7C SOLARPARKEN ANNOUNCES FIGURES FOR THE FIRST 9 MONTHS OF 2024

- STABLE PRODUCTION IN SPITE OF WORSE SPECIFIC YIELD (kWh/kWp) COMPARED TO 2023 9M (-5%) AND LONG TERM AVERAGE (-8%)
- WEIGHTED AVERAGE CAPACITY RISES TO 427 MWP +4% COMPARED TO 2023 9M.
- REVENUES OF EUR 55.0M (-10% Y-O-Y) DUE TO LOWER ELECTRICITY PRICES
- 9M EBITDA REACHED EUR 44.0M (-21% Y-O-Y) AS A RESULT OF LOWER REVENUES AND REUDEN SÜD IMPAIRMENT
- GUIDANCE 2024 CONFIRMED, SHARE BUY-BACK PROGRAM #2 ON THE HORIZON

OPERATIONAL ACTIVITY

POWER PRODUCTION

In the first nine months of 2024 electricity production remained stable compared to the same period of last year and amounted to 329 GWh (2023 9M: 331 GWh), or a slightly decrease of 0.7%. The weighted average capacity increased by 4% from 409 MWp to 426 MWp, as the specific yield declined by 4.6% from 810 kWh/kWp to 770 kWh / kWp.

		2024 9M*	2023 9M*	Δ
Weighted average capacity*	MWp	427	409	+4%
Production*	GWh	329	331	-1%
Specific yield*	kWh/kWp	770	810	-5%
Capture Price*	EUR/MWh	166	180	-8%

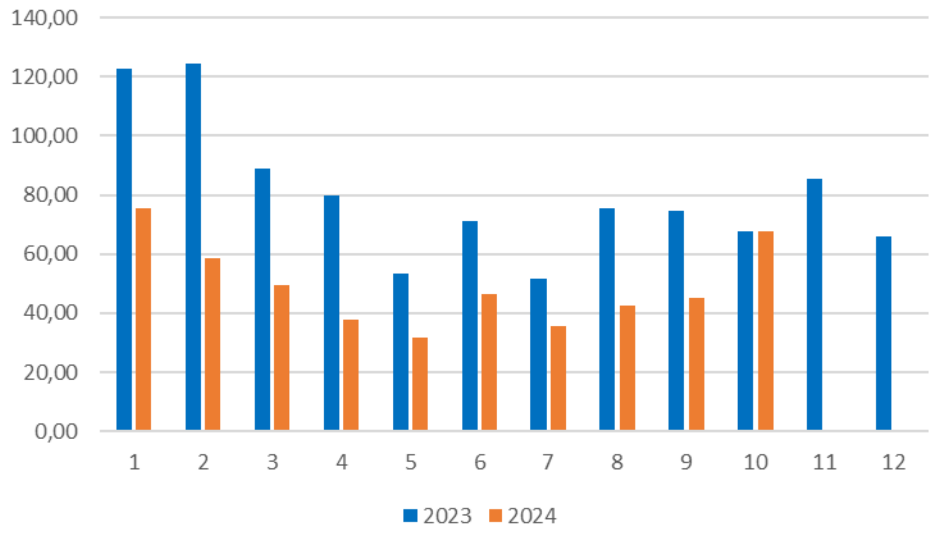
**incl. wind farms*

Even though the specific yield (kWh/kWp) over the first 9 months of 2023 was ca. 4% worse than historic long-term averages, mostly as a result of weather conditions and Redipatch 2.0 curtailments, the continued drop specific yield by another 5% in the reporting period, was caused by even adverse weather conditions compared to the same period in 2023, as well as an increased prevalence of production curtailments both related to Redispatch 2.0 and the in-house curtailment strategy in the first nine months.

POWER PRICES – SWAP CONTRACTS

For the German portfolio the group is essentially selling its production at the maximum between the fixed feed-in tariff and the market price for solar power (EEX PV market value), whereby the grid operator is balancing out the positive difference between the feed-in tariff and the market price for solar power. For its Belgian portfolio, the group is selling roughly half of its production at fixed prices to a local off taker, whereas the remainder is injected in to the grid at the electricity price on the EEX market. in the first nine months of 2024 the average PV market value has dropped substantially to EUR 43 per MWh compared to EUR 73 per MWh the first nine months of 2023, which were still characterized by the supply shocks caused by the Ukraine crisis, as is shown on the graph below.

EEX PV-market value (January 2023 until October 2024)



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

Evidently, the group is to a very large extent shielded from volatility in the electricity market, due to the asset portfolio enjoying fixed feed-in tariffs, as well as by closing hedging instruments to secure electricity prices.

Over the course of the last years the Group has entered electricity price swaps to counterbalance the volatility on the electricity markets and to secure a capture price above the feed-in tariff as well as offset the risk of negative electricity prices. The electricity swap agreements contributed EUR 3.7M to Group revenues as well as EUR 1.7M to other operating income (due to the preliminary closing of part of a swap agreement) in the reporting period (2023 9M EUR 5.5M). In addition, the Group has as of July 2024 implemented a curtailment strategy of the Belgian assets of the portfolio, in which the Group seeks to generate income by reducing the production of its Belgian asset base when electricity price are (more) negative (then anticipated). In the third quarter this generated additional revenues of ca. EUR 0.4M.

During the reporting period, this resulted in a capture price, - i.e. the price which the Group actually realized on its sale of electricity, of EUR 166 per MWh, which is 8% lower compared to 2023 9M.

ASSET PORTFOLIO AND PV ESTATE

As of September 30th, 2024, the capacity of the total IPP portfolio reached 468 MWp (year-end 2023: 445 MWp). In addition to a commissioned asset base of 441 MWp, assets with a capacity of 27 MWp were under construction as of the balance sheet date.

The PV Estate Portfolio, i.e. real estate which is mostly used for the production of solar electricity, remains during the year 2024 unchanged at 199 ha.

OPERATIONAL RESULTS

In the first nine months of 2024, 7C Solarparken generated revenues of EUR 55.0M, which is a decrease of 10% compared to the same period in the previous year (EUR 60.8M). 98.9% of revenues in the first 9 months consisted of electricity sales (previous year's period: 98.1%). The sale of services decreased to EUR 0.4M (previous year: EUR 0.9m) and contributed 0.7% to revenue.

in EUR M	2024 9M	2023 9M	Δ
Revenue	55.0	60.8	-9.6%
EBITDA	44.0	55.8	-21.1%

The sale of electricity amounted to EUR 54.4M after the first three quarters of 2024 (2023 9M: EUR 59.7M). The decrease in sales from power production stems primarily from lower electricity prices (minus EUR 4.8M) as well as a decrease in specific yield (minus EUR 2.7M). The full inclusion of the solar plants acquired or built in the previous year and during the reporting period, on the other hand, increased revenues by EUR 2.4M.

The earnings before Interest, taxes, depreciation and amortization (EBITDA) for the reporting period came in at EUR 44.0M which is a 21.1% decrease compared to the first nine months of 2023. The EBITDA decrease is mainly due to the impairment of a loan receivable related to the solar project Reuden Süd amounting to EUR 5.4M. The EBITDA margin excluding the impact of that impairment of decreased from 91.7% to 89.9%.

7C Solarparken generated other operating income of EUR 4.9M (2023 9M: EUR 5.7M). Particularly noteworthy is the income from the receipt of damages for production curtailments related to Redispatch 2.0 in the amount of EUR 2.5M (comparative period: EUR 4.1M), of which EUR 0.5M pertains to the previous year and EUR 2.0M to the 2024 financial year. In addition, an electricity price swap agreement was cancelled prematurely by mutual agreement in the reporting period. The income of EUR 1.7 million that the Group received from the cancellation represents other operating income.

Personnel expense decreased by EUR 0.1M to EUR 1.5M compared to the first three quarters of 2023. Other operating expenses increased from EUR 9.1M to EUR 14.5M. This was mainly due to the aforementioned impairment of the receivable.

FINANCIAL POSITION

The net debt is shown in the table below and amounted to EUR 111.2M as of September 30th 2024, which is down substantially from 2023 year-end (minus EUR 22.1M). The Group's long-term and short-term financial liabilities totaled EUR 192.0M as of September 30th 2024 (2023: EUR 210.1M). This decrease of EUR 18.1M stems mainly from the regular repayment of project finance in the amount of EUR 22.1M, in addition to securing of new financial liabilities of EUR 4.8M. The Group’s short-term financial liabilities contain the promissory note of EUR 21.5m, which needs to be refinanced or redeemed in 2025 Q1.

Lease liabilities in the amount of EUR 40.8M decreased (2023: EUR 42.4M), mainly by regular lease redemptions amounting to EUR 2.7M in the first nine months of 2024 counterbalanced by new right of use assets containing lease liabilities (EUR 1.1M).

Cash and cash equivalents amounted to EUR 69.4M (of which restricted cash: EUR 14.9M) at the closing date. The Group invested cash and cash equivalents in fixed deposit accounts with a term of more than three months at the time of the investment. These funds in fixed-term deposit accounts are recognised under other investments and amounted to EUR 14.8M at the reporting date.

in TEUR	30.09.2024	31.12.2023
Long and short-term financial debt	192,203	210,085
Long and short-term lease liabilities	40,754	42,364
Financial assets resulting from interest rate swap, which are carried at fair value	-161	-161
Minus Cash and cash equivalents*	-69,431	-62,282
Minus Other investments	-14,822	-18,273
Minus long and short-term lease liabilities (IFRS 16) related to right of use assets from lease agreements of solar and wind parks	-37,357	-38,416
Net Debt	**111,187**	**133,317**
Total equity w/o hedging reserve	**246,152**	**246,810**
Total assets	546,035	564,361
Equity ratio (%)	**45.1**	**43.7**

**of which restricted cash TEUR 14,888 (2023: TEUR 12,203)*

The Group monitors its financial position specifically based on net debt and the equity ratio. The equity ratio reached 45.1% on September 30th 2024.

OUTLOOK 2024 – SHARE BUY BACK AT MANAGEMENT'S AGENDA

The Management Board reiterates its guidance for 2024 as was published in the half year report on 24 September 2024. The revenues are estimated at EUR 61.0M, whereas EBITDA is expected to reach EUR 46.0M. Lastly, the Management Board sets its guidance for the Cashflow Per Share (CFPS) for the financial year 2024 at EUR 0.43 per share.

Full year guidance 2024 (in EUR)	As per H1 report
Revenues	**61.0 M**
EBITDA	**46.0 M**
CFPS	**0.43**

The Management Board is currently working on the refinancing of the promissory note due in the first quarter of 2025. Upon full refinancing and/or repayment of the promissory note, the management board will reconsider the risk/reward profile of share buybacks vs. growth of the IPP Portfolio. The management board does not intend to propose a dividend for 2024, but currently intends to propose a second share buyback program in the next three months.

SUBSEQUENT EVENTS

CONCLUSION OF TWO NEW ELECTRICITY PRICE SWAP AGREEMENTS

After the balance sheet date, 7C Solarparken concluded two hedging agreements with two major European energy suppliers: the first agreement is an electricity price swap, which relates to a part of the IPP portfolio with a capacity of 23 MWp, secures an electricity price of EUR 56 per MWh for the financial year 2025 through 2027. The second hedging position is option agreement over the year 2025 for a total capacity of 30 MWp. Under this agreement the group is receiving a one-off payment (option premium) in exchange for production with an electricity price exceeding EUR 75 per MWh. As a result, a total capacity of 140 MWp will enjoy an average electricity price of EUR 71 per MWh over the financial year 2025, which is markedly higher than the feed in tariff enjoyed by these assets.

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

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