

01-June-2023

# INVESTOR CALL Q1 2023 Results & Annual Outlook

**7c solarparken**



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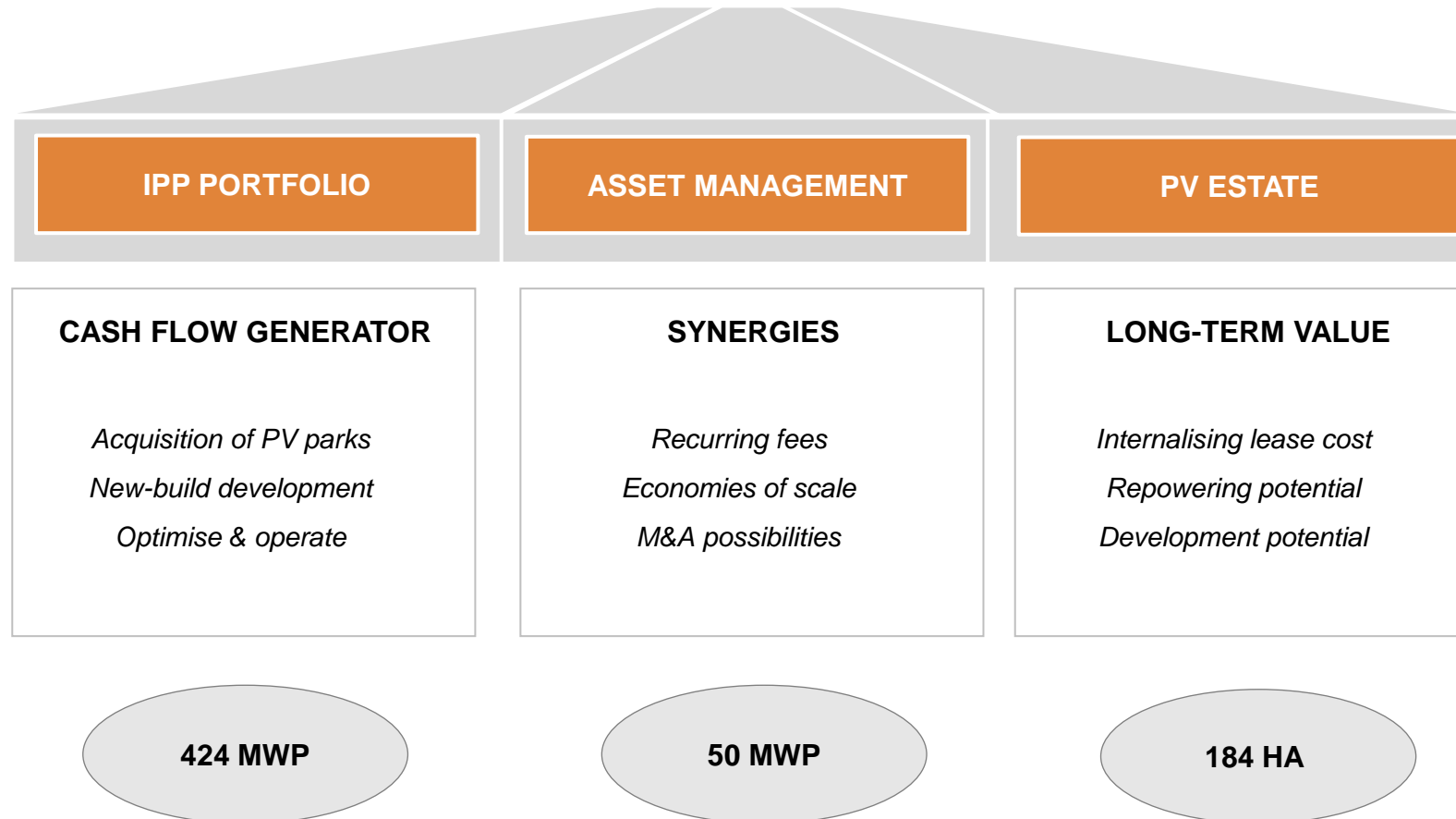
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# PROFILE



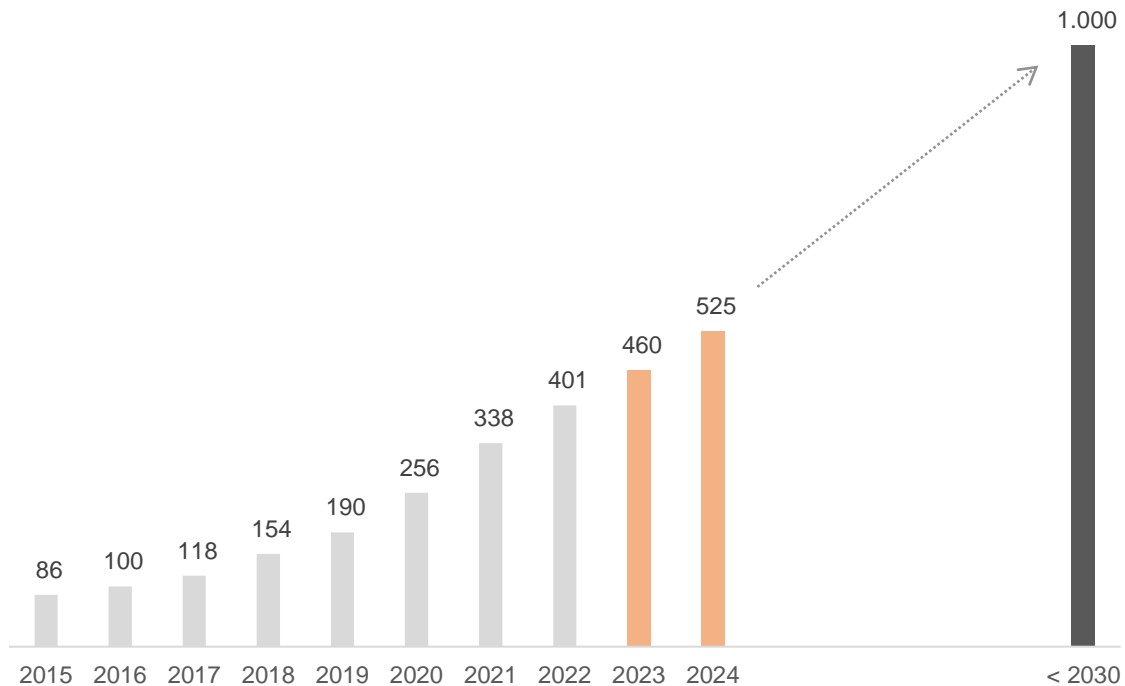
# BUSINESS MODEL Pure PV Owner & Operator with Focus on Germany and Belgium



# CAPACITY BUILD-UP CONTINUES in line with Management Planning



## CAPACITY TARGETS IN MWP



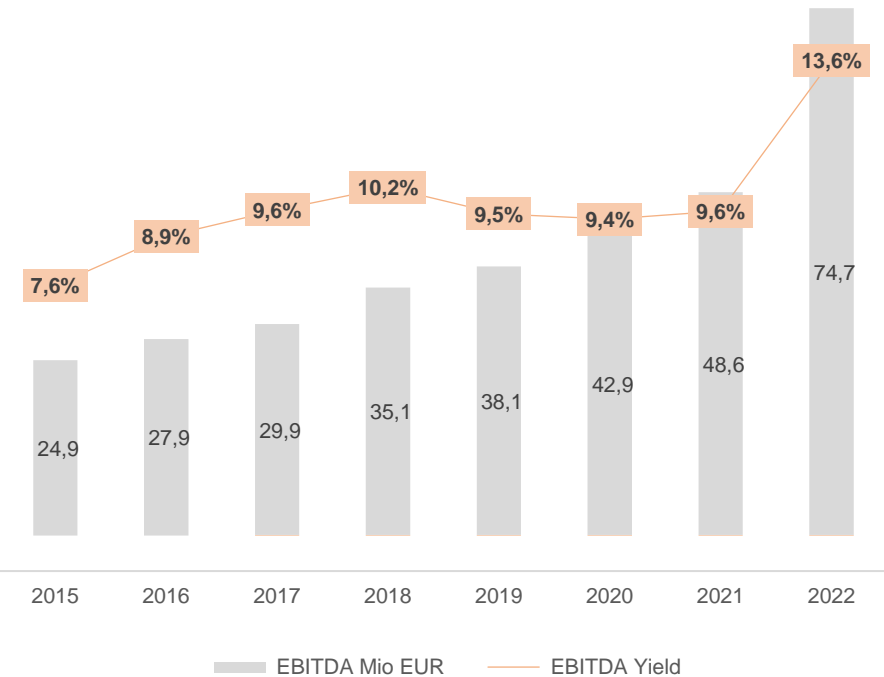
### KEY TARGETS

- In Q1'23: already 1/3 of annual target achieved
- 2023: + 60 MWp
- 2024: + 65 MWp
- **Long-term vision: 1 GWP by 2030, at the latest**
  - *Acquisitions of parks*
  - *M&A*
  - *Roll-out of in-house pipeline (PPA, tender, FIT)*
  - *Turnkey installations*
- Long-term mix: Germany 80-90% / Belgium 10-20%

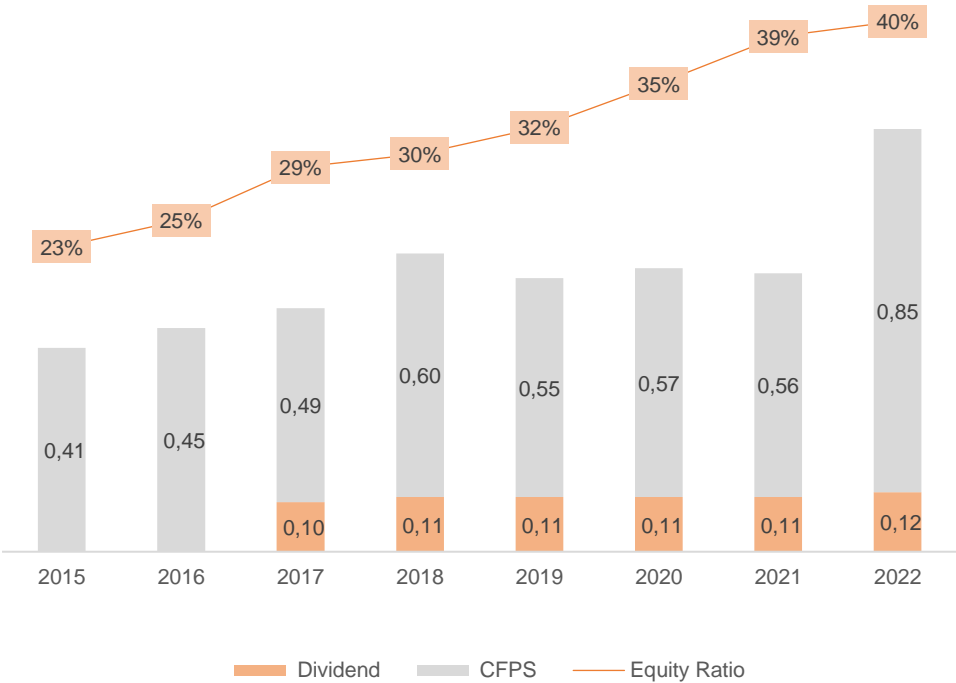
# FINANCIAL PROFILE Record EBITDA in 2022 with Equity Ratio of 41%



*EBITDA AND YIELD (EBITDA/TOTAL ASSETS)*



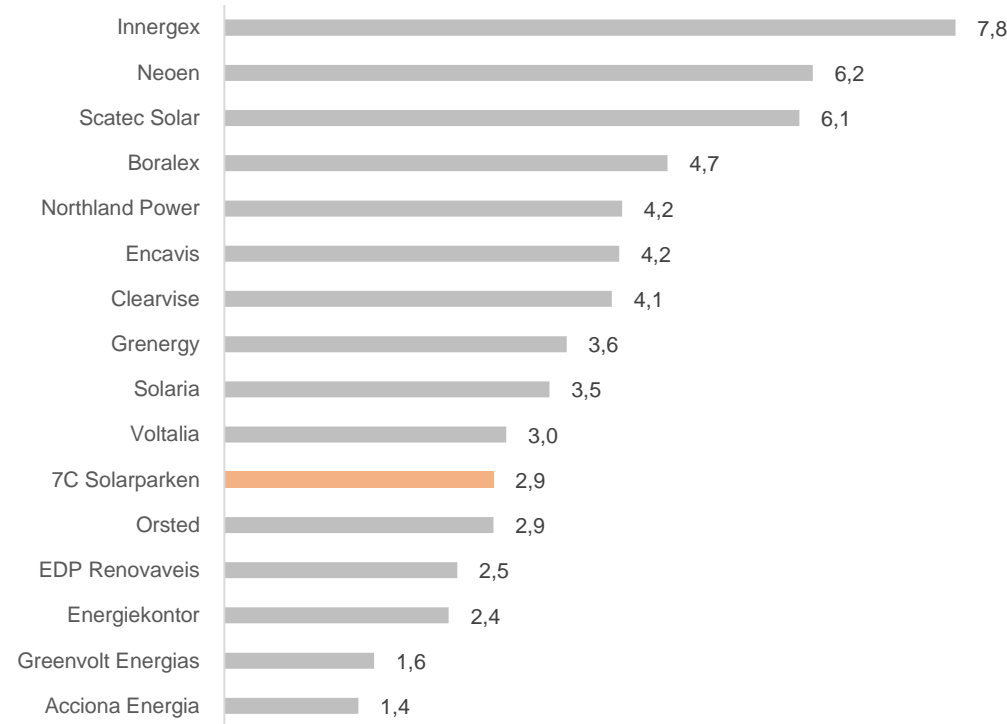
*CASH FLOW PER SHARE & EQUITY RATIO*



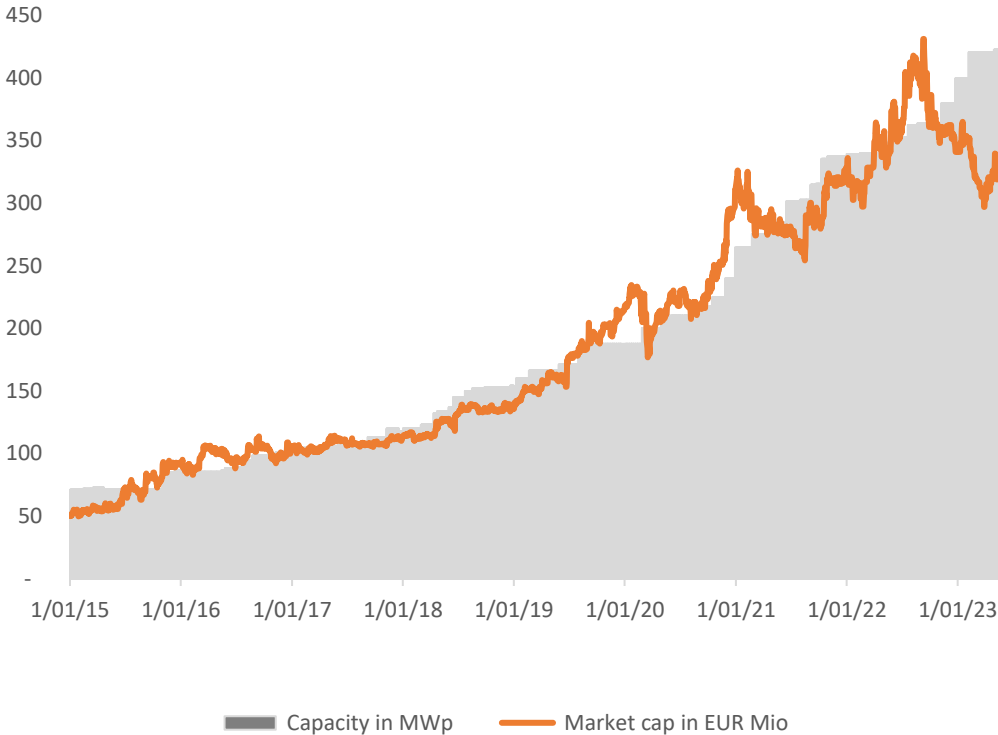
# VALUATION Leverage Potential & Gap to Capacity



NET DEBT 2022 / EBITDA 2023



MARKET CAP VERSUS # MWP







# QUALITY OF IPP PORTFOLIO

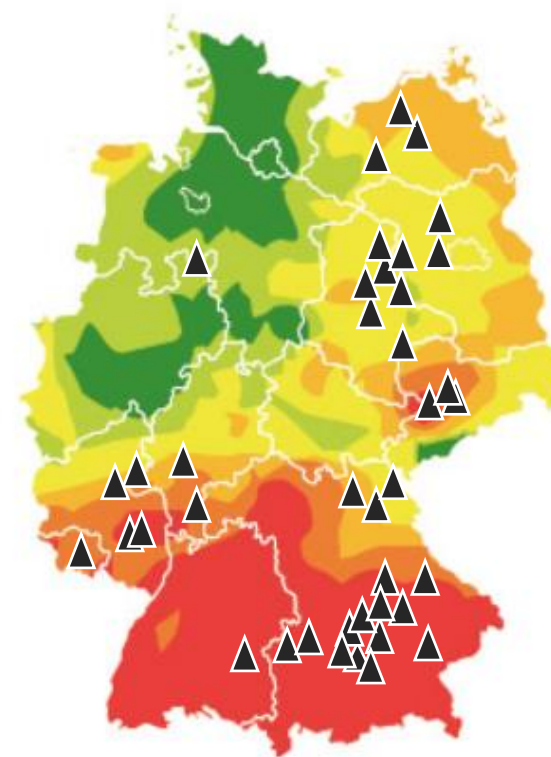


# 424 MWP PORTFOLIO Run-rate EBITDA ca. EUR 57 Mio (\*)



		MWp Capacity	kWh/kWp Yield	MWh Production	EUR/MWh Capture (*)	EUR Mio Sales	EUR Mio EBITDA
	<b>GERMANY</b>	<b>381</b>	<b>995</b>	<b>379</b>	<b>164</b>	<b>62</b>	<b>53</b>
	Freefield	291	1.009	293	153	45	38
	Rooftop	84	857	72	223	16	14
	Wind	6	2.287	13	88	1	1
	<b>BELGIUM</b>	<b>43</b>	<b>872</b>	<b>37</b>	<b>130</b>	<b>5</b>	<b>4</b>
	GSC Projects < 2012	5	825	4	422	2	2
	Banding factor < 2022	21	900	19	112	2	2
	2022-2023	16	850	14	73	1	1
<b>IPP Portfolio</b>		<b>424</b>	<b>983</b>	<b>416</b>	<b>161</b>	<b>67</b>	<b>57</b>

LOCATION OF GERMAN PARKS > 2 MWP

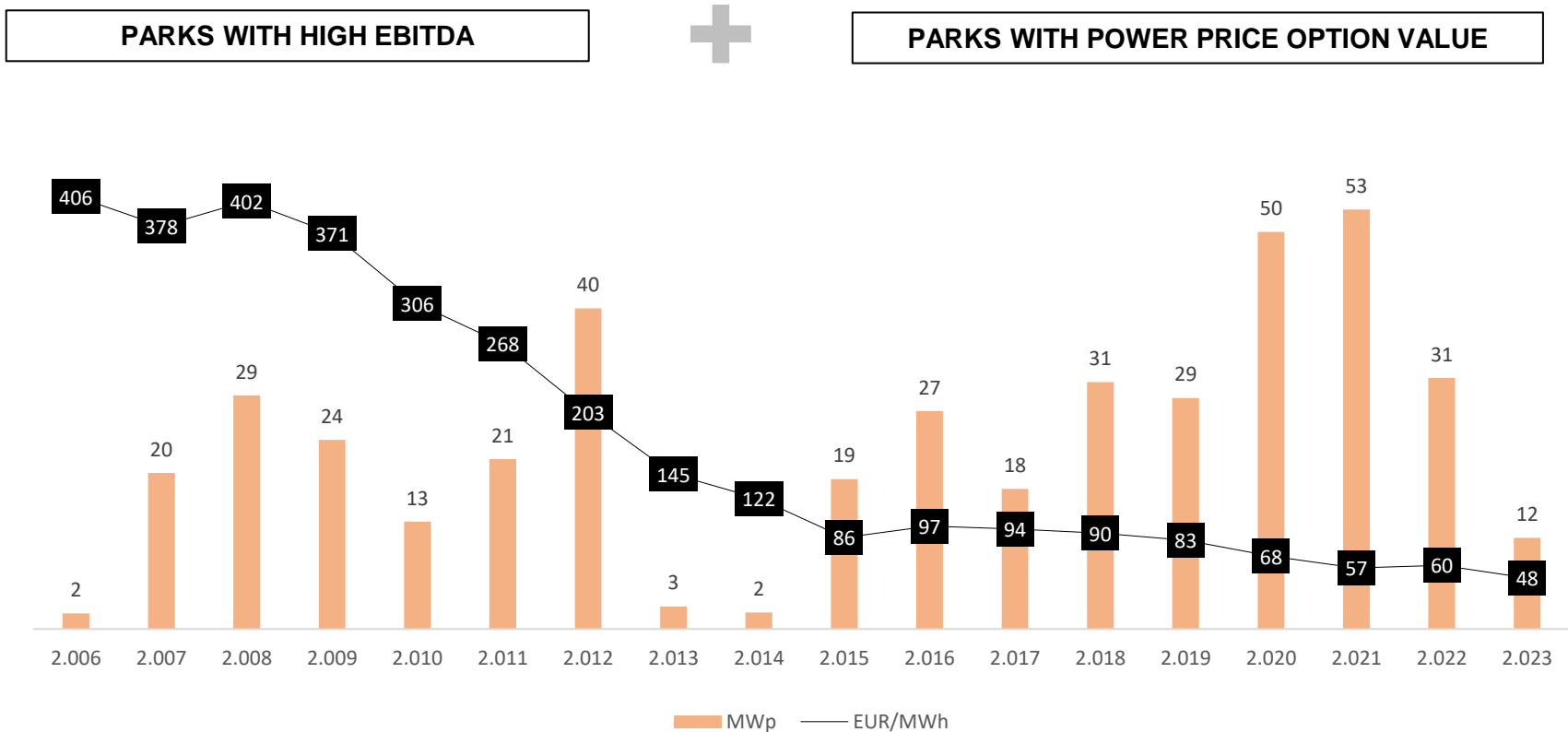


- German PV assets concentrated in Bavaria, Eastern Germany, and Rhineland-Palatinate
- Belgium accounts for 10% of portfolio
- > 200 different installations
- Average year of commissioning: 2016 (weighted capacity) / 2012 (weighted revenues)
- (\*) Average capture price (based on long-term PV market price of EUR 77/MWh): **EUR 161/MWh**
  - Germany: Feed-in Tariffs are state-guaranteed and fixed for 20 years + year of commissioning, no PPA's
  - Belgium: mainly on-site PPA's (plus capital subsidy or green certificates for older parks)
- Rooftop and land lease contracts usually running 20 years + option for at least 5 years extension
- Small diversification into onshore wind

# CASH FLOWS & UPSIDE VALUE Breakdown by Tariff and Year of Commissioning



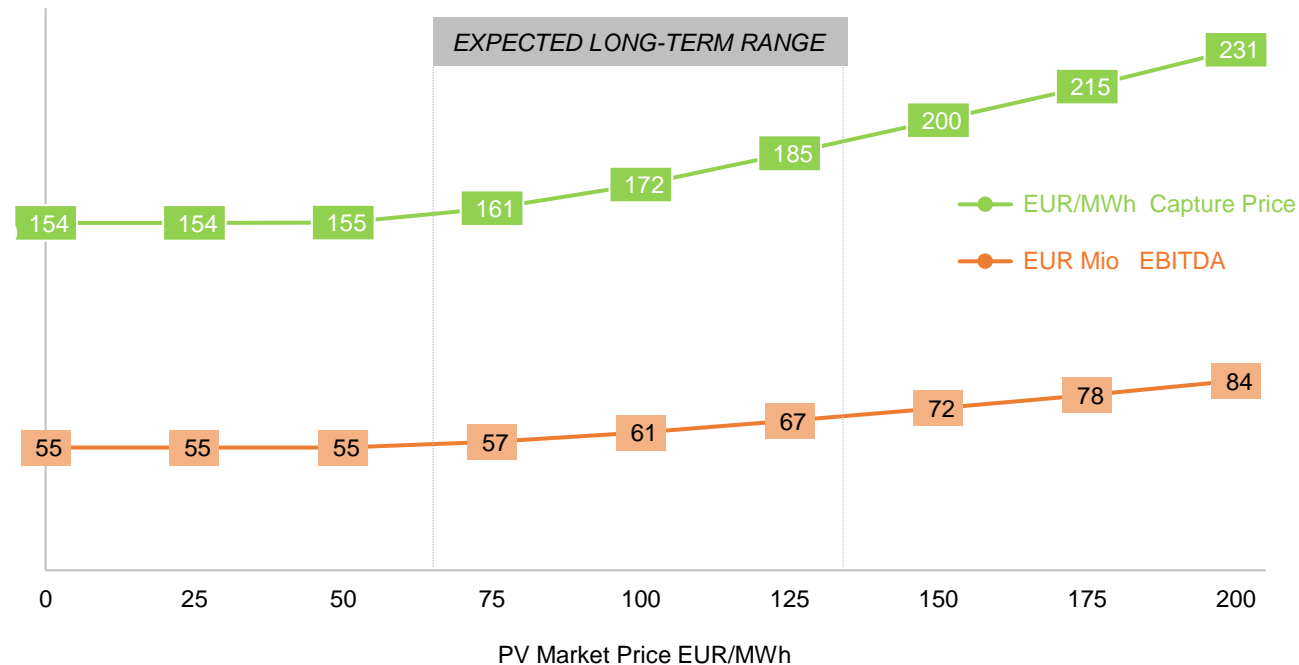
COMMISSIONING YEAR AND AVERAGE FEED-IN TARIFF (EUR/MWH) PER YEAR



# CAPTURE PRICE SENSITIVITY $\Delta$ EUR 5/MWh Market Price $\sim$ $\Delta$ EUR 1 Mio EBITDA



## CAPTURE PRICE & EBITDA IN FUNCTION OF MARKET PRICE



# CONSOLIDATION OF GSI III Transfer of 21 MWp Parks into IPP Scope



	ANSBACH	BRODSWINDEN	ERMLITZ MITTE	ERMLITZ NORD	GOLDBECK	ROMERHUGEL	SELB
Commissioning	2012	2012	2012	2012	2012	2012	2012
Type of park	Fixed (ground)	Fixed (ground)	Fixed (ground)	Fixed (ground)	Fixed (ground)	Fixed (ground)	Fixed (ground)
kWp	3,945	2,937	1,987	2,582	2,760	2,880	4,200
FIT EUR/MWh	179,4	179,4	179,4	179,4	187,6	187,6	179,4
Modules	First Solar	First Solar	First Solar	First Solar	Solar Frontier	First Solar	First Solar
Inverters	SMA	SMA	SMA	SMA	SMA	SMA	SMA

- Annual Revenues of at least EUR 3.7 Mio. based on FIT, EBITDA margin slightly above 80%
- Parks run well, but the Bavarian installations temporarily suffer from Re-Dispatch 2.0 outages
- Bank debt has been acquired by 7C Solarparken, as Fund Manager, and then converted into shares into the fund.
- External debt outstanding EUR 3.9 Mio
- Transaction value @ 100% including debt of around EUR 20 Mio
- Full consolidation as from 01/01/2023

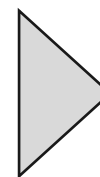




# RE-POWERING POTENTIAL First Projects as Part of a bigger Story beyond 2023



## PV ESTATE PORTFOLIO HOLDS 184 HA / 77 MWP



- **PAST:** Re-Powering only possible after 20-years FIT period
- **NEW LAW:** Re-Powering possible with maintenance of FIT as long as the capacity does not exceed the initial volume. However, any excess capacity can be sold in the free market
- **STRATEGY:** Replace inefficient panels from older installations (<2012) with new panels of 440Wp (ca. 2m²/panel)
- **PROCESS:** New development + new grid configuration (new inverters and new transformer stations to accommodate increased capacity). Two projects, currently undergoing re-powering actions, will lift capacity by 1.3 MWp by year-end '23 .

## “PV ESTATE” PARKS WITH SHORT-TERM RE-POWERING POTENTIAL

Project	kWp	Wp/panel	# Panels	m²/panel	m² available	Re-Powering kWp	Extension
Kettershausen	2.382	210	11.342	1,61	18.244	3.693	1.311
Pflugdorf	4.400	72	61.111	0,72	44.000	8.907	4.507
Krakow	7.560	290	26.069	1,63	42.411	8.585	1.025
Demmin	629	105	5.989	1,58	9.433	1.910	1.281
Stolberg	648	280	2.314	1,94	4.491	909	261
	15.619		106.825		118.579	24.004	8.385

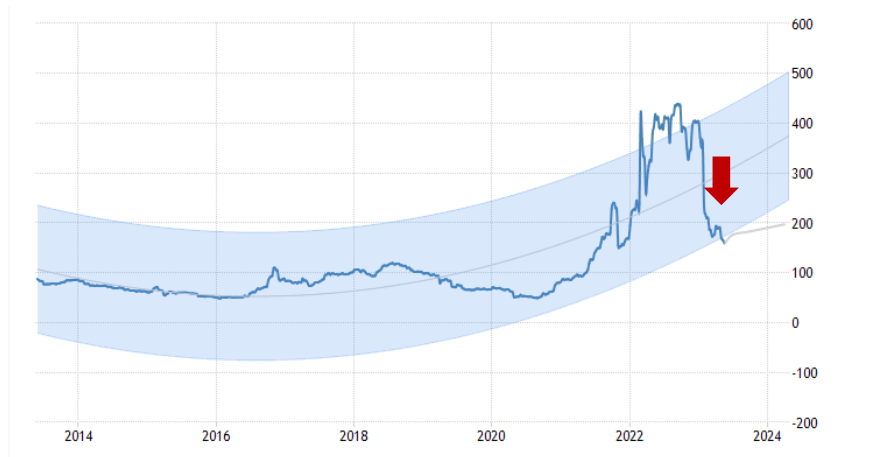


## **2023 MARKETS RETURN TO “NEW NORMAL”**

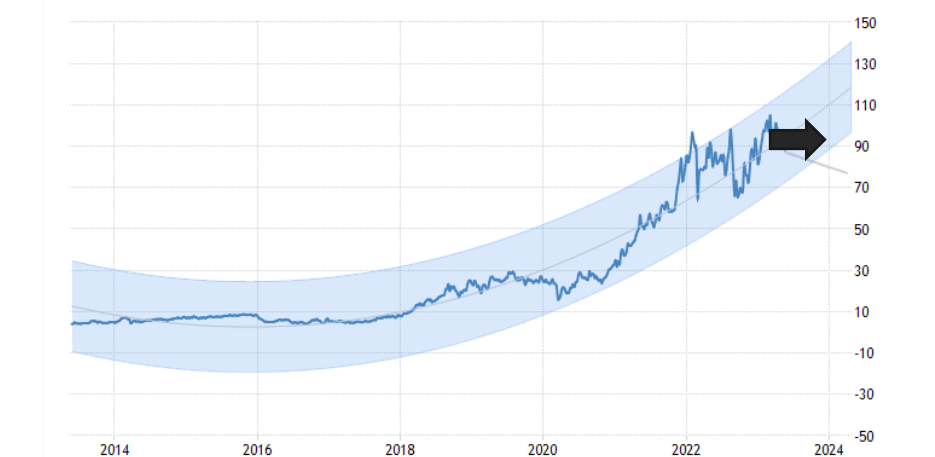
# COMMODITY PRICES NORMALISED Sharp Fall in Natural Gas & Coal Prices



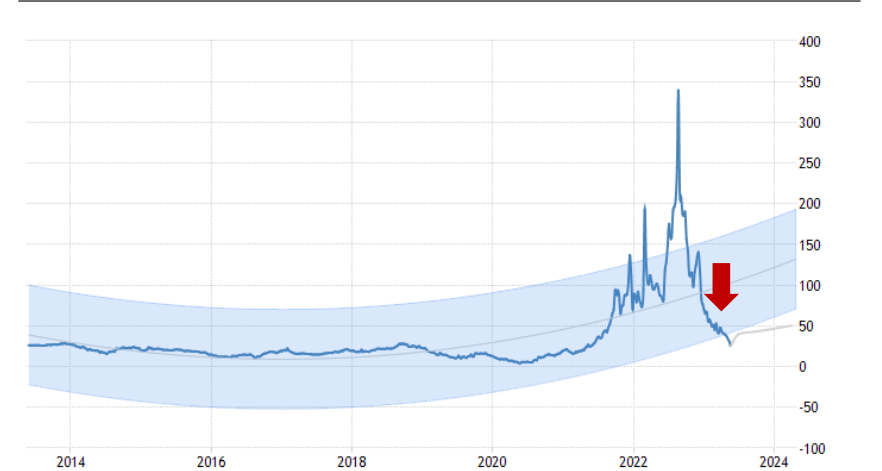
COAL PRICE US\$/TONNE



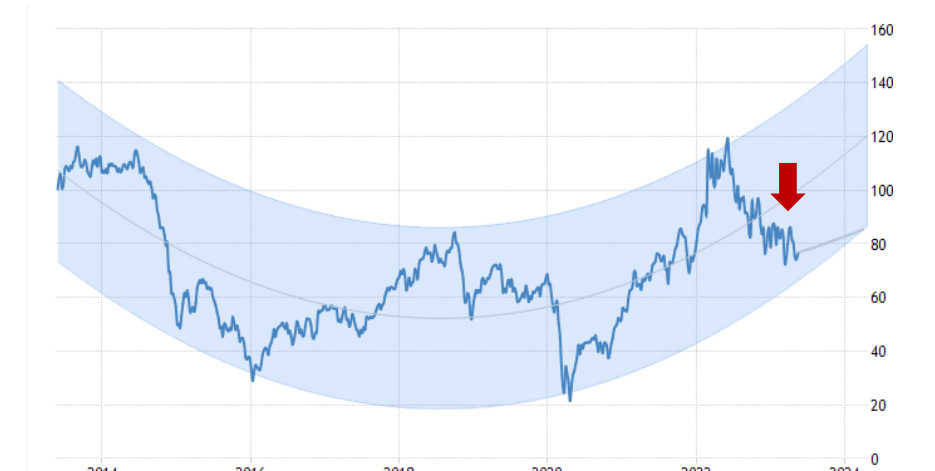
CO2 PRICE EUR/TONNE



NATURAL GAS PRICE TTF EUR/MWH



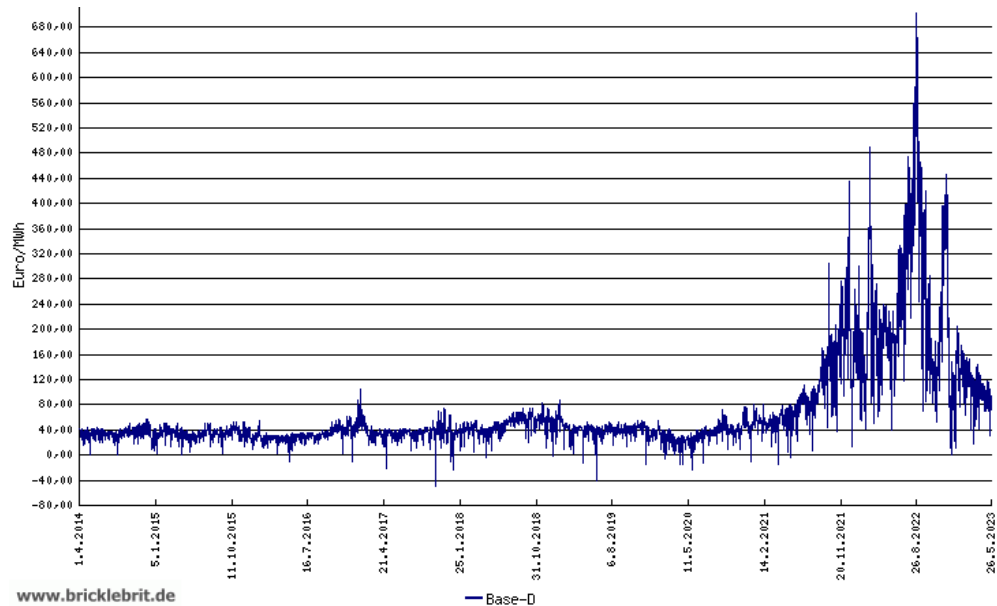
OIL IN US\$/BARREL



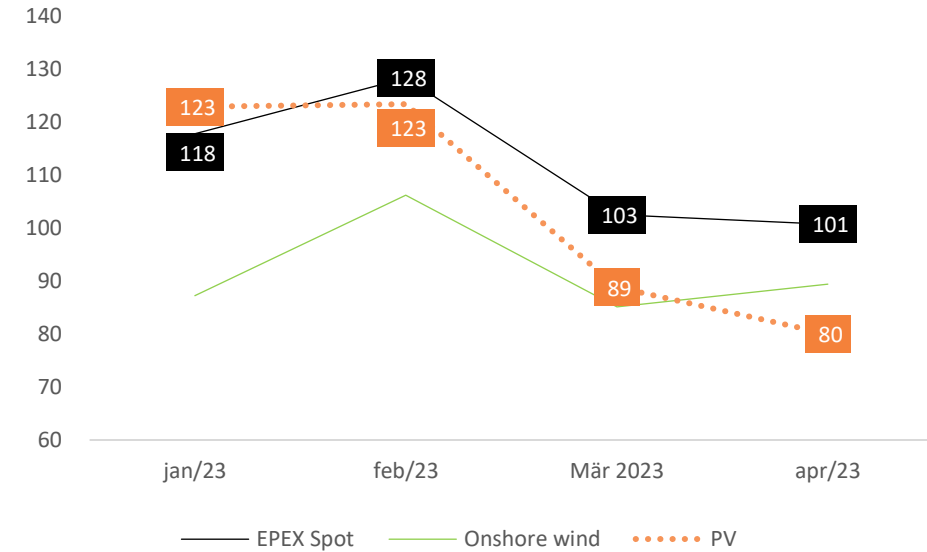
... LIKewise DID THE POWER PRICE Spot Price fell back to EUR 100/MWh



GERMAN SPOT PRICE EUR/MWH SINCE 2014



PV MARKET PRICE IN Q1'23 (EUR/MWH)

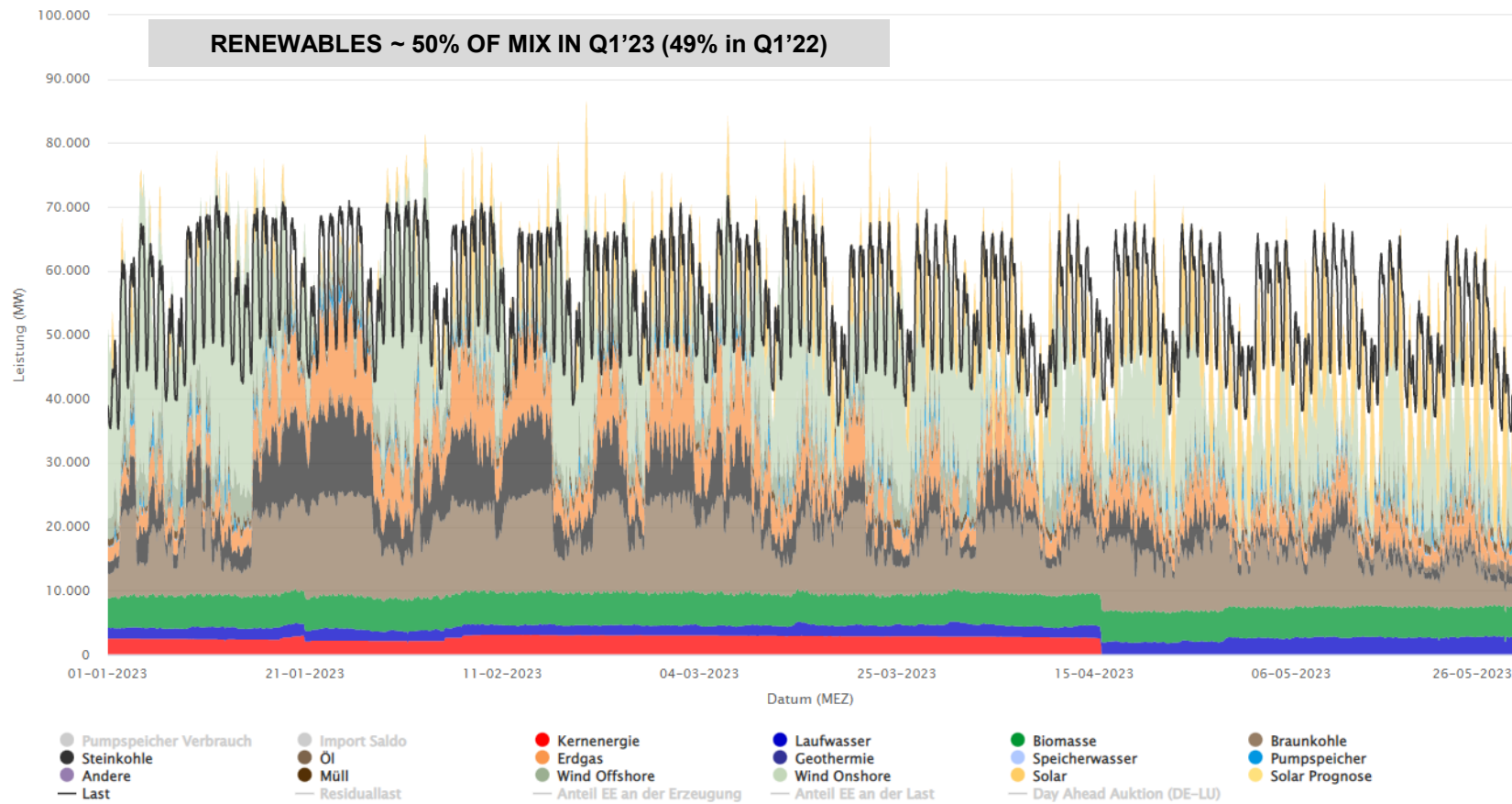




# POWER MIX: Less Export of PV Overcapacity since Nuclear End around Mid of April '23



## GROSS ELECTRICITY PRODUCTION IN GERMANY 2023



# WEATHER CONDITIONS March (& April) 2023 Extremely Poor, Q1'23 -27% versus Q1'22



## RELATIVE YIELD GERMANY "PV-ERTRÄGE"

kWh/kWp	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YEAR	Q1	YTD (incl April)
2011	21	41	101	132	147	122	112	116	100	75	41	15	1.023	163	295
2012	26	47	93	100	138	118	125	130	96	62	27	15	977	166	266
2013	12	25	74	98	103	125	148	124	82	59	26	24	900	111	209
2014	25	49	102	107	119	137	126	111	85	58	30	12	961	176	283
2015	18	44	86	127	124	129	136	126	87	55	34	28	994	148	275
2016	22	38	72	105	127	119	127	125	106	49	30	25	945	132	237
2017	28	43	90	104	130	134	122	114	81	58	23	13	940	161	265
2018	20	53	74	121	143	128	147	126	104	74	34	15	1.039	147	268
2019	21	61	77	119	117	146	132	122	93	58	26	24	996	159	278
2020	28	42	97	144	138	120	132	116	101	46	37	16	1.017	167	311
2021	15	48	87	111	114	134	117	101	97	64	25	17	930	150	261
2022	22	48	113	110	137	138	139	132	86	67	35	15	1.042	183	293
2023	17	48	68	95									n.r.	133	228
Average	21	45	87	113	128	129	130	120	93	60	31	18	980	154	267
StDev	23%	19%	16%	13%	10%	7%	8%	7%	9%	14%	18%	30%	5%	13%	11%
2023 versus 2022	-23%	0%	-40%	-14%										-27%	-22%
2023 versus Average	-20%	6%	-22%	-16%										-13%	-15%



# Q1'23 RESULTS

# NEW INVESTMENTS 2023 Capacity of 24 MWP Has Been Added Year-to-Date



## ADDITIONS YTD 2023

	Country	MWP	Area	Type	Model	kWh/kWp	IBN	Grid
<b>Belgium</b>		<b>1,6</b>						
KVD Houtbouw, Turnhout	Belgium	0,2	Rooftop	own development	PPA	850	2023	Q2'23
CKV, Waregem	Belgium	0,1	Rooftop	own development	PPA	850	2023	Q2'23
Carrefour, Mariakerke	Belgium	0,1	Rooftop	own development	PPA	850	2023	Q2'23
Eeckhout, Ooigem	Belgium	0,2	Rooftop	own development	PPA	850	2023	Q2'23
Ophtalmo, Oudenaarde	Belgium	0,2	Rooftop	own development	PPA	850	2023	Q3'23
Mamma Roma APC Food, Gembloux	Belgium	0,1	Rooftop	own development	PPA	850	2023	Q3'23
A Plus Carrosserie, Kapellen	Belgium	0,1	Rooftop	own development	PPA	850	2023	Q3'23
ISCM, Mechelen	Belgium	0,4	Rooftop	own development	PPA	850	2023	Q3'23
Bangels Fruit, Gingelom	Belgium	0,2	Rooftop	own development	PPA	850	2023	Q3'23
<b>Germany</b>		<b>22,2</b>						
Terpt	Germany	0,9	Freefield	turnkey	FIT	925	2023	Q3 23
Ansbach	Germany	3,9	Freefield	acquisition	FIT	1.025	2012	
Brodswinden	Germany	2,9	Freefield	acquisition	FIT	1.025	2012	
Ermlitz Mitte	Germany	2,0	Freefield	acquisition	FIT	975	2012	
Ermlitz Nord	Germany	2,6	Freefield	acquisition	FIT	975	2012	
Goldbeck	Germany	2,8	Freefield	acquisition	FIT	975	2012	
Romerhugel	Germany	2,9	Freefield	acquisition	PPA	975	2012	
Selb	Germany	4,2	Freefield	acquisition	PPA	1.025	2012	



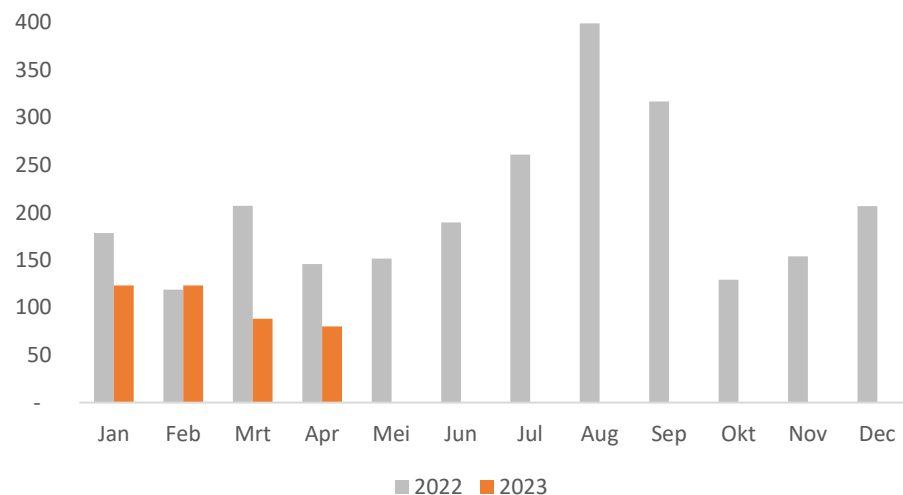
# Q1'23 KPI'S Power Production Down by 13% Due to Bad Weather



## OPERATIONALS

	2023 Q1	2022 Q1	%
GWh	51	59	-13%
kWh/kWp (solar + wind)	129	175	-26%
Weighted operating capacity	397	336	+18%
Capture Price EUR/MWh	190	238	-20%

## COMPARISON PV MARKET PRICE EUR/MWH



## MANAGEMENT COMMENTS

- **PRODUCTION:** Dropped by 13% reflecting a weather-driven decline of 26% in specific yield and an increase of 18% in weighted operating capacity to 397 MWP.
- **CURTAILMENTS:** The Group's portfolio has been impacted by unplanned power control in the magnitude of nearly 2 GWh (ca. 4% of total production). These curtailments are related to the Re-Dispatch 2.0 regulation which allows grid operators and energy handlers to switch off the installation in case of grid distortions. The process to recover (part of) the lost kWh requires substantial management attention.
- **CAPTURE PRICE:** Fell by 20% due to a substantial decrease in PV market price from EUR 168/MWh in Q1'22 to EUR 105/MWh (weighted) in Q1'23. Nonetheless, the impact on the capture price is less outspoken reflecting:
  - The existence of feed-in tariffs, which serve as floor.
  - The capacity swap agreement on 93 MWP guaranteeing an implied sale price for the underlying installations at EUR 149.5/MWh. This hedge instrument did not apply in Q1'22.

# Q1'23 FINANCIALS EBITDA Drops, but Still Above the Explicit Guidance Value



## FINANCIALS

	2023 Q1	2022 Q1	%
Revenues	10.1	14.1	-29%
_ of which Power Sales	9.7	14.0	-30%
Other operating income	1.7	0.3	>>
EBITDA	8.9	11.9	-25%
Net debt	153.0	140.9	9%

## BREAKDOWN OF NET DEBT MARCH 2023



## MANAGEMENT COMMENTS

- **REVENUES:** decreased by 29% as a result of falling capture price and less production.
- **EBITDA:** dropped by 25% to EUR 8.9 Mio versus the implied guidance value (EUR 7 Mio) as presented on April 5, 2023 during the Analyst Call “2022 Results & 2023 Outlook”. The moderate fall is explained by a significant rise in other operating income which includes the following items:
  - Partial recovery of losses through curtailments (Re-Dispatch 2.0): EUR 0.7 Mio
  - Decrease in warranty provisions (EUR 0.5 Mio)
  - EUR 0.3 Mio settlement with a direct energy seller on unauthorized curtailments
- **NET DEBT:** rose to EUR 153 Mio due to acquisition of GSI 3 shares, new investments and seasonal increase in working capital (amongst others revenues of March are paid out in April). Cash position dropped mainly as a result of repayment of a first tranche of the Schuldschein (EUR 15 Mio) and new investments.

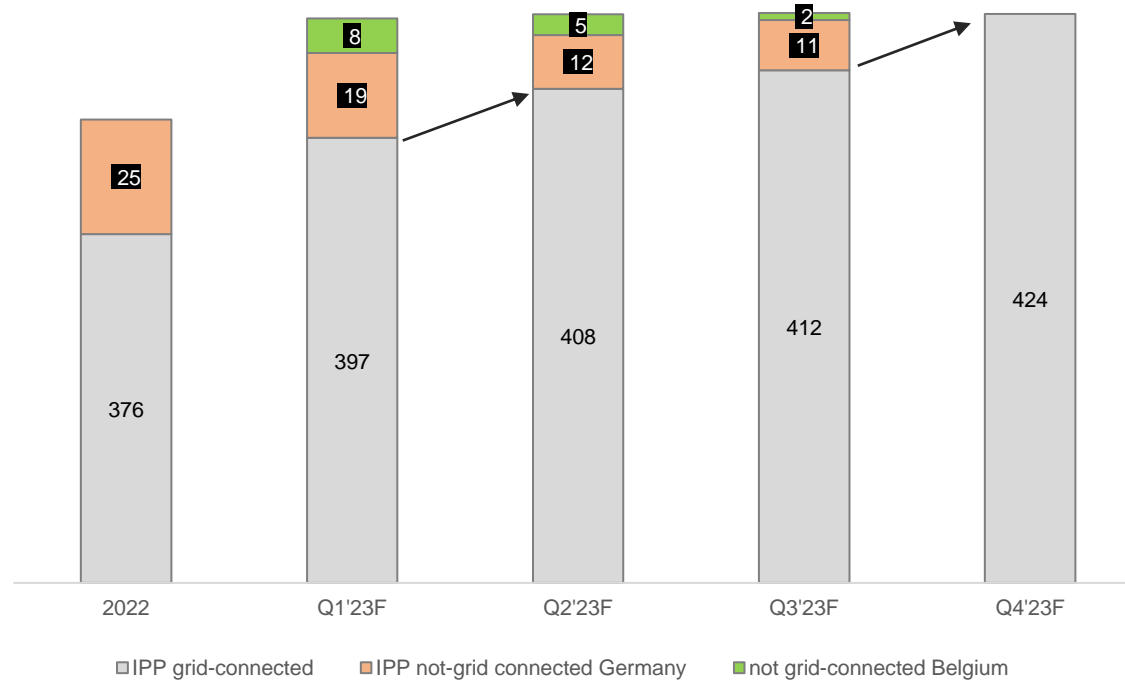


# OUTLOOK 2023

# 424 MWP EXISTING PORTFOLIO Grid Connections Progress as Planned



## STATUS OF THE CURRENT 424 MWP IPP PORTFOLIO



## MANAGEMENT COMMENTS

- **“TRAITSCHING” 8 MWP FREEFIELD:** Running at 100% as from April '23.
- **“BURGWINDHEIM II” 11 MWP FREEFIELD:** Fully constructed, grid connection planned in Q3'23 with full operations in Q4'23.

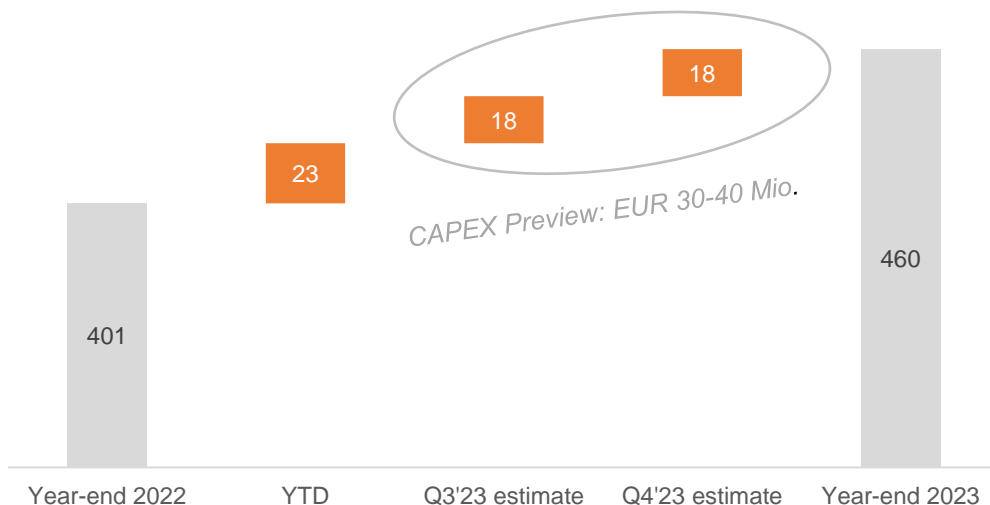




# PIPELINE 2023 Capacity up to 460 MWP Quasi-Secured, Financing in Place



## GROWTH PLAN 2023 (IN MWP)



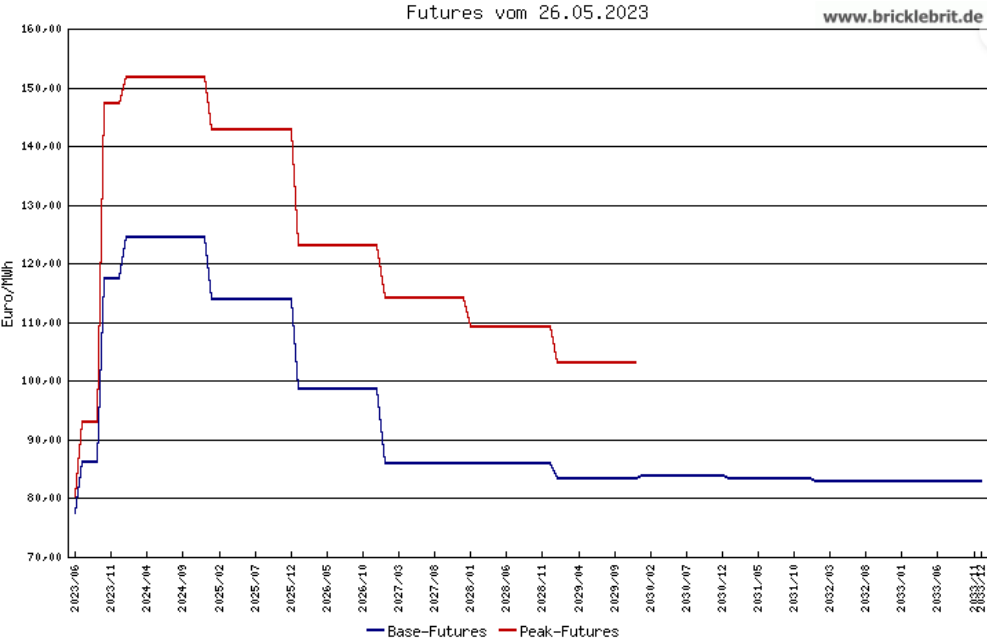
## MANAGEMENT COMMENTS

- **36 MWP (UP TO 460 MWP) FOR THE REST OF 2023 QUASI CERTAIN**
  - Acquisition of existing PV Park ca. 10+ MWP in Germany: LOI signed, SPA in execution.
  - Advanced development for ca. 10 MWP in Belgium almost finished, nearly half entering construction within Q3'23.
  - Start of construction of 2 MWP in Dessau on own land in Q3'23
  - Preparing for start of construction in Herrnhut (Germany, close to Görlitz) 17 MWP in Q4'23 resulting from a joint development agreement with a local developer
  - Different back-up opportunities on the table
- **GROWTH FINANCING**, estimated between EUR 30-40 Mio. In function of the target investment (acquisition versus development), is sufficiently covered through existing cash, a capital increase of EUR 11 Mio. In April 2023 and the most recent option bond issuance (EUR 6.9 Mio out of a maximum EUR 8.0 Mio has been successfully placed among existing shareholders through utilizing subscription rights).
- **PIPELINE 2024 GROWING FAST**: Reasonable chances to see the company's IPP target of 525 MWP by the end of 2024 being exceeded.

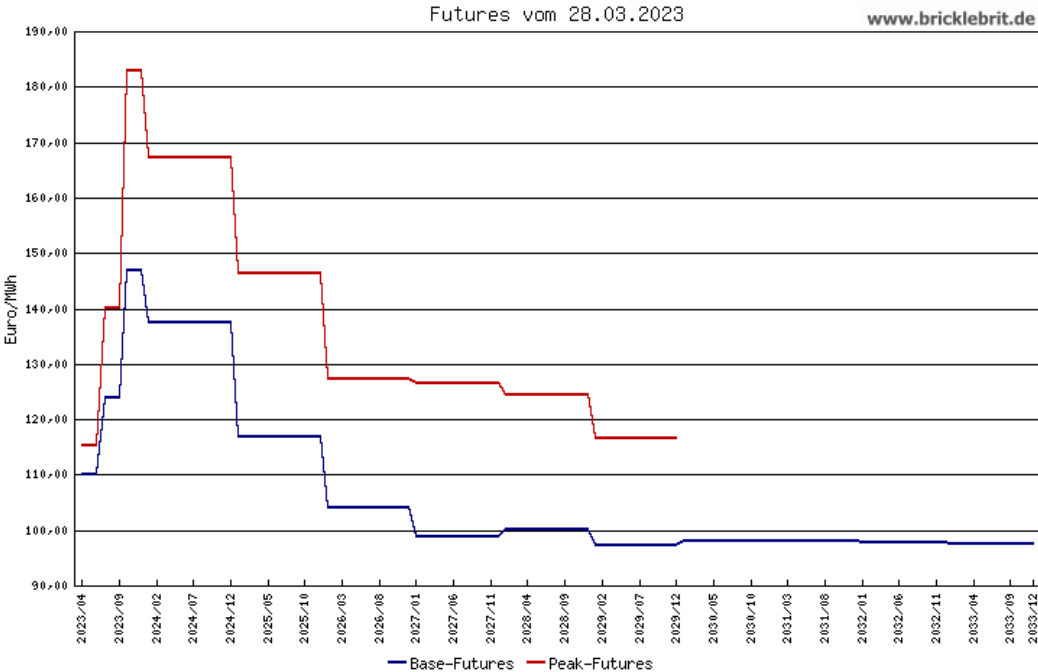
# POWER PRICE CURVE Forwards EUR 15/MWh Lower Compared to Date of Guidance



FORWARD CURVE 2023-33 IN EUR/MWH (26/05/2023)



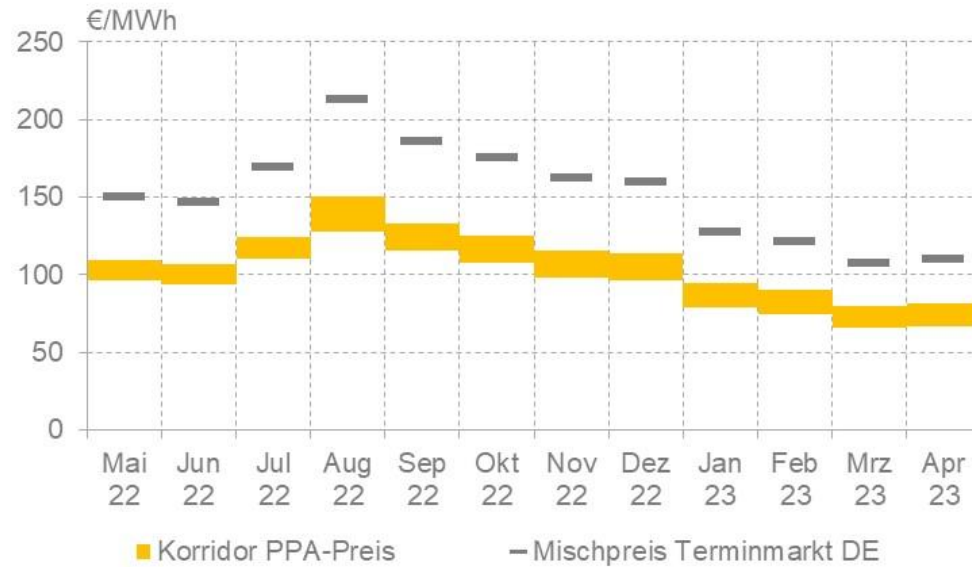
FORWARD CURVE 2023-33 IN EUR/MWH (28/03/2023)



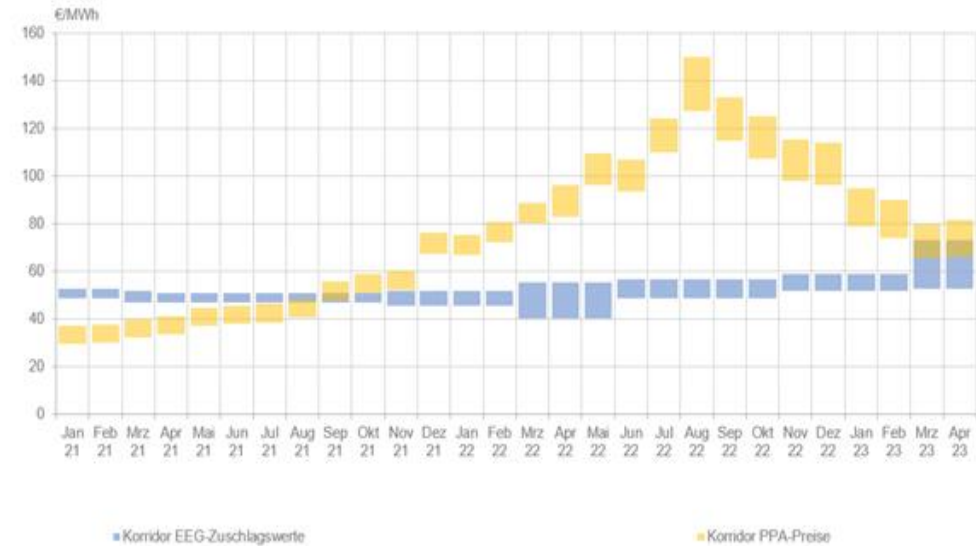
# PPA & FFAV (TENDER) TREND Stabilizing Between EUR 70-75/MWh



10-YEARS PPA IN EUR/MWH (SOURCE: ENERVIS)



PPA VERSUS FFAV/TENDER TARIFF IN EUR/MWH



# GUIDANCE 2023 Unchanged So Far Despite Negative Impact of Irradiation and Prices



## COMMENT ON GUIDANCE 2023

	Normal Q1'23	Guidance Q1'23	Real Q1'23	Guidance 2023	MANAGEMENT VIEW
GWh		49	51	385	
kWh/kWp	154	120	129	941	April '23 extremely poor, normalisation in May but high levels of Curtailments
PV Power Price in EUR/MWh		104	105	98	Curve downward oriented
Capture Price in EUR/MWh		169	190	172	Capacity swap agreement provides some stability
Revenues in EUR		8	10	66	
EBITDA in EUR		7	9	57	Other operating income effects offset the negative effect on revenues
CFPS		n.a.	n.a.	0.60	
Net debt EUR Mio		150	153	156	

# FINANCIAL CALENDAR 2023



Date	Topic
12 June 2023	AGM
13 June 2023	Ex-Dividend
19 September 2023	H1 '23 Results
28 November 2023	Q3 '23 Results





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