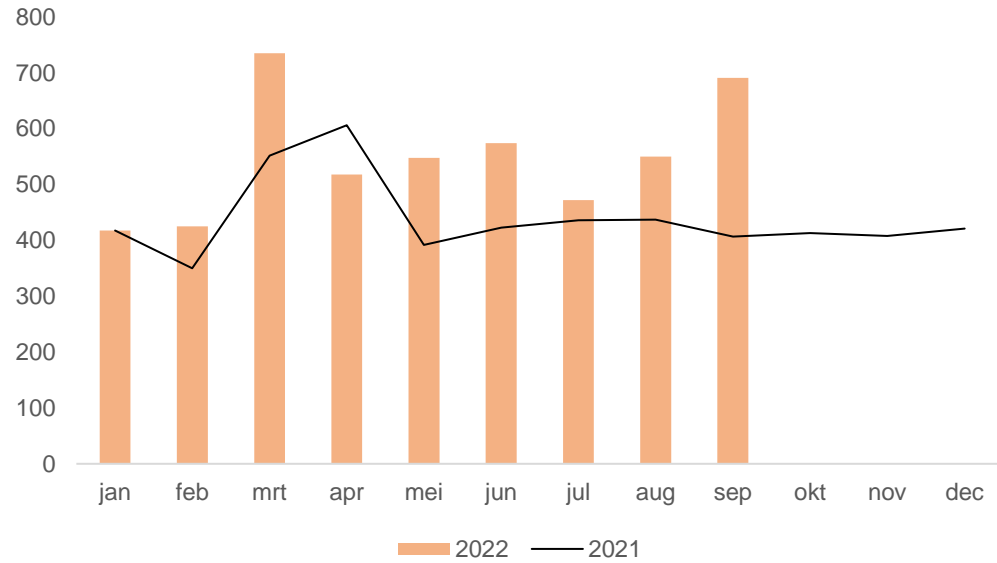
YIELD GERMANY

kWh/kWp	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	9M	YEAR
2011	21	41	101	132	147	122	112	116	100	75	41	15	892	1.023
2012	26	47	93	100	138	118	125	130	96	62	27	15	873	977
2013	12	25	74	98	103	125	148	124	82	59	26	24	791	900
2014	25	49	102	107	119	137	126	111	85	58	30	12	861	961
2015	18	44	86	127	124	129	136	126	87	55	34	28	877	994
2016	22	38	72	105	127	119	127	125	106	49	30	25	841	945
2017	28	43	90	104	130	134	122	114	81	58	23	13	846	940
2018	20	53	74	121	143	128	147	126	104	74	34	15	916	1.039
2019	21	61	77	119	117	146	132	122	93	58	26	24	888	996
2020	28	42	97	144	138	120	132	116	101	46	37	16	918	1.017
2021	15	48	87	111	114	134	117	101	97	64	25	17	824	930
2022	22	48	113	110	137	138	139	132	86	67			925	
Average	22	45	89	115	128	129	130	120	93	60	30	19	871	980
StDev	24%	20%	12%	13%	11%	7%	9%	7%	10%	15%	19%	30%	4%	4%
2022														
versus average	2%	7%	27%	-4%	7%	7%	7%	10%	-8%	11%			6%	
versus 2021	47%	0%	30%	-1%	20%	3%	19%	31%	-11%	5%			12%	

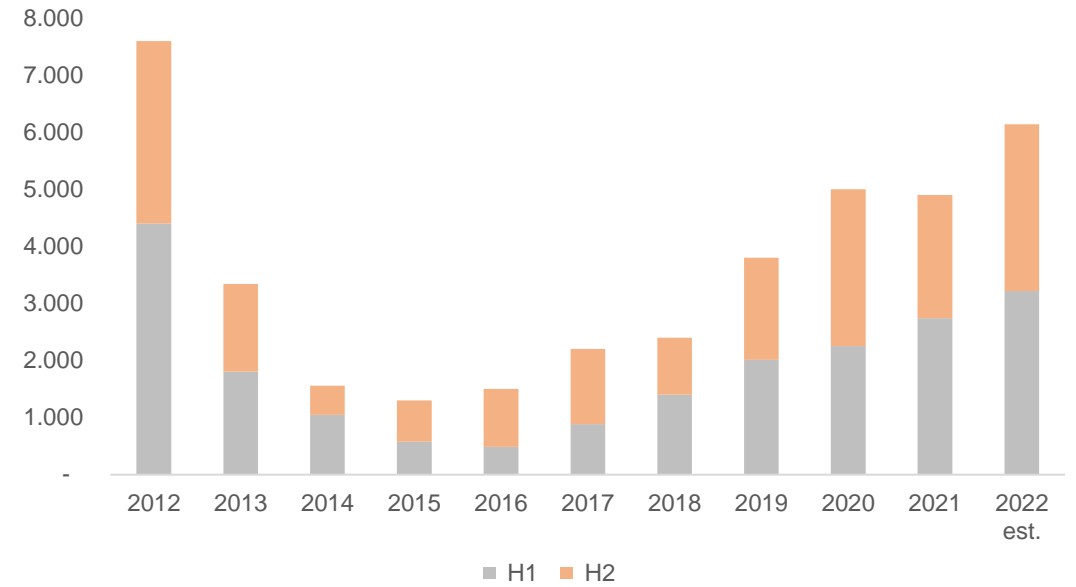
4.9 GWP NEW-BUILD IN 9M'22 Total PV Capacity rose to ~ 64 GWp



NEW PV INSTALLATIONS IN THE PERIOD JAN-SEP (MWP)



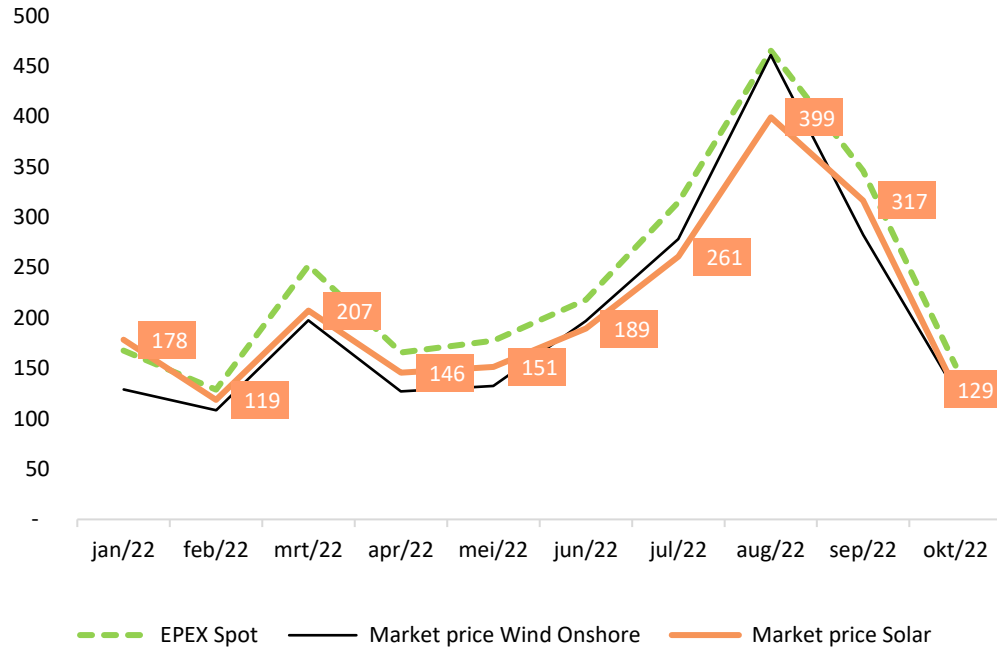
NEW PV INSTALLATIONS PER YEAR (MWP)



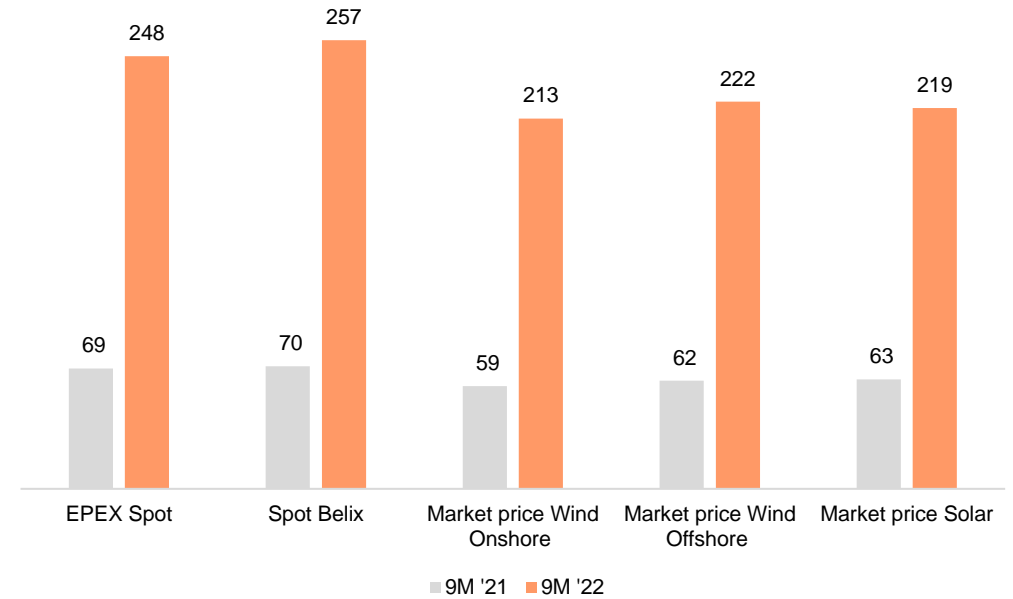
PV MARKET PRICE Watch the Record Price of EUR 399/MWh during August



EUR/MWH JAN-OCT '22 PRICES PER TECHNOLOGY



COMPARISON MARKET PRICES EUR/MWH 9-MONTHS 2021-22



KPI'S AND FINANCIALS All at Record Levels, EBITDA rises above Year-End Guidance



OPERATIONALS

	2022 9M	2021 9M	%
GWh	309	235	31%
kWh/kWp (solar + wind)	909	829	10%
Weighted operating capacity	340	281	21%
Capture Price EUR/MWh	238	198	20%

FINANCIALS

	2022 9M	2021 9M	%
Revenues	74.1	47.4	56%
EBITDA	66.8	42.0	59%
Net debt	135.0	167.7	-19%
Equity Ratio	42.4%	39.4%	8%

MANAGEMENT COMMENTS

- **REVENUES:** Benefiting from capacity growth +21%, improved yield through better weather + 10% and higher market prices.
- **EBITDA:** Same positive effects, but includes a provision of EUR 3.3 Mio to reflect an assumed retroactive price cap as from September 2022 onwards.
- **NET DEBT** fell substantially as a result of substantial free cash flow generation, fresh capital and growth capex mainly planned for Q4'22. The net debt position does not yet include an issue premium of EUR 6.2 Mio related to the private placement (proceeds were received on Oct 4, 2022).
- **EQUITY RATIO EXCLUDING HEDGE EFFECTS** strengthened further to 42.4%

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NINE-MONTHS 2022

PRICE CAP

GUIDANCE 2022

CHRONOLOGY OF STATEMENTS & DRAFT LAWS Europe & Germany



DATE	AUTHORITY	DECISION / COMMENT
29-Sep-2022	European Union	Price Cap of EUR 180/MWh on market revenues for infra-marginal technologies such as lignite, nuclear, PV, wind No effect for subsidised revenues such as feed-in tariffs above this cap Every country can freely decide on scheme, mechanism and cap level. Retro-active measures allowed, anticipated start date 1 September 2022 Legislation at least valid until 30 June 2023
03-Oct-2022	Belgium	Retro-active price cap as from 1 Jan 2022 until at least 31 December 2023, 100% above EUR 130/MWh will have to be reimbursed
18-Oct-2022	Germany	Slides launched by government on the mechanism of the cap, allowing a premium of (only) EUR 30/MWh above fixed FIT and 10% of the difference to market price. Retro-activity back to 1 March 2022
03-Nov-2022	Germany	Draft text released by Government that retro-activity will apply as from 1 September 2022 following legal opinions on the unconstitutional character of the mechanism
08-Nov-2022	Germany	Concept paper foresees EUR 30/MWh premium plus 4% for PV and wind (as to compensate for higher "Direkt Vermarktung" expenses) as from 1 November 2022
23-Nov-2022	Germany	Government proposes new text with retro-active application as from 1 September 2022
25-Nov-2022	Germany	Circulation procedure signed by Minister with launch of price cap as from 1 December 2022

CAP ON GERMAN "EXCESS REVENUES" Changes in EEG Law



PRICE CAP MECHANISM GERMANY

Market Price



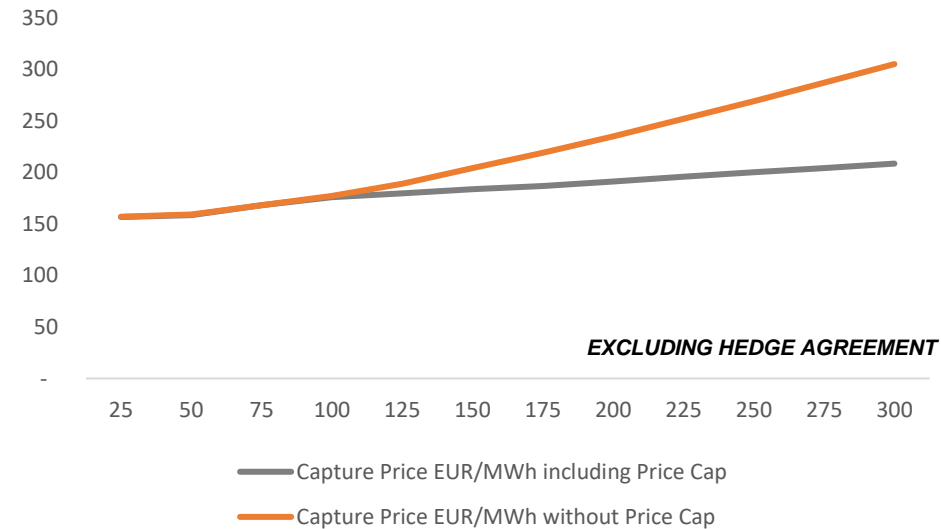
MANAGEMENT COMMENTS

- **< 1 MWP projects are excluded from the mechanism:** 7C Solarparken owns 41 MWp (out of current 380 MWp) in projects below 1 MWp
- **Government assumes that FFAV (tender) tariffs fully reflect the full cost of the installation:** Management does not see this as correct, since its lowest tariff (EUR 38/MWh) has only been applied for as a buffer, and certainly not as reference cost nor break-even situation. Projects without a tariff (PPA) will benefit from a theoretical reference cost of EUR 100/MWh.
- **Hedging results will need to be looked at individually**
- **PPA's in difficult water** as some PPA's are set as a function of market price, have short-lived maturity and are designed tailormade.
- **Open end is difficult for investment decisions**

IMPACT ON CAPTURE PRICE **Inflection Point at EUR 115/MWh**



CAPTURE PRICE (Y-AXIS) IN FUNCTION OF PV MARKET PRICE (X-AXIS)



MANAGEMENT COMMENTS

- **September impact for German portfolio at EUR 2.7 Mio.**
 - PV Market value EUR 317/MWh
 - Capture Price is approx. EUR 90/MWh less for the portfolio after the price cap
 - Production volume ca. EUR 30 GWh
- **Impact for Belgium as from Jan-Sep estimated at EUR 0.6 Mio.**
- **Going forward, the price cap economically kicks in as from EUR 115/MWh**

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EBITDA & CFPS GUIDANCE UP to EUR 70 Mio. And EUR 0.70/share resp.



NEW GUIDANCE FOR 2022 WITH CAP AS FROM SEP '22

	9M 2022	Oct	Nov	Dec	Full-Year	Previous Guidance	COMMENT
Weighted MWp	340	341	341	341	340		Most new projects on-grid as from 2023
kWh/kWp	909	60	27	14	1.010		
GWh	309	20	9	5	342		
PV Market price EUR/MWh	219	129	145	235			PV market price ~ base-load spot in Q4 includes swap and price cap
Capture price EUR/MWh (cap incl.)	238	170	173	180			
Total Revenues EUR Mio	74,1	3,5	1,6	0,9	80.0	72.9	
EBITDA EUR Mio	66,8	2,6	0,7	-0,1	70.0	61.8	
Net Cash Flow EUR Mio	n.a.				54.0	52.1	
Net debt EUR Mio	135,0				170.0	175.0	Capex effect Q4'22
No shares Mio					77.3	77.3	
CFPS					0.70	0.67	

Previous Guidance included a Price Cap of EUR 150/MWh as from Jan '22

CONTACT



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