

7C SOLARPARKEN ANNOUNCES Q1 2023 FIGURES

ISIN DE000A11QW68 - DE000A2DAP26

- REDUCED POWER PRICES AND ADVERSE WEATHER CONDITIONS LEAD TO A DECREASE IN SALES TO EUR 10.1 MIO IN FIRST QUARTER 2023
- IPP ASSET PORTFOLIO GROWS TO 427 MW. THE WEIGHTED AVERAGES CAPACITY BASE RISES BY 18% COMPARED TO 2022 Q1
- GROUP-EBITDA DECREASES TO 8.9 MIO. WHILST EBITDA MARGIN RISES TO 88%

OPERATIONAL ACTIVITY

POWER PRODUCTION

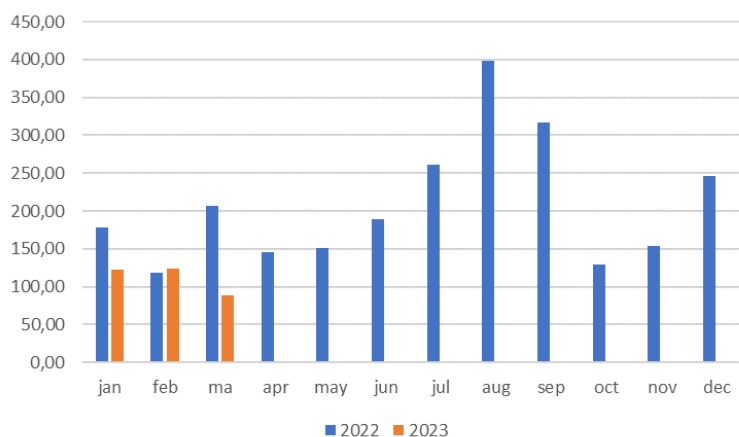
Power production over the first quarter of 2023 decreased by 13% to 51 GWh (Q1 2022 : 59 GWh) in spite of the growth of the weighted average capacity base by 18%. This reduction was the result of bad global irradiation, which decreased to 134 kWh/m² in the first three months of 2023 compared to 173 kWh/m² in the same period last year, a decline of 23%.

		2023 Q1	2022 Q1	Change
Weighted average capacity base*	MWp	397	336	+18.0%
Production*	GWh	51	59	-13.1%
Specific yield*	kWh/kWp	129	175	-26.3%
Average capture price*	EUR / MWh	190	238	-20.0%

*incl. Wind farms

The specific yield of the asset portfolio shrank, primarily as a result of lower irradiation, by 21.2 % to 129 kWh/kWp compared to the first quarter of 2022. In addition, the specific yield was reduced by 4% because of outages due to power supply stabilization measures by grid operators within the Redispatch 2.0 regulatory framework.

EEX Market Prices for PV (Jan 2022-March 2023)



Source: EEX, own presentation (prices in EUR per MWh)

The average capture price for the overall portfolio declined by 20% to 190 EUR per MWh compared to 238 EUR per MWh in the same period last year. The capture price is the realized price on the sale of electricity. Ordinarily the capture price would be equal to the fixed feed-in tariff of the Group's portfolio. However, under the German Renewable Energy Act, the Group sells its electricity as the higher of the EEX Electricity Price for PV and the fixed feed-in tariff. Moreover, the Group has secured a price of 149.5 EUR per MWh until the end of 2023 for a part of the asset portfolio totaling 93 MWp by means of an electricity price swap with a European utility.

The power prices have cooled down substantially in the first quarter of 2023 compared to the same period last year. As a result, the Group could not benefit from capture prices in excess of the fixed feed-in tariff to the same extent as was the case in the previous year.

ASSET PORTFOLIO

In the first quarter of 2023, the asset portfolio expanded by 34 MWp from 394 MWp at the 2022 to 427 MWp on the balance sheet date. The portfolio's growth consisted of the purchase of the Schwerin solar plant (10 MWp), which was already in acquisition at the end of the year, as well as the plants from the GSI-3 portfolio (21 MWp), a new German ground-mounted plant (1 MWp) and finally Belgian rooftop systems with a total capacity of 1 MWp.

On the balance sheet date, 29 MWp solar systems, which are part of the asset portfolio, were still under construction, of which 21 MWp were ground-mounted systems in Germany and 8 MWp roof systems in Belgium. Finally, a sales agreement was signed regarding a part of an installation in the asset portfolio (2.7 MWp), which was not yet closed at the balance sheet date.

OPERATIONAL RESULTS

Revenues for the first three months of 2023 amounted to EUR 10.1 million, which corresponds to a decrease of 28.6% compared to the same period of the previous year (EUR 14.1 million). This decline was solely due to a lower sale of electricity (-30.5%). Electricity sales were influenced by three factors: (i) the portfolio growth contributed EUR 1.8m to the revenues on the one hand, while (ii) worsened weather conditions had a negative effect of EUR 3.7 million and finally (iii) the decline in power price - especially for March 2023 - resulted in EUR 1.8 million lower electricity sales.

in TEUR	2023 Q1	2022 Q1	Change
Revenues	10,098	14,137	-28.6%
<i>Of which sale of electricity</i>	9,696	13,950	-30.5%
EBITDA	8,913	11,914	-25.2%

Due to the fall in power prices, sale of electricity was only slightly (EUR 0.2 million) negatively impacted by the electricity price caps in Germany and Belgium. The swap agreement with the European utility has had a mitigating effect of 0.5 million on the overall lower power prices, as these were lower than the fixed price of the swap agreement (EUR 149.50 per MWh) in the first quarter 2023.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 8.9 million for the period, a decrease of 25.2% compared to the first three months of 2022. The EBITDA margin increased from 84.3% in the prior-year period to 88.3% in the reporting period.

In the reporting period, the Group recognized other operating income amounting to EUR 1.7 million (2022 Q1: EUR 0.3 million). This income essentially consisted of EUR 0.7 million in compensation payments related to Redispatch 2.0, as well as a decrease in warranty provisions totaling EUR 0.5 million due to two court settlements in addition to a favorable verdict, and finally, EUR 0.3 million from a settlement with a direct seller in connection with the unauthorized shutdown of a solar system.

Other operating expenses increased from EUR 2.1 million in the same period of the previous year to EUR 2.3 million, mainly due to an increase in expenses for the operation of the solar assets and wind farms in the amount of EUR 0.2 million. Personnel costs also increased by approx. EUR 0.1 million compared to the same period of the previous year.

FINANCIAL POSITION

Financial liabilities were reduced by 10.0% to EUR 204.3 million compared to December 31, 2022. This decrease was caused mainly by the scheduled redemption of the first two promissory note tranches (EUR 15.0 million) as well as project finance loans (EUR 13.1 million). However, as a result of asset acquisitions, the Group has also recognized EUR 6.3 million new project finance loans.

Lease liabilities totaling EUR 43.7 million, increased by 11.8% in the first three months of 2023. This increase stemmed from lease contracts, which were recognized for the first time as a result of changes to the consolidation circle (EUR 5.4 million), in addition to those resulting from signing new leasing arrangements (EUR 0.1 million). Scheduled redemptions of lease contracts amounted to EUR 1.0 million.

NET DEBT (in TEUR)	31.03.2023	31.12.2022	Change
Short term and long term financial debt	204,316	227,040	-10.0%
Short term and long term lease liabilities	43,668	39,057	11.8%
Financial assets from interest swaps measured at fair value through profit or loss	-179	-189	-5.2%
Minus cash and cash equivalents*	-55,505	-90,486	-38.7%
Minus short and long term lease liabilities according to IFRS 16 related to right of use assets from rental agreements for wind and solar parks	-39,293	-34,512	13.9%
Net debt	153,007	140,910	8.6%

*thereof TEUR 19,163 restricted (2022: TEUR 18,766)

Cash and cash equivalents decreased from EUR 90.5 million at the end of 2022 to EUR 55.5 million at the end of the first quarter 2023, of which EUR 19.2 million (at the end of 2021 EUR 18.8 million) was restricted. The reduction in cash and cash equivalents resulted mainly from (i) the scheduled redemptions of two tranches of the promissory note as well as from project finance loans (EUR 28.1 million) (ii) asset acquisitions (EUR 4.3 million) as well as shares in GSI Drei Solarfonds GmbH & Co. KG (EUR 4.2 million). The Net cash from operating activities contributed to the cash position in the amount of EUR 2.6 million.

GENERAL ANNUAL MEETING 2023 – DIVIDEND PROPOSAL 2022

The Annual General Meeting will take place in a live setting in Cologne (Germany) on June 12th 2023. The Management Board will, as already communicated, propose to the shareholders a dividend hike to EUR 0.12 per share. This entails an increase of EUR 0.01 per share compared to last year (+9%).

CAPITAL INCREASE OF EUR 11.3 MIO.

In April 2023, the Management Board of 7C Solarparken AG resolved to increase the company's share capital from EUR 79,847,983.00 to up to EUR 82,847,983.00 by issuing up to 3,000,000 new shares on the to increase bearer shares against cash contributions. The new shares were fully placed by way of a private placement with institutional investors in Germany and other European countries at a placement price of EUR 3.75 per share. The gross issue volume was thus around EUR 10.3 million.

The issue proceeds from the capital increase and from the bond with warrants (see below) are to be used to finance the growth of the portfolio to 460 MWp by the end of 2023.

ALTERNATIVE FINANCING

7C Solarparken AG signed unsecured bank loans totaling around EUR 19.8 million in the second quarter. The financing arrangements have a duration of ca. 5 years with variable interest rates. The loans have scheduled redemption of EUR 1.0 million per annum, with the remainder of EUR 15.8 million due at maturity.

In addition, in May 2023, 7C Solarparken AG issued a bond with warrants with a volume of EUR 6,916,800.00 with the existing shareholders, granting subscription rights. The bond has a term of 5 years and a fixed interest rate of 2.5%. A total of 3,458,400 options were issued with the bond notes. Each option entitles the holder to purchase a share in 7C Solarparken AG with a proportionate amount of the share capital of EUR 1.00 per share at an exercise price of EUR 3.75 in accordance with the applicable option conditions.

The proceeds from the bond with warrants and from the unsecured financing arrangement will replace the promissory notes redeemed by the Group in the first quarter (see Financial Position) and are to be used as working capital for the German projects which are currently under development (approx. 100 MWp).

OUTLOOK

The Group's guidance for the financial year 2023 as presented in the Combined Management Report 2022 is confirmed.

Guidance 2023	2023est.
Revenues	EUR 66.0 million
EBITDA	EUR 57.0 million
Cashflow per share	EUR 0.60

The assumptions of the Group's guidance are explained in the Combined Management Report 2022.

This quarterly update presents group financial statements (IFRS) but has not been reviewed by an auditor.

Bayreuth, May 30th 2023

Steven De Proost

Koen Boriau

CEO

CFO

Contact

7C Solarparken AG

An der Feuerwache 15

95445 Bayreuth

Germany

TEL: +49 (0) (921) 230557 77

FAX: +49 (0) (921) 230557 79

EMAIL: info@solarparken.com

www.solarparken.com