

7C SOLARPARKEN ANNOUNCES FIGURES FOR THE FIRST 9 MONTHS OF 2022

- INCREASE OF POWER PRODUCTION BY 31% COMPARED TO THE SAME PERIOD IN 2021
- CAPTURE PRICE UP BY 20% YEAR ON YEAR
- RECORD SALES OF EUR 74.1M (+56%) AND EBITDA OF EUR 66.8M (+59%)
- EBITDA GUIDANCE RAISED TO EUR 70.0M AND CFPS GUIDANCE TO EUR 0.70 PER SHARE

OPERATIONAL ACTIVITY

POWER PRODUCTION

In the first nine months of 2022 electricity production rose by 31% to 309 GWh compared to the same period last year. This was achieved by expanding the weighted average capacity by 21% to 340 MWp, as well as by an increase of the specific yield by 10% to 909 kWh / kWp (previous year's period: 829 kWh / kWp).

		2022 9M*	2021 9M*	Δ
Weighted average capacity*	MWp	340	281	21%
Production*	GWh	309	235	31%
Specific yield*	kWh/kWp	909	829	10%
Capture Price*	EUR/MWh	238	198	20%

*incl. wind farms

Generally the improved weather conditions in the first nine months, resulted in specific yield from the solar and wind farms increase by 12% in the third quarter of 2022 compared to the previous year and an increase of 8% for the specific yield of 2022 H1 compared to the first half of 2021.

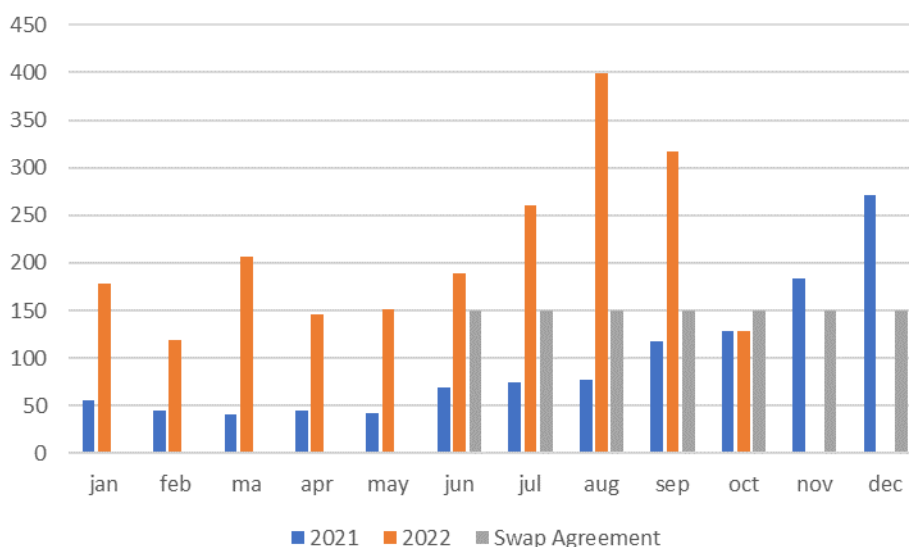
		2022 Q3*	2021 Q3*	Δ	2022 H1*	2021 H1*	Δ
Weighted average capacity*	MWp	343	292	18%	338	275	23%
Production*	GWh	119	91	31%	190	145	31%
Specific yield*	kWh/kWp	346	308	12%	563	522	8%

*incl. wind farms

POWER PRICES – SWAP CONTRACT – INTRODUCTION OF A PRICE CAP

Under the current German Renewable Energy Act, the realized price for solar power is in principle the maximum between the fixed feed-in tariff and the market price for solar power on the EEX exchange. This market price has increased substantially since September 2021 culminating in an all-time PV power price high of almost 400 EUR per MWh in August 2022. Therefore, all solar assets with a feed-in tariff lower than the PV power market price received the higher price instead.

EEX PV-power price (January 2021 until October 2022)



Source: EEX, own graph (in EUR per MWh)

In April 2022, the Group entered into its first swap agreement with a large European electricity provider in order to hedge electricity price risks. The swap agreement has a term from 1 June 2022 until 31 December 2023 and covers about one quarter of the Group's IPP portfolio (93 MWp). The solar assets under contract have a weighted average statutory feed-in tariff of 58 EUR per MWh. Under the swap agreement, the Group receives a fixed price of 149.5 EUR per MWh over the term of the swap agreement for those assets, irrespective of the EEX electricity prices for PV.

As a result of the high market PV power price as well of the swap agreement, the capture price - i.e. the price which the Group actually realized on its sale of electricity, over the first nine months of 2022 amounted to EUR 238 per MWh, which is 20% higher than the comparative period last year, contributing significantly to the Group's growth in sale of electricity.

In response to the sharp increases in electricity prices, the European Commission initiated regulatory measures for capping the electricity price paid to renewable energy producers. The EU member state governments are under an obligation to introduce legislation capping the price for electricity. In Germany and Belgium the respective governments have presented and/or communicated the introduction of a price cap in various forms. The full details around the implementation of the price cap remains uncertain at the time of publication of this trading update. However, based on policy papers by the German federal ministry of energy, the Management Board thinks it is very likely there will be a claw back of excess revenues in both its German and Belgian home markets. In Germany, the Group assumes all IPP installations with a capacity in excess of 1 MWp to be subject to a price cap on 90% of the

revenues when the market power price is above the sum of the feed-in tariff and 30 EUR per MWh multiplied by a factor of 1.04 as from September 1st 2022. Furthermore, the Management Board assumes the German Government will introduce legislation defining an excess revenues cap based on hedged prices (cf. swap agreement) as opposed to market power prices for those companies, such as the Group, having solar assets with a hedged position. Furthermore, the Management Board thinks it highly likely a retroactive price cap of 130 EUR per MWh for injected energy will be implemented in Belgium as of January 1st 2022.

As a result of these announcements the Management Board has assessed the implications for the Group and in order to present a true and fair view, has included provisions of EUR 2.7M for the German IPP portfolio and a further EUR 0.6M for the Belgium solar assets. Accordingly, EUR 3.3M is reflected in this update on of revenues and EBITDA for the first nine months of 2022.

ASSET PORTFOLIO

As of September 30th 2022, the capacity of the total IPP portfolio reached 380 MWp (year-end 2021: 333 MWp). In addition to a commissioned asset base of 355 MWp, assets with a capacity of 15 MWp were under construction with a further 10 MWp of solar assets currently being acquired..

OPERATIONAL RESULTS

In the first nine months of 2022, 7C Solarparken generated revenues of EUR 74.1M, which is an increase of 56.3% compared to the same period in the previous year (EUR 47.4M). 98.7% of revenues in the first 9 months consisted of electricity sales (previous year's period: 98.3%). Sale of services increased slightly to EUR 0.8M (previous year: EUR 0.6m) and contributed 1.0% to revenue.

in EUR M	2022 9M	2021 9M	Δ
Revenue	74.1	47.4	56.3%
EBITDA	66.8	42.0	59.1%

Sale of electricity amounted to EUR 73.4M after the first three quarters of 2022 (2021 9M: EUR 46.6M). The significant increase in power production stems primarily from the full inclusion of the solar plants acquired or built in the previous year and during the reporting period, as well as favorable weather conditions and higher power prices. Revenues include a provision of EUR 3.3M for a price cap, which the management assumes will be imposed retroactively.

The earnings before Interest, taxes, depreciation and amortization (EBITDA) for the reporting period came in at EUR 66.8m which is a 59.1% increase compared to the first nine months of 2021.

7C Solarparken generated other operating income of EUR 1.6M (2021 9M: EUR 1.5M). Particularly noteworthy is the income from the receipt of damages in the amount of EUR 0.6M (comparative period: EUR 0.3M) as well as income related to the compensation of reduced power due to Redispatch 2.0 over the first nine months of 2022 amounting to EUR 0.6M and reversal of provisions for warranty risks in the amount of EUR 0.1M. (2021 9M: EUR 0.2M).

FINANCIAL POSITION

The net debt is shown in the table below and amounted to EUR 135.0M as of September 30th 2022. The Group's long-term and short-term financial liabilities totaled EUR 272.0M as of September 30th 2022 (2021: EUR 267.4M). This increase of EUR 4.6M is due to the regular repayment of financial liabilities in the amount of EUR 22.5M and new financial liabilities on projects amounting to EUR 16.2M. Lease liabilities in the amount of EUR 38.1M increased (2021: EUR 26.3M), mainly off the back of the expansion of solar parks, containing lease liabilities for right of use assets (EUR 12.6M) taking into account lease redemptions (EUR 1.7M).

Cash and cash equivalents amounted to EUR 103.6M (of which restricted cash: EUR 19.1M) at the closing date which represents an increase of 49.4% compared to the end of the 2021 financial year. The cash position includes the proceeds for the nominal capital of 1 EUR per share, amounting to EUR 1.8M of the private placement executed on September 26th 2022. The issue premium of EUR 6.2M was not yet included in the cash position at the date of reporting as it was received on October 4th 2022.

in TEUR	30.09.2022	31.12.2021
Long and short-term financial debt	233,957	241,091
Long and short-term lease liabilities	38,069	26,349
Minus Cash and cash equivalents*	-103,550	-69,332
Minus long and short-term lease liabilities (IFRS 16) related to right of use assets from lease agreements of solar and wind parks	-33,430	-21,638
Net Debt	135,047	176,469
Total equity w/o hedging reserve	243,551	197,305
Total assets	574,109	458,525
Equity ratio (%)	42.4	38.8

*of which restricted cash TEUR 19,059 (2021: TEUR 18,697)

The Group monitors its financial position specifically on the basis of net debt and the equity ratio. The equity ratio reached 42.4% on September 30th 2022. This increase is mainly due to the two capital increases totaling EUR 9.6M and the net result of the first nine months of the year. Equity was adversely affected by the dividend to the Group's shareholders in the amount of EUR 8.4M.

OUTLOOK 2022

The Management Board increases its guidance for the current 2022 financial year, backed by the positive 9 month figures and Management's review and assessment on the intended electricity price caps in its main markets Germany and Belgium. Whereas in the previous guidance a price cap of EUR 150 per MWh was fully assumed as from January 2022, Management now assume a price cap as from September in the case of Germany and as from January for Belgium, as discussed above. As a result, the Group's guidance is increased as follows: revenues are expected to amount to EUR 80.0M and EBITDA is guided to reach EUR 70.0M. Lastly, the Management Board increases its outlook for the cash flow per share (CFPS), which is now estimated at EUR 0.70 per share for the 2022 financial year.

Full year guidance 2022 (in EUR)	New guidance	Previous guidance as per H1 report
Revenues	80.0 M	73.4 M.
EBITDA	70.0 M	61.8 M
CFPS (in EUR)	0.70	0.67

The guidance figures stated above include price cap provisions of EUR 2.7M for the German IPP portfolio and EUR 0.6M for the Belgian solar assets.

This quarterly trading update presents Group financial figures (IFRS), which have not been reviewed by an auditor.

Bayreuth, November 29, 2022

Steven De Proost
Vorstandsvorsitzender (CEO)

Koen Boriau
Vorstand (CFO)

Contact

7C Solarparken AG
An der Feuerwache 15
95445 Bayreuth
Germany
FON: +49 (0) (921) 230557 77
FAX: +49 (0) (921) 230557 79
EMAIL: info@solarparken.com
www.solarparken.com