7C SOLARPARKEN

7C SOLARPARKEN GROUP

ANNUAL REPORT 2023

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DISCLAIMER ENGLISH SUMMARY

This letter of the Management Board and Consolidated Financial Statements of 7C Solarparken Group for the reporting period 2023 do not constitute the full annual report 2023 of 7C Solarparken Group, which consists of the Management Letter, the Combined Management Report as well as the Consolidated Financial Statements, which were published in German. Rather this document is a convenient summarised translation in English. In case of conflict between the German and the English version, whether due to translation precision or due to incompleteness of the English text, the German version shall prevail.

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LETTER OF THE MANAGEMENT BOARD

Dear Shareholders,
Dear Readers,

We are pleased to present you with our Annual Report for the 2023 financial year. While the year was not as straightforward as the year before, we are delighted to report that the Group managed to achieve a sound performance in the past financial year.

The 2023 financial year was marked by a noticeable decline in industrial production in Germany, which had a negative impact on electricity prices in the German market. In this environment, 7C Solarparken benefited from the fact that its portfolio is almost exclusively remunerated by fixed feed-in tariffs. In addition, the Group was able to benefit throughout the 2023 financial year from the electricity price swap agreement concluded in the year before, which secured an electricity price above the fixed feed-in tariff for approximately one third of the portfolio. However, this did not prevent the average capture price of the Group's solar assets from falling from EUR 243/MWh in the previous year to EUR 183/MWh in 2023.

In addition, due to rather negative weather conditions, the specific yield of the portfolio (908 kWh/kWp) was significantly lower than in the excellent irradiation year of 2022 (1,022 kWh/kWp). Nevertheless, the Company was able to increase its power production by 7.5% to 374 GWh in financial year 2023, as the weighted average capacity base was successfully expanded from 341 MWp to 421 MWp, representing year-on-year growth of +23%.

Despite negative weather conditions and low electricity prices, 7C Solarparken generated revenue of EUR 69.8 million and EBITDA of EUR 61.6 million. Thus, the Group exceeded its revenue forecast for 2023 of EUR 66.0 million by 5.7%. The EBITDA forecast for the reporting year was EUR 57 million, which 7C Solarparken exceeded by 8.1%. At EUR 0.61 per share in 2023, cash flow per share (CFPS) was also higher than forecast in the 2022 Annual Report (EUR 0.60 per share). In addition, the Group achieved a solid financial position with net debt of EUR 133.3 million (2.2x EBITDA 2023) and an equity ratio of 44.5%.

High price inflation led to a hike in key interest rates in 2023. However, given the low level of net debt and the fact that most of the interest on our borrowings is fixed for the medium to long term, the impact on the Group's net interest result was limited. In combination with the low level of electricity prices, the tighter interest rate environment still poses a challenge to the further expansion of our portfolio. In response, the Management Board has already announced in the final quarter of the reporting year that it intends to adjust the strategy: the Company will only expand its asset portfolio very selectively for the time being. This means that over the next two years, it will be more important than ever to use our financial resources in a targeted and profitable way.

Over the next two years, 7C Solarparken will therefore focus primarily on implementing its own project pipeline, as these projects have a superior risk-reward ratio. In view of the current capital market environment, the Management Board will also focus more on self-financing. In this spirit, future growth will increasingly be financed using equity capital. Future investments will therefore be made possible through project financing, where this makes sense, or otherwise through the sale of turnkey solar assets or project rights. In the long term, the Management Board aims to establish a presence in the balancing energy market, which will strengthen the Group's capture prices in a low electricity price environment.

The increased focus on value creation rather than rapid growth was also behind the Management Board's decision in the final quarter of the reporting year to buy back shares. The 2023 share buy-back programme is still in full swing at the time of writing. The objective is to repurchase up to 1,666,666 shares.

The 2024 financial year is a promising one for our Company: while electricity prices will remain low, the German portfolio will continue to benefit from fixed feed-in tariffs and the effects of two new electricity price swap agreements. This is complemented by a well-filled project pipeline for the next two financial years, which from today's perspective should be realised at lower investment cost due to lower prices for solar modules. Based on a weighted average capacity base of the current portfolio of 458 MWp, the Management Board forecasts revenue of EUR 70.3 million and EBITDA of EUR 58.0 million for the financial year 2024. Cash flow per share for the financial year 2024 is expected to be EUR 0.59 per share.

As has been customary since the 2017 financial year, we want the shareholders of 7C Solarparken AG to participate appropriately in the company's positive earnings performance. The dividend policy, fixed in 2018, stipulates that shareholder remuneration can consist of both a cash dividend and a dividend equivalent. The shareholder remuneration should also keep pace with the development of the cash flow per share. For the 2023 financial year, the management board proposes a distribution of EUR 0.06 per share. It should also be noted that 7C Solarparken AG had spent a total of TEUR 5,649 on share buybacks as part of the 2023 share buyback programme by the time of publication. In relation to the shares entitled to dividends for the 2023 financial year, this amounts to EUR 0.07 per share or, together with the dividend proposal of EUR 0.06 per share, EUR 0.13 per share.

We would like to take this opportunity to thank all employees of 7C Solarparken for the progress achieved in the reporting year. We are also grateful for the backing received from the members of our Supervisory Board and all our many stakeholders and business partners. Finally, we would like to thank you, our shareholders, for the trust you have placed in us and for your continued support as we move forward.

Bayreuth, 27 March 2024

Steven De Proost	Koen Boriau
Chief Executive Officer (CEO)	Chief Financial Officer (CFO)

Consolidated financial statements

for the financial year from

1 January 2023 to 31 December 2023

7C Solarparken AG, Bayreuth

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2023

ASSETS

in thousands of euro	Note	31.12.2023	31.12.2022
Non-current assets			
Goodwill	18.1	1,199	1,199
Intangible assets	18.1	2,111	2,604
Land and buildings	17.1	14,437	13,364
Solar assets	17.1	366,271	349,259
Wind farms	17.1	9,308	9,975
Solar assets under construction	17.1	16,050	15,574
Other tangible assets	17.1	454	375
Right-of-use assets	17.2	42,541	38,398
Investments accounted for using the equity method	19	554	298
Other financial assets	20	1,677	1,301
Other non-current assets	15	495	9,612
Deferred tax assets	13	5,181	5,963
Total non-current assets		**460,277**	**447,921**
Current assets			
Inventories	14	2,960	1,074
Prepayments	15	30	140
Trade receivables	15	4,955	3,785
Current tax assets		1,564	775
Other current assets	15	14,020	6,173
Current financial assets	16.1	18,273	-
Cash and cash equivalents	16.2	62,282	90,486
Total current assets		**104,084**	**102,433**
Total assets		**564,361**	**550,354**

EQUITY & LIABILITIES

in thousands of euro	Note	31.12.2023	31.12.2022
Equity			
Share capital	21.1	82,853	79,848
Share premium	21.2.A	103,356	94,655
Reserve for treasury shares	21.2.C	-1,573	-
Other comprehensive result from hedging transactions	21.2.D	3,353	-638
Retained earnings	21.2.B	42,303	42,173
Translation reserve	21.2.C	-7	10
Non-controlling interests		19,875	11,131
Equity		**250,162**	**227,179**
Liabilities			
Non-current liabilities			
Non-current financial liabilities	23, 26	172,844	179,080
Non-current lease liabilities	23	39,095	35,713
Non-current provisions	25	26,857	23,966
Other non-current liabilities	24	773	641
Deferred tax liabilities	13	24,410	21,634
Total non-current liabilities		**263,979**	**261,033**
Current liabilities			
Liabilities from income taxes		3,078	1,888
Current financial liabilities	23, 26	37,242	47,960
Current lease liabilities	23	3,269	3,344
Trade payables	24	4,459	5,419
Other current liabilities	24	2,171	3,531
Total current liabilities		**50,219**	**62,142**
Total liabilities		**314,199**	**323,176**
Total equity and liabilities		**564,361**	**550,354**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR FINANCIAL YEAR 2023

in thousands of euro	Note	2023	2022
Revenue	9.1	**69,815**	**85,802**
Other operating income	9.2	7,451	3,312
Employee benefits	10.1	-2,344	-2,010
Other operating expenses	10.2	-13,313	-12,388
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**61,609**	**74,717**
Depreciation, amortisation and impairment losses	17,18	-39,855	-34,559
Operating result (EBIT)		**21,755**	**40,158**
Other interest and similar income	11	492	388
Interest and similar expenses	11	-7,313	-6,318
Share of the net result of investments accounted for using the equity method	11,19	257	40
Financial result		**-6,564**	**-5,890**
Profit before tax (EBT)		**15,190**	**34,268**
Income taxes	13	-3,749	-9,810
Profit for the year		**11,441**	**24,458**
attributable to shareholders of 7C Solarparken AG	12.1.A	10,082	23,511
attributable to non-controlling interests		1,358	947
Earnings per share			
Basic earnings per share (EUR)	12.1.B	0.12	0.31
Diluted earnings per share (EUR)	12.2.B	0.12	0.31

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR FINANCIAL YEAR 2023

in thousands of euro	Note	**2023**	**2022**
Profit for the year		**11,441**	**24,458**
Items that are or may be reclassified subsequently to profit or loss:			
Changes in the fair value of financial instruments designated as hedge accounting	21.2.E	5,591	-921
Foreign currency translation difference	21.2.D	-17	1
Income taxes	21.2.E	-1,600	259
Other comprehensive income for the year, net of tax		3,974	-662
Total comprehensive income		**15,415**	**23,796**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR FINANCIAL YEAR 2023

in thousands of euro	Note	2023	2022
Profit for the year		11,441	24,458
– Depreciation of property, plant and equipment	17	35,800	32,735
– Amortisation of intangible assets	17, 18	100	225
– Impairment of property, plant and equipment, intangible assets	7	3,953	1,599
– Other non-cash expense/income		-111	35
– Impairment of trade and other receivables	9.2, 10.2	316	552
– Impairment of inventories	10.2	203	348
– Net finance costs	11	6,564	5,890
– Gain or loss on sale of intangible assets, property, plant and equipment and financial assets		-69	254
– (plus) Tax expense	13	3,749	9,810
Changes in:			
– Inventories	7, 14	-2,089	558
– Trade and other receivables	7, 15	-2,997	-11,090
– Prepayments	7	110	-65
– Trade and other payables and provisions	7, 24, 25	-3,443	4,415
Cash generated from operating activities		**53,529**	**69,723**
Interest paid	11	-5,186	-5,178
Early redemption penalties	11	-	-
Income taxes paid	13	-3,328	-2,764
Net cash from operating activities		**45,015**	**61,781**

in thousands of euro	Note	2023	2022
Interest received	11	364	119
Cash received from the sale of intangible and tangible assets		2,074	241
Investing in current financial assets		-18,273	-
Acquisition of subsidiaries, net of cash acquired and contingent purchase consideration	7	-5,465	-6,996
Dividends received	7	78	74
Acquisition of property, plant and equipment	17	-10,848	-6,543
Prepayment of assets under construction	17	-11,375	-17,259
Net investments in other financial assets	20	-749	-87
Acquisition of intangible assets	20	-	-1,085
Acquisition of shares in equity-accounted investees	7, 19	-	-
Cash flows from investing activities		**-44,194**	**-31,536**
Proceeds from issue of share capital	21	11,250	15,859
Proceeds from issue of unsecured bonds		6,917	-
Proceeds from exercised options of the option bond	23	20	-
Acquisition of treasury shares	21	-1,576	-
Proceeds from loans and borrowings	23	20,243	16,324
Proceeds from lease liabilities		-	433
Transaction costs related to loans and borrowings	11	-142	-296
Transaction costs related to issue of share capital		-192	-217
Acquisition of non-controlling interests	7	-333	-558
Sale of non-controlling interests	7	569	-
Loan repayments	23	-35,936	-29,538
Promissory note repayments		-15,000	-
Lease liabilities repayment	23	-3,602	-2,067
Dividends paid		-11,244	-9,031
Cash flows from financing activities		**-29,026**	**-9,091**
Net changes in cash and cash equivalents		**-28,204**	**21,154**
Cash and cash equivalents at 1 January *	16	90,486	69,332
Cash and cash equivalents at 31 December *		**62,282**	**90,486**

** We refer to Note 16 for the availability of funds; an amount of EUR 4,626 thousand of the cash and cash equivalents is attributable to non-controlling interests (previous year: EUR 4,756 thousand).*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of euro	Share capital	Share premium	Reserve for treasury shares	Translation reserve	Other comprehensive result from hedging transactions	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2023	**79,848**	**94,655**	**0**	**10**	**-638**	**42,172**	**216,047**	**11,131**	**227,179**
Profit for the year						10,082	10,082	1,358	11,441
Other comprehensive income				-17	3,991		3,974		3,974
Total comprehensive income	**0**	**0**	**0**	**-17**	**3,991**	**10,082**	**14,056**	**1,358**	**15,415**
Transaction costs recognised directly in equity		-185					-185		-185
Issue of new shares	3,000	8,250					11,250		11,250
Acquisition of treasury shares			-1,573				-1,573		-1,573
Additions due to the issuance of the option bond		622					622		622
Exercised options of the option bond	5	14					20		20
Transactions with non-controlling interests – purchase of GSI 3						-7	-7	-326	-333
Transactions with non-controlling interests – repurchase of GSI 3						-2	-2	571	569
Change in non-controlling interests following a consolidation								8,443	8,443
Dividends						-9,942	-9,942	-1,302	-11,244
Total of the transactions with the shareholders of the Company	**3,005**	**8,701**	**-1,573**	**0**	**0**	**-9,951**	**183**	**7,386**	**7,569**
Balance at 31 December 2023	**82,853**	**103,356**	**-1,573**	**-7**	**3,353**	**42,303**	**230,287**	**19,875**	**250,162**

In thousands of euro	Share capital	Share premium	Translation reserve	Other comprehensive result from hedging transactions	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2022	**76,362**	**82,499**	**9**	**24**	**26,988**	185,883	**11,446**	**197,329**
Profit for the year					23,511	23,511	947	24,458
Other comprehensive income			1	-662		-662		-662
Total comprehensive income	**-**	**-**	**1**	**-662**	**23,511**	**22,849**	**947**	**23,796**
Transaction costs recognised directly in equity		-217				-217		-217
Issue of new shares	3,486	12,374				15,859		15,859
Transactions with non-controlling interests					73	73	-631	-558
Dividends					-8,400	-8,400	-631	-9,031
Total of the transactions with the shareholders of the Company	**3,486**	**12,157**	**-**	**-**	**-8,327**	**7,315**	**-1,262**	**6,053**
Balance at 31 December 2022	**79,848**	**94,655**	**10**	**-638**	**42,172**	**216,047**	**11,131**	**227,179**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR FROM

1 JANUARY 2023 TO 31 DECEMBER 2023

7C Solarparken AG, Bayreuth

1. REPORTING ENTITY

7C Solarparken AG (the “Company” or “7C Solarparken”) is a company with registered office in Bayreuth, Germany. The Company is registered under the address: An der Feuerwache 15, 95445 Bayreuth. The consolidated financial statements of the Company comprise the Company and its subsidiaries (together referred to as the “Group” and individually as a “Group company” or “Group companies”). The Group operates and invests in solar assets and wind farms with recurring capital returns and low risk exposure, mainly located in Germany and Belgium (see Notes 5 and 8).

For abbreviations used in this report, we refer to the list of abbreviations included in Note 33.

2. BASIS OF ACCOUNTING

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU. In addition, the German commercial law provisions as set out in section 315e (1) German Commercial Code (HGB) in conjunction with section 3 HGB were taken into account in the preparation of the consolidated financial statements. The principles on recognition, measurement and presentation are applied consistently by all companies included in the consolidated interim financial statements.

The statement of profit and loss is presented using the nature of expense method. The Group additionally discloses the subtotals of items recognised in the income statement (EBITDA/EBIT) for illustrative purposes.

The Management Board assumes that 7C Solarparken will continue as a going concern. The financial statements give a true and fair view of the financial position, net assets and results of operations.

The consolidated financial statements for the year ended 31 December 2023 and the combined management report for the period from 1 January 2023 to 31 December 2023 were authorised for publication on 27 March 2024.

Details concerning significant accounting policies including any changes in accounting policies are provided in Note 6.

3. FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are prepared in euro, the functional currency of 7C Solarparken AG (the parent) and are presented in thousands of euro. Therefore, the report may contain rounding differences.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, the Management Board has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

4.1 USE OF JUDGEMENTS, ASSUMPTIONS AND ESTIMATES

Information about judgements made in applying accounting policies and information on assumptions and estimation uncertainties that have significant effects on the amounts recognised in the consolidated financial statements or could pose a major risk is included in the following notes:

- **Note 7** – Acquisition of subsidiaries or solar assets. Income, expenses and capital costs that form the basis for determining the cost of the acquired assets and liabilities or the purchase price allocation are based on assumptions and estimates.
- **Note 13** – Recognition of deferred tax assets: The future taxable profit or loss of the respective Group companies cannot be forecast with any certainty. Therefore, the planned profit and loss and the corresponding effects from the reversal of taxable temporary differences form the basis for the recognition of deferred tax assets. Moreover, uncertainty remains concerning the recognition of deferred tax assets with regard to the applicable future tax rates, any future restrictions on the use or temporary nature of deferred tax assets arising from the laws or other provisions, as well as their interpretation by the tax authorities or court rulings.
  The final tax assessment for the Group is still outstanding for several years, creating uncertainty with respect to the current income taxes, which are estimated prospectively by the Group and then recognised in the statement of financial position. Subsequent tax payments or refunds cannot be ruled out. In addition, the prospective estimation of current income taxes is uncertain with regard to the applicable future tax rates and the applicable tax legislation as well as its interpretation by the tax authorities or court rulings, especially in the event of subsequent external tax audits.
- **Note 15** – The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. The Group measures loss allowances at an amount equal to lifetime ECLs, except for the subsequent value adjustments, which are measured at 12-month ECLs.
- **Note 17** – Lease term: determining whether the Group is reasonably certain to exercise extension or purchase options. This judgment affects both the right-of-use assets and useful lives of solar assets and wind farms.
- **Note 18** – Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts.
- **Note 19** – Investments accounted for using the equity method: determining whether the Group has significant influence over an investment.
- **Note 15 and 24** – Determining the degree of assurance that government grants will be paid to the Group.
- **Note 21, 15 and 24** – Estimates of expected future electricity prices and production volumes for the measurement of the fair value of the swaps (under the hedging agreement with a large European utility) as at the reporting date.

- **Note 25** – Recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an inflow or outflow of resources.

MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the measurement of fair values of both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes internal monitoring of all significant fair value measurements.

The Management Board regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy, in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level output that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period, during which the change has occurred.

Further information on assumptions used in determining fair values is provided in the following notes:

- Note 7 – Acquisition of subsidiaries.
- Note 26 – Financial instruments

5. LIST OF SUBSIDIARIES

For accounting policies, please refer to Note 6.2 A.

Set out below is a list of material subsidiaries of the Group.

All subsidiaries are included in the consolidated financial statements as at 31 December 2023. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences. Simply put, the Group uses the first or the last day of the month in which control commences. An entity is deconsolidated on the date on which control ends.

The following subsidiaries are fully included in the consolidated financial statements of 7C Solarparken AG as at 31 December 2023. Subsidiaries that make use of the exemption options pursuant to section 264b HGB for the disclosure of the financial statements or the preparation of the management report or notes to the financial statements are also identified in this list (marked with an asterisk *). The Group financial statements of 7C Solarparken AG serve as exempting consolidated financial statements for these companies.

Designation	Land	Participation%
Solarpark Oberhörbach GmbH, Bayreuth	Germany	100.00
Sonnendach M55 GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Longuich GmbH, Baureuth	Germany	100.00
Solarpark Heretsried GmbH, Bayreuth	Germany	100.00
Energiepark SP Theilenhofen GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark CBG GmbH, Bayreuth	Germany	100.00
Solarpark green GmbH, Bayreuth	Germany	100.00
Colexon Solar Energy ApS, Søborg	Denmark	100.00
Amatec Projects Management GmbH, Bayreuth	Germany	100.00
Renewagy 5. Solarprojektgesellschaft mbH & Co. KG, Bayreuth	Germany	100.00
Renewagy 11. Solarprojektgesellschaft mbH & Co. KG, Bayreuth	Germany	100.00
Renewagy 21. Solarprojektgesellschaft mbH, Bayreuth	Germany	100.00
Renewagy 22. Solarprojektgesellschaft mbH, Bayreuth	Germany	100.00
Tristan Solar GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Oberhörbach GmbH, Bayreuth	Germany	100.00
Sonnendach M55 GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Zschornewitz GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark WO GmbH & Co. KG	Germany	100.00
PWA Solarpark GmbH & Co. KG	Germany	100.00
REG PVA Zwei GmbH & Co. KG	Germany	100.00
MES Solar XX GmbH & Co. KG	Germany	100.00
Melkor UG (haftungsbeschränkt), Bayreuth	Germany	100.00
HCI Energy 1 Solar GmbH & Co. KG, Bayreuth	Germany	42.91
HCI Solarpark Igling-Buchloe GmbH & Co. KG, Schönefeld	Germany	42.91
HCI Solarpark Neuhaus-Stetten GmbH & Co. KG, Schönefeld	Germany	42.91
Solarpark Floating GmbH & Co. KG, Bayreuth	Germany	100.00
ProVireo Projektverwaltungs GmbH, Bayreuth	Germany	100.00
ProVireo Solarpark 3. Schönebeck GmbH & Co KG, Bayreuth	Germany	100.00
Solar Park Blankenberg GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Glasewitz GmbH & Co. KG, Bayreuth	Germany	100.00
Colexon IPP GmbH, Bayreuth	Germany	100.00
Solarpark Meyenkrebs GmbH & Co. KG, Bayreuth	Germany	100.00
Pinta Solarparks GmbH & Co. KG, Bayreuth	Germany	100.00
Amatec PV Chemnitz GmbH & Co. KG, Bayreuth	Germany	100.00
Amatec Grundbesitz GmbH, Bayreuth	Germany	100.00
Amatec PV 20 GmbH & Co. KG, Bayreuth	Germany	100.00
Amatec PV 21 GmbH & Co. KG, Bayreuth	Germany	100.00
Amatec PV 25 GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Bernsdorf GmbH & Co. KG, Bayreuth	Germany	100.00

Amatec PV 30 GmbH & Co. KG, Bayreuth	Germany	100.00
Amatec PV 31 GmbH & Co. KG, Bayreuth	Germany	100.00
Amatec PV 32 GmbH & Co. KG, Bayreuth	Germany	100.00
Amatec PV 33 GmbH & Co. KG, Bayreuth	Germany	100.00
Amatec PV 34 GmbH & Co. KG, Bayreuth	Germany	100.00
Amatec PV 35 GmbH & Co. KG, Bayreuth	Germany	100.00
Amatec PV 36 GmbH & Co. KG, Bayreuth	Germany	100.00
Amatec PV 37 GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Rötz GmbH & Co. KG, Bayreuth	Germany	100.00
Solardach Derching GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Tangerhütte GmbH & Co. KG, Bayreuth	Germany	100.00
Windpark Medard 2 GmbH & Co. KG, Bayreuth	Germany	100.00
Windpark Stetten 2 GmbH & Co. KG, Bayreuth	Germany	100.00
GSI Solarfonds Drei GmbH & Co. KG, Köln	Germany	55.14
Photovoltaikkraftwerk Ansbach GmbH & Co. KG, Köln	Germany	55.14
Photovoltaikkraftwerk Brodswinden GmbH & Co. KG, Köln	Germany	55.14
BBS Solarpark Alpha GmbH & Co. KG, Bayreuth	Germany	100.00
HCI Energy 2 Solar GmbH & Co. KG, Bayreuth	Germany	41.81
HCI Solarpark Dettenhofen GmbH & Co. KG, Schönefeld	Germany	41.81
HCI Solarpark Oberostendorf GmbH & Co. KG, Schönefeld	Germany	41.81
7C Solarparken NV, Mechelen	Belgium	100.00
7C Rooftop Exchange BV, Mechelen	Belgium	100.00
Siberië Solar BV, Mechelen	Belgium	100.00
Sabrina Solar BV, Mechelen	Belgium	100.00
Solar4Future Diest NV, Mechelen	Belgium	100.00
Solarpark Neudorf GmbH, Kasendorf	Germany	100.00
Solarpark Hohenberg GmbH, Marktleugast	Germany	83.00
Solarpark Morbach GmbH & Co. KG, Bayreuth	Germany	100.00
Erste Solarpark Nowgorod GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Draisdorf-Eggenbach GmbH & Co KG	Germany	100.00
High Yield Solar Investments BV. Amsterdam	Germany	100.00
Solardach Gutenberg GmbH & Co. KG. Bayreuth	Germany	100.00
Solarpark Pflugdorf GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark MGGS Landbesitz GmbH, Bayreuth	Germany	100.00
Tannhäuser Solar UG (haftungsbeschränkt), Bayreuth	Germany	100.00
Lohengrin Solar UG (haftungsbeschränkt), Bayreuth	Germany	100.00
PV Görike GmbH & Co. KG, Bayreuth	Germany	100.00
Solarparken AM GmbH, Bayreuth	Germany	100.00
GSI Helbra Verwaltungs GmbH, Bayreuth	Germany	100.00
GSI Leasing GmbH, Bayreuth	Germany	100.00
GSI Solarfonds Zwei Verwaltungs GmbH, Bayreuth	Germany	100.00
GSI Solarfonds Drei Verwaltungs GmbH, Bayreuth	Germany	100.00
Solarpark Espenhain Verwaltungs GmbH, Bayreuth	Germany	100.00
Solarpark Energy Verwaltungs GmbH, Bayreuth	Germany	100.00
SonnenSolarpark GmbH, Hausen	Germany	100.00
Solarpark Höttingen GmbH & Co. KG, Bayreuth	Germany	100.00
Isolde Solar GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Pirk-Hochdorf GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Kohlberg GmbH & Co. KG, Bayreuth	Germany	100.00

Solarpark Reuth-Premenreuth GmbH & Co. KG, Bayreuth	Germany	100.00
Solarparken IPP GmbH, Bayreuth	Germany	100.00
Solarpark Taurus GmbH & Co. KG, Maisach	Germany	100.00
Erste Solarpark Xanten GmbH & Co. KG, Bayreuth	Germany	100.00
Erste Solarpark Wulfen GmbH & Co. KG, Bayreuth	Germany	100.00
Siebente Solarpark Zerre GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark am Schaugraben GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Zerre IV GmbH & Co. KG, Bayreuth	Germany	100.00
Sonnendach K19 GmbH & Co. KG, Bayreuth	Germany	100.00
Sonnendach K19 Haftungs GmbH, Bayreuth	Germany	100.00
Säugling Solar GmbH & Co. KG, Bayreuth	Germany	100.00
Solardach Walternienburg GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Carport Wolnzach GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Gemini GmbH & Co. KG, Bayreuth	Germany	100.00
Sphinx Solar GmbH & Co. KG, Bayreuth	Germany	100.00
Solardach Bündel 1 GmbH & Co. KG, Bayreuth	Germany	100.00
Erste Solarpark Sandersdorf GmbH & Co. KG, Bayreuth	Germany	100.00
Dritte Solarpark Glauchau GmbH & Co. KG, Bayreuth	Germany	100.00
Vardar UG (haftungsbeschränkt), Bayreuth	Germany	100.00
7C Solarentwicklung GmbH, Bayreuth	Germany	100.00
Solardach Wandersleben GmbH & Co. KG, Bayreuth	Germany	84.12
Solardach LLG GmbH, Bayreuth	Germany	100.00
Solardach Stieten GmbH & Co. KG, Bayreuth	Germany	100.00
Solardach Steinburg GmbH, Bayreuth	Germany	100.00
Solardach Neubukow GmbH & Co. KG, Bayreuth	Germany	100.00
Solardach Halberstadt GmbH & Co. KG, Bayreuth	Germany	81.82
Solarpark Bitterfeld II GmbH & Co. KG, Bayreuth	Germany	100.00
Trüstedt I Solar GmbH & Co. KG, Bayreuth	Germany	100.00
Folcwalding Verwaltungs GmbH, Bayreuth	Germany	100.00
Solarpark Brandholz GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Gorgast GmbH & Co. KG, Bayreuth	Germany	100.00
PV Gumtow GmbH & Co. KG, Bayreuth	Germany	100.00
Photovoltaik-Park Dessau-Süd GmbH & Co. KG, Bayreuth	Germany	100.00
Solarpark Wölbattendorf GmbH & Co. KG, Bayreuth	Germany	100.00
Projekt OS3 GmbH & Co. KG, Bayreuth	Germany	71.43
Projekt OS4 GmbH & Co. KG, Bayreuth	Germany	71.43
Projekt OS5 GmbH & Co. KG, Bayreuth	Germany	71.43
Projekt OS6 GmbH & Co. KG, Bayreuth	Germany	71.43
Projekt OS7 GmbH & Co. KG, Bayreuth	Germany	71.43
Projekt OS8 GmbH & Co. KG, Bayreuth	Germany	71.43
Projekt OS9 GmbH & Co. KG, Bayreuth	Germany	71.43
Projekt OS10 GmbH & Co. KG, Bayreuth	Germany	71.43
Solarpark Schwerin GmbH & Co. KG, Bayreuth	Germany	100.00
7C Solarparken Belgium BV, Gent	Belgium	100.00
IRIS 67 BV, Mechelen	Belgium	100.00
7C Groeni BV, Mechelen	Belgium	100.00

The following companies are included in the consolidated financial statements as at 31 December 2023 using the equity method:

- Viriflux BV, Lokeren, Belgium (50.00%)
- Zweite Solarpark Nowgorod GmbH & Co. KG, Bayreuth, Germany (20.00%)
- Solarpark Zerre Infrastruktur GbR, Wiesbaden, Germany (28.60%)
- Infrastrukturgesellschaft Bischheim GmbH & Co. KG, Wörstadt, Germany (19.40%)

6. SIGNIFICANT ACCOUNTING POLICIES

6.1. ACCOUNTING POLICIES AND CHANGES IN GROUP OF CONSOLIDATED COMPANIES

See also Note 7.

The Group has applied the same accounting policies as in the 2022 financial year. However, new standards and interpretations mandatory for annual reporting periods beginning on or after 1 January 2023 were applied in the financial year (see Note 32).

The following Group companies were merged with the Group companies shown in the table during the reporting period:

Company	Merged with:
Colexon 1. Solarprojektgesellschaft mbH & Co. KG	Colexon IPP GmbH

In 2023, the Group founded the following companies:

Company	Group shareholding	Date of incorporation
Isolde Solar GmbH	100.00%	22 June 2023
Solarpark Pirk-Hochdorf GmbH & Co KG	100.00%	22 June 2023
Solarpark Kohlberg GmbH & Co KG	100.00%	22 June 2023
Solarpark Reuth-Premenreuth GmbH & Co KG	100.00%	22 June 2023

The following companies were acquired and added to the group of companies included in the consolidated financial statements in financial year 2023:

Acquiree	Solar asset(s)	Date of acquisition
Solarpark Schwerin GmbH & Co. KG	Schwerin	4 January 2023
BBS Solarpark Alpha GmbH & Co. KG	Homberg	23 August 2023
Solardach Walternienburg GmbH & Co. KG	Walternienburg	4 October 2023

The Group's shareholding in the following companies changed in financial year 2023:

Company	Shareholding in % at 31 December 2022	Shareholding in % at 28 January 2023	Acquisitions after 28 January 2023	Sale after 28 January 2023	Shareholding in % at 31 December 2023
GSI Solarfonds Drei GmbH & Co. KG	1.51%	56.4%	1.7%	-3.0%	55.14%
Photovoltaïkkraftwerk Ansbach GmbH & Co. KG	1.51%	56.4%	1.7%	-3.0%	55.14%
Photovoltaïkkraftwerk Brodswinden GmbH & Co. KG	1.51%	56.4%	1.7%	-3.0%	55.14%

6.2. BASIS OF CONSOLIDATION

A. SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control commences. Simply put, the Group uses the first or the last day of the month in which control commences. An entity is deconsolidated on the date on which control ends.

B. ACQUISITION OF ASSETS AND LIABILITIES

Pursuant to IFRS 3, a 'business' is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income, or generating other income from ordinary activities. A business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs.

In addition, IFRS 3 contains regulations regarding the application of an optional concentration test. This test is used to assess whether substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the former is met, the set of activities and assets is determined not to be a business and the transaction accordingly does not classify as a business combination within the meaning of IFRS 3 but as an acquisition of assets and liabilities instead.

The Group has applied the voluntary concentration test to all acquisitions in the financial year. To determine whether substantially all the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets, the Group applies a threshold of 75%. The fair values of acquired solar assets are added to the value of the associated right-of-use asset in accordance with IFRS 16 or the fair value of the land, as the right-of-use asset refers to the lease for the land on which the solar asset is located or, respectively, the acquired land refers to the land on which the solar asset is located. This means that if the fair value of the solar asset and the value of the right-of-use asset in accordance with IFRS 16 or the fair value of the acquired land together amount to 75% of the fair value of all acquired assets, the concentration test shall be regarded as positive. In this case, no further assessment is needed, and the transaction is classified as an acquisition of assets and liabilities.

If the concentration test is not met, IFRS 3 shall be applied to determine whether the acquisition is a business combination. When project companies that operate solar assets and wind farms are acquired, there is generally at least one substantial process missing.

Accordingly, these acquisitions shall generally be accounted for as acquisitions of assets and liabilities. For this purpose, the cost is allocated to the identifiable assets and liabilities in the scope of the acquisition based on their fair values. Right-of-use assets and lease liabilities are recognised in accordance with IFRS 3.28B in conjunction with the value determined in accordance with IFRS 16. Cash and cash equivalents and receivables are recognised at nominal amount. Deferred taxes, arising for instance from acquired loss carryforwards, are recognised at the value determined in accordance with IAS 12. This will result in neither positive nor negative differences. If it is determined in this context that the fair value of specific assets is lower than the cost to be allocated to them, the difference is written down through profit or loss immediately after the initial recognition. If the fair value increases at a later date, the difference is written up if required by the provisions of the relevant standard.

C. BUSINESS COMBINATIONS

The Group applies the acquisition method to account for acquisitions that do not meet the concentration test (negative result) or acquisitions that took place before the amendment to IFRS 3 was issued, i.e. before the 2020 financial year and are/were defined as a business combination. The acquired identifiable assets, liabilities and contingent liabilities shall be measured at their acquisition-date fair values.

The goodwill equals the amount by which the total consideration transferred, the amount of all non-controlling interests in the acquiree and the fair value of any equity interest in the acquiree previously held by the acquirer exceeds the net assets of the acquiree.

If the initial accounting for a business combination is incomplete at the end of the financial year, the Group shall recognise provisional amounts for the items with incomplete accounting. The provisional amounts shall be adjusted retrospectively during a measurement period that may not exceed one year. Additional assets and liabilities shall be recognised to take account of facts and circumstances that existed at the acquisition date and would have affected the amounts measured on such date if they had been known.

If the acquisition price was below the fair value of the net assets (bargain purchase), the difference is recognised directly through profit or loss. Transaction costs are expensed immediately as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. Subsequent changes in the fair value of contingent consideration that is classified as an asset or liability are recognised in profit or loss. If an obligation to pay contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity.

D. NON-CONTROLLING INTERESTS

Non-controlling interests (NCI) are recognised at fair value at the date of acquisition if they refer to the acquisition of assets and liabilities. If they refer to a business combination, they are measured initially at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

Changes in the parent’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

E. LOSS OF CONTROL

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

F. INTERESTS IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Group’s interests in investments accounted for using the equity method or interests comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are initially recognised at cost, which includes transaction costs. Subsequently, the Group recognises the share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence ceases. Where gradual acquisition of shares leads to obtaining control, investments that are accounted for using the equity method are derecognised at fair value through profit or loss when control is obtained.

6.3. FOREIGN CURRENCY

A. FOREIGN CURRENCY TRANSACTIONS

The items recognised in the financial statements of the individual Group companies are measured at the respective functional currency. The consolidated financial statements are prepared in euro, the functional currency of the parent. Transactions in foreign currency are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate applicable at the time when the fair value was determined. Differences resulting from the translation into the functional currency are accumulated directly in the reserve from foreign currency translation in the consolidated financial statements and/or presented in the consolidated statement of other comprehensive income. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

The closing exchange rate of the Danish krone on 31 December 2023 was DKK/EUR 7.4557 (previous year: DKK/EUR 7.4374). The average exchange rate of the Danish krone to the euro during financial year 2023 was DKK/EUR 7.4511 (previous year: DKK/EUR 7.4396).

B. FOREIGN SUBSIDIARIES

The assets and liabilities of foreign subsidiaries are translated into euro at the exchange rates on the reporting date. The income and expenses of foreign subsidiaries are translated into euro at the exchange rates on the dates of the transactions.

Foreign currency differences are recognised in the translation reserve in equity, except to the extent that the translation difference is allocated to non-controlling interests or shown in the consolidated statement of other comprehensive income.

When a foreign subsidiary is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign subsidiary is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative translation difference is reclassified to profit or loss.

6.4. REVENUE: REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers (i.e. revenue) is realised when the customer obtains control of the agreed goods or services. Further, the revenue is measured at the amount of the consideration to which the entity expects to be entitled.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition policies:

- **Sale of electricity**: the Group generates revenue by producing and selling electricity. The customer obtains control of the agreed good upon feed-in, i.e. transfer to the (public) grid, or upon direct consumption. Such sales each constitute an individual performance obligation. The revenue from the sale of electricity is determined and realised by measuring the output volume. Any additions to or deductions from revenue in other periods due to discrepancies or mistakes in Group readings compared to customer readings that are identified only after the end of the respective reporting period are also recognised in revenue. However, based on experience, discrepancies between Group and customer readings are limited.
- The electricity prices paid under contracts with customers in Germany are determined mainly by the provisions in the German Renewable Energy Sources Act (EEG). Effective on 1 January 2012, section 33 g EEG introduced the so-called market premium. The market premium is paid by the grid operator for producing electricity from renewable sources to those plant operators who chose to market their electricity directly at the electricity exchange rather than choosing the EEG remuneration model. At the electricity exchange, plant operators receive the regular market price, which is lower than the remuneration payable under the EEG. The market premium offsets the difference between the remuneration under the EEG and the average monthly market price at the electricity exchange. The market premium cannot turn negative. The actual output of directly marketed electricity is determined based on meter readings. The payments of the market premium as well as the management premium as per sections 33 g and 33 i of the German Renewable Energy Sources Act (EEG) by the grid operator to the plant operator constitute genuine subsidies that are not subject to value-added tax.
- The expected cash outflows recognised in other comprehensive income in connection with the electricity price swap agreement (cash flow hedge) are reclassified to revenue at the time of payment as the Group considers it appropriate to recognise these payments directly in revenue, since the cash outflows from the cash flow hedge are directly linked to revenue (see Note 26.3.E).
- In Belgium, the Group generates revenue from the sale of electricity as well as the sale of green electricity certificates. In accordance with current legislation, the grid operator issues these green certificates to the Group for every MWh produced for a period of 10 to 20 years from the commissioning of the solar asset. The Group then sells these green electricity certificates to the grid operator at fixed guaranteed prices (buy-back obligation). The revenue is recognised when the green electricity certificates are issued, as this is when the grid operator’s obligation to buy the certificates back arises and the grid operator owes the full consideration, irrespective of the potential useful life.
- In addition to the sale of electricity, the Group also sells the guarantees of origin for the electricity generated from its renewable energy assets. Guarantees of origin can only be sold for electricity that is not remunerated with a feed-in tariff (Germany) or subsidized with green electricity certificates (Belgium). For this reason, this source of income is of minor importance in both the financial year and the previous year.
- **Services**: refers mainly to services for project development of Belgian plants on behalf of third parties, technical maintenance and commercial operation of solar assets on behalf of third parties in Belgium and in Germany. The sale of services usually constitutes one single performance obligation each. Revenues are recognised gradually once the individual service is performed and the corresponding consideration is paid.

- **Sale of other goods**: in individual cases, the Group may sell modules or other components for solar assets as well as charging stations to third parties. The revenue is recognised when the customer obtains control of the goods.

6.5. EMPLOYEE BENEFITS

A. SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

B. TERMINATION BENEFITS

Termination benefits are recognised as an expense at the earlier of the following two dates: either at the time when the Group can no longer withdraw the offer of such benefits or when the Group recognises the corresponding restructuring costs. If benefits are not expected to be settled in full within twelve months of the reporting date, then they are discounted.

6.6. GOVERNMENT GRANTS

Other government grants related to assets are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Group will comply with the conditions associated with the grant. Government grants are recognised in profit or loss as other income on a systematic basis over the useful life of the asset. The government grants refer to subsidies granted in Belgium for building solar assets.

6.7. FINANCIAL INCOME AND FINANCE COSTS

The Group’s financial income and finance costs include:

- interest income.
- interest expense.
- dividend income.
- the net gain or loss on financial assets at FVTPL.
- the foreign currency gain or loss on financial assets and financial liabilities.
- the fair value gain or loss on contingent consideration classified as a financial liability.
- impairments recognised on financial assets carried at cost (AC) (other than trade receivables).
- hedge ineffectiveness of cash flow hedges recognised in profit or loss.
- the reclassification of net losses previously recognised in other comprehensive income.
- gains and losses from the disposal of financial assets.

Interest income or expense is recognised through profit or loss using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group’s right to receive payment is established.

6.8. INCOME TAX

Income tax expenses comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

A. CURRENT TAX

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year at rates valid on the reporting date or in the near future and any adjustment to the tax payable or receivable in respect of previous years. Current tax liabilities also include any tax liabilities arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

B. DEFERRED TAX

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are recognised only to the extent that it is probable that the related tax benefit will be realised.

Deferred tax is measured at tax rates that are expected to apply to temporary differences when they are reversed, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

The measurement of deferred taxes reflects the tax consequences that would follow from the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if certain criteria are met.

6.9. INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out method.

Impairments of inventories, if any, are recognised in other operating expenses.

6.10. PROPERTY, PLANT AND EQUIPMENT

See Note 6.16 Leases regarding right-of-use assets.

A. RECOGNITION AND MEASUREMENT

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses. Assets under construction are recognised at cost. They are not depreciated. Assets under construction are also subject to potential impairment.

Each component of an item of property, plant and equipment with a significant cost in relation to the total value of the item is depreciated separately.

Any gain or loss on disposal of fixed assets is recognised in other income or expenses.

The depreciation period as well as the method are reviewed at the end of each financial year. Items of property, plant and equipment are depreciated pro rata temporis over their expected useful lives.

B. SUBSEQUENT EXPENDITURE

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

C. AMORTISATION

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

• Solar assets	10–30 years
• Wind farms	20–25 years
• Buildings	30–40 years
• Plant and equipment	3–12 years
• Fixtures and fittings	5–10 years
• Right-of-use assets	1–30 years

Solar assets and wind farms generally consist of two main components that are depreciated using the straight-line method over different useful lives (component approach), i.e. the right to receive the legally fixed remuneration per MWh produced (feed-in tariff or green electricity certificate) that is depreciated over the period of the statutory remuneration commitment, and the technical components of the solar assets or wind farm that are depreciated over their (longer) useful technical lives to the extent that, in the view of the Group, their use is technically, legally and economically feasible or planned after the statutory remuneration commitment ends.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

6.11. INTANGIBLE ASSETS

A. RECOGNITION AND MEASUREMENT

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

B. SUBSEQUENT EXPENDITURE

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

C. DEPRECIATION

Intangible assets have finite useful lives and are (other than project rights, see below) amortised over the estimated useful lives using the straight-line method. If the fair value is below the carrying amount at the reporting date, the asset is impaired to such amount. If the reasons for earlier impairments no longer exist, they are reversed through profit or loss. Amortisation is recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives are as follows:

- Software — 5 years
- Acquired contracts — 15–20 years

As already stated in A. above, depreciation and amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Project rights are accounted for as intangible assets until the items of property, plant and equipment (solar assets) associated with the project rights are commissioned. The intangible assets are then reclassified to property, plant and equipment and depreciated over the useful lives of the items of property, plant and equipment. They are not amortised while the project is being realised. Projects consisting of several investment stages are fully reclassified to property, plant and equipment only once the last project stage has been completed and the last item of property, plant and equipment has been commissioned. There will be no scheduled depreciation or amortisation on the project until all project stages have been fully completed.

6.12. FINANCIAL INSTRUMENTS

A. RECOGNITION AND INITIAL MEASUREMENT OF FINANCIAL INSTRUMENTS

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

B. CLASSIFICATION OF FINANCIAL ASSETS

On initial recognition, a financial asset is classified as measured at:

- AC – amortised cost.
- FVOCI – fair value through other comprehensive income; or
- FVTPL – fair value through profit or loss.

IFRS 9 requires that the classification of financial assets be determined based on both the entity's business model for managing the financial assets concerned and the contractual cash flow characteristics of the financial asset (the 'solely payments of principal and interest (SPPI)' criterion).

The allocation to a certain business model distinguishes between 'hold to collect', 'hold to collect and sell' and 'other'.

The business model is allocated by reviewing the facts and circumstances at the time of assessment. The Group's basic business model is 'hold to collect'. Accordingly, the financial assets are held in order to collect contractual cash flows. Even though the Group pursues the aforementioned business model, unplanned sales may be made in the normal course of business and do not change this allocation in accordance with IFRS 9. This may, for instance, occur within the Group by selling a solar asset including the trade receivables incurred without a significant financing component.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Regarding the contractual cash flow characteristics of the individual financial asset it depends on whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding or whether additional cash flows are to be expected.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

The Group did not elect to designate an equity investment as measured at FVOCI in the reporting year.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

C. SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. See Note 26.B for derivatives designated as hedging instruments.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairments are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss. At present, the Group does not hold any debt investments measured at FVOCI.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss. At present, the Group does not hold any equity investments measured at FVOCI.

D. DERECOGNITION OF FINANCIAL INSTRUMENTS

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or the rights to receive the contractual cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

A financial asset is also derecognised if the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the transferred asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

E. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group holds derivative financial instruments to hedge its exposure to revenue and interest rate risks.

Derivatives are initially and subsequently measured at fair value and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in revenues and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in the cash flows of the hedged item and hedging instrument are expected to offset each other. This documentation is updated at each measurement date.

If, according to this, a derivative is designated as a cash flow hedge, the effective portion of changes in the fair value is recognised in other comprehensive income and is accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group applies IFRS 9 to all its hedge accounting transactions.

For transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve are reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. The hedging reserve and the cost of hedging reserve are consistently grouped and presented in other comprehensive income from hedging relationships in the equity item.

If the hedge in the form of a swap agreement no longer meets the criteria for hedge accounting, or if the hedging instrument expires, is sold, terminated or exercised, then this hedge accounting is discontinued prospectively.

When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been recognised in other comprehensive income from hedging relationships and the cost of hedging reserve are immediately reclassified to profit or loss.

F. FINANCIAL LIABILITIES, TRADE PAYABLES AND OTHER CURRENT LIABILITIES

The Group recognises financial liabilities, trade payables and other current liabilities at the point in time it becomes a contractual party of the financial instrument that gives rise to the respective financial liability. Upon initial recognition, all financial liabilities are measured at fair value.

For subsequent measurement, financial liabilities are classified either as financial liabilities measured at fair value through profit or loss (FVTPL) or as financial liabilities measured at amortised cost (AC). Financial liabilities measured at fair value through profit or loss comprise the debt component in connection with the option bond and derivative financial instruments concluded by the Group that are not designated as hedging instruments in hedging relationships in accordance with IFRS 9.

Transaction costs that are directly attributable to the issuance of financial liabilities that are not measured at fair value through profit or loss reduce the fair value of the financial liability upon initial recognition.

6.13. SHARE CAPITAL

A. ORDINARY SHARES

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity (net of tax if applicable).

B. REPURCHASE AND REISSUE OF ORDINARY SHARES (TREASURY SHARES)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity taking account of any related tax effects. Repurchased shares are classified as treasury shares. Share premiums are recognised in capital reserves. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is recognised in the share premium.

6.14. IMPAIRMENT

A. FINANCIAL ASSETS MEASURED AT AMORTISED COST OR FAIR VALUE

The Group generally recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The 90 days threshold is based on a special analysis conducted in this respect.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the twelve months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risks.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in other comprehensive income.

Impairment

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For trade receivables, the Group applies the simplified expected loss impairment model in accordance with IFRS 9. This is based on expected credit losses.

The Group allocates the trade receivables from the sale of electricity into largely homogenous categories that have similar characteristics regarding the estimated credit risk. Here it is significant whether the Group’s rights are based directly on legal provisions, i.e. whether the customer can pass on the receivables to be paid to the Group to its own customers in turn (EEG levy) or whether the customer is a state-owned or partly state-owned enterprise. The Group further differentiates whether security was furnished for the receivables and whether such security consists of a bank guarantee or a letter of comfort.

The Group assesses the risk of credit losses from other trade receivables not resulting from the sale of electricity on a case-by-case basis depending on the characteristics of the individual customer and any security that was provided.

For other financial assets, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Group’s procedures for recovery of amounts past due.

Given 7C Solarparken’s business model, most of the Group’s customers are grid operators or other plant operators. For the analysis of trade receivables, we refer to Note 26.3.B.

B. NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses for CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis. Here, the other assets of the CGU including their goodwill are included in impairment testing at their ‘measured’ carrying amount. This means that a specific need to impair a certain asset is already accounted for in the carrying amount of the CGU including goodwill.

An impairment loss in respect of goodwill is not reversed even if the value increases. For other assets, an impairment loss is reversed only to the extent that the cash-generating unit’s recoverable amount does not exceed its amortised cost.

6.15. OTHER PROVISIONS

Provisions are recognised for all external obligations to the extent that it is probable that they will be used, and a reliable estimate can be made of the amount. Furthermore, the Group recognises provisions for onerous contracts in accordance with IAS 37. The provision is measured at the most probable amount and, in case of a range of amounts, at the expected amount. These amounts are, where possible, are determined and measured based on contractual agreements. Otherwise, the calculations are based on historical experience and management estimates.

Non-current provisions are recognised at present value. They are discounted or the discount is unwound at market rates applicable in the period until fulfilment. The adjustment is recognised through profit or loss as finance cost.

6.16. LEASES

See also Note 6.9 Property, plant and equipment and Note 17.

Since 1 January 2019, the Group has been applying IFRS 16 *Leases* under the modified retrospective approach.

In accordance with IFRS 16, the Group accounts for its rights and obligations under a lease as the lessee. In the Group, this refers mainly to contracts concerning rights of use (leases, leasing contracts or rental agreements) referring to rooftop and free field farms as well as cable routes that the Group leases for long periods to operate solar assets or wind farms.

A. THE GROUP AS A LESSEE

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To determine whether a contract conveys the right to control an identified asset, the Group applies the definition of a lease in IFRS 16.

On the lease commencement date, i.e. the date on which the asset is available to the Group for use, the Group recognises a right-of-use asset in property, plant and equipment and a lease liability. The cost of this asset includes the aforementioned lease liability plus any initial direct costs incurred, any lease payments made at or before the commencement date less any lease incentives received and the estimated costs for decommissioning and similar obligations. The Group does not apply the practical expedient available for recognising leases not exceeding EUR 5,000.00.

However, the Group allocates the decommissioning costs of wind farms and solar assets to these assets (solar assets and wind farms). This is due, among other reasons, to the fact that the decommissioning obligation is immanent in the construction and operation of such plants (wind farms and solar assets).

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date over the useful life of the wind farm or solar asset underlying the right-of-use asset or the term of the lease (including any extension options), whichever period is shorter. If the Group has a purchase option, which is usually not the case, and is reasonably certain to exercise such option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the lives of property, plant and equipment.

The right-of-use asset is subsequently measured at cost less any straight-line depreciation and impairment and is adjusted for remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. As the interest rate implicit in the lease usually cannot be readily determined, the Group generally uses its incremental borrowing rate as the discount rate. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For this purpose, the Group determines interest rates from various financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments and minimum variable lease payments.

- variable lease payments that depend on an index, initially measured using the index or (interest) rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee.
- the exercise price under a purchase option that the Group is reasonably certain to exercise.
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or (interest) rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases with purely variable lease payments:

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of less than twelve months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group does not recognise any right-of-use assets or lease liabilities for leases with purely variable lease payments. These purely variable lease payments are recognised as an expense.

For leases with a variable lease payment but subject to a fixed minimum lease payment, the amount exceeding the minimum payment is recognised as an expense.

B. THE GROUP AS A LESSOR

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset.

If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the useful life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other revenue’.

7. ACQUISITION AND DISPOSAL OF GROUP COMPANIES

For accounting policies, please refer to Note 6.2.

Usually, the Group adds solar assets to its portfolio by acquiring companies holding the solar installations as fixed assets. As the acquisitions usually do not qualify as a business combination (see Note 6.2.C) such acquisitions are treated as acquired sets of assets and liabilities. These acquisitions are disclosed in Note 7.1.

Occasionally, the acquisition of a subsidiary does classify as a business combination, but no such transaction was carried out in the reporting period.

No subsidiaries were disposed of in the financial year.

7.1. ACQUISITION OF SUBSIDIARIES IN FINANCIAL YEAR 2023

In financial year 2023, subsidiaries were acquired that had to be accounted for as an acquisition of assets and liabilities after the concentration test was carried out.

The assets acquired are recognised at their respective cost. Accordingly, the cost is generally allocated to the identifiable assets and liabilities in accordance with the fair values of such assets and liabilities. Right-of-use assets and lease liabilities are recognised in accordance with IFRS 3.28B in conjunction with the value determined in accordance with IFRS 16. Cash and cash equivalents and receivables are recognised at nominal amount. Deferred taxes, arising for instance from acquired loss carryforwards, are recognised at the value determined in accordance with IAS 12. Usually, the following assets and liabilities are acquired:

- Intangible assets e.g. acquired contracts or project rights for solar assets that have already been constructed or for which construction is in the planning phase (see Note 18).
- Solar assets and right-of-use-assets from leases (see Note 17).
- Land and buildings: mainly properties on which wind or solar assets have been or can be built (see Note 17).
- Debt financing: this mainly pertains to project financing with longer terms and lease liabilities (see Note 23).
- Liabilities to the seller: such liabilities generally consist of invoices for the construction or development of the acquired wind or solar assets.
- Decommissioning obligations for wind or solar assets: recognised in accordance with the Group's valuation principles (see Note 25).
- Tax assets or tax liabilities to be measured as income taxes in accordance with IAS 12.

The agreed purchase price includes fixed purchase price payments as well as the present value of such purchase price components (e.g. from earn-out clauses) that are already expected to fall due (with a probability of more than 50%) at the time of acquisition. The remaining components (with a probability of becoming due of less than 50%) are initially not included in the purchase price. If obligations subsequently arise in connection with such components due to a value-adjusting event, the payments then due are added to the acquisition costs of the acquired solar or wind assets at their present value on the date of acquisition at the time when the obligation becomes concrete. The same applies if the components originally included fail to fall due.

In this case, the acquisition costs are reduced by the relevant amount. Non-controlling interests are recognised at their fair value at the date on which control is obtained.

The following factors were considered in the calculation of the fair values: The weighted average cost of capital used in the fair value measurement of the solar assets was between 3.9% and 4.7% in financial year 2023 (previous year: 3.9%) The future cash flows discounted with such capital costs were calculated by way of multiplying the feed-in tariff or the estimated future electricity prices with the estimated electricity production. Electricity production was estimated by using external expert opinions and the historical yield of solar assets in the same region. It also takes into account an adequate level of degradation for this solar asset.

Deferred taxes on differences between acquisition costs (IFRS) and tax law are not recognised at initial recognition.

A. ACQUISITION OF SOLARPARK SCHWERIN GMBH & CO. KG

The acquisition of Solarpark Schwerin in the Mecklenburg Western Pomerania region with a capacity of 10 MWp took effect on 4 January 2023. This solar asset features modules from Astronergy and inverters from Huawei. Remuneration amounts to 89.4 EUR/MWh. Expected revenue per year of the asset over a 12-month period, under the assumption of ordinary weather conditions and an estimated electricity price over a five-year period, amounts to EUR 910 thousand; the expected EBITDA, using the same assumptions, amounts to EUR 655 thousand.

in thousands of euro	**Determining the Group's acquisition costs**
Purchase price	6,379
Assumed liabilities:	
Financial liabilities	4,212
Lease liabilities	2,095
Non-current provisions	500
Liabilities from income taxes	465
Other current liabilities	101
Total acquisition costs of the Group	**13,753**

in thousands of euro	**Breakdown of the Group's acquisition costs**
Solar assets	10,731
Right-of-use assets – rental agreements	2,095
Deferred tax assets	80
Other assets	75
Cash	772
Total	**13,753**
Net cash paid in the reporting period	5,607

Since first-time consolidation in 2023, the acquiree generated revenue of EUR 814 thousand, EBITDA of EUR 713 thousand and net profit of EUR -1,040 thousand.

B. ACQUISITON OF GSI SOLARFONDS DREI GMBH & CO. KG

Because of further investment, the Group held 56.44% of the shares in GSI Solarfonds Drei GmbH & Co. KG as of 28 January, which meant this company was fully consolidated. GSI Solarfonds Drei GmbH & Co. KG fully owns both Photovoltaikkraftwerk Ansbach GmbH & Co. KG and Photovoltaikkraftwerk Brodswinden GmbH & Co. KG.

These companies operate the following solar assets:

Solar asset	kWp	Place	Commissioning date	Module	Inverters	EEG-remuneration
Ermlitz-Mitte	1.987,30	Sachsen-Anhalt	Mai 2012	First Solar	SMA	179,4 EUR/MWh
Ermlitz-Nord	2.582,30	Sachsen-Anhalt	Mai 2012	First Solar	SMA	179,4 EUR/MWh
Goldbeck	2.756,00	Sachsen-Anhalt	Mai 2012	First Solar	SMA	187,6 EUR/MWh
Römerhügel	2.884,00	Brandenburg	Mai 2012	First Solar	SMA	187,6 EUR/MWh
Selb	4.200,00	Bayern	Mai 2012	First Solar	SMA	179,4 EUR/MWh
Ansbach	3.944,85	Bayern	Juni 2012	First Solar	SMA	179,4 EUR/MWh
Brodswinden	2.936,50	Bayern	Juni 2012	First Solar	SMA	179,4 EUR/MWh
Gesamt	**21.290,95**					

in thousands of euro	Determining the Group's acquisition costs	
Purchase price – thereof:	56.44%	**10,939**
Interest acquired with cash		1,899
Interest acquired by way of a contribution in kind (loan receivables)		8,583
Interest recognised by the Group as financial assets before the acquisition date		149
Intangible assets related to pre-acquisition service agreements between the Group and GSI Solarfonds Drei GmbH & Co. KG		310
Non-controlling interests	43.56%	**8,443**
Assumed liabilities:		
Financial liabilities		1,792
Lease liabilities		3,317
Non-current provisions		1,065
Liabilities from income taxes		211
Deferred tax liabilities		1,158
Other current liabilities		3,031
Total acquisition costs of the Group		**29,956**

in thousands of euro	Breakdown of the Group's acquisition costs
Solar assets	21,762
Right-of-use assets – rental agreements	3,317
Other assets	1,261
Cash	3,615
Total	**29,956**
Net cash paid in the reporting period	-1,716

Assuming normal weather conditions, the assets generate revenue of EUR 3.7 million, EBITDA of EUR 3.1 million and net profit of EUR 0.7 million per annum. Since first-time consolidation in 2023, the acquiree generated revenue of EUR 4,989 thousand, EBITDA of EUR 4,462 thousand and net profit of EUR 2,113 thousand.

C. ACQUISITION OF BBS SOLARPARK ALPHA GMBH & CO. KG

The acquisition of Solarpark Homberg in the region of Hessen with a capacity of 1.3 MWp took effect on 17 July 2023. This solar asset features modules from Canadian Solar and inverters from SMA. Remuneration amounts to 211 EUR/MWh. Expected revenue per year of the asset over a 12-month period, under the assumption of ordinary weather conditions and an estimated electricity price over a five-year period, amounts to EUR 250 thousand; the expected EBITDA, using the same assumptions, amounts to EUR 220 thousand.

in thousands of euro	Determining the Group's acquisition costs
Purchase price	1,466
Assumed liabilities:	
Financial liabilities	665
Liabilities from income taxes	15
Deferred tax liabilities	1
Other current liabilities	41
Total acquisition costs of the Group	**2,189**

in thousands of euro	Breakdown of the Group's acquisition costs
Land	**337**
Solar assets	1,636
Financial assets	11
Other assets	46
Cash	158
Total	**2,189**
Net cash paid in the reporting period	1,308

Since first-time consolidation in 2023, the acquiree generated revenue of EUR 81 thousand, EBITDA of EUR 76 thousand and net profit of EUR -150 thousand.

D. ACQUISITION OF SOLARDACH WALTERNIENBURG GMBH & CO. KG

The acquisition of Solarpark Walternienburg in the region of Sachsen-Anhalt with a capacity of 0.7 MWp took effect on 4 October 2023. This solar asset features modules from Canadian Solar and inverters from IG Plus. Remuneration amounts to 222 EUR/MWh. Expected revenue per year of the asset over a 12-month period, under the assumption of ordinary weather conditions and an estimated electricity price over a five-year period, amounts to EUR 125 thousand. Based on the same assumptions, the expected EBITDA is EUR 86 thousand.

in thousands of euro	**Determining the Group's acquisition costs**
Purchase price	346
Assumed liabilities:	
Financial liabilities	387
Lease liabilities	154
Non-current provisions	33
Other current liabilities	42
Total acquisition costs of the Group	**1,006**

in thousands of euro	**Breakdown of the Group's acquisition costs**
Solar assets	697
Right-of-use assets – rental agreements	154
Financial assets	18
Deferred tax assets	36
Other assets	22
Cash	80
Total	**1,006**
Net cash paid in the reporting period	267

Since first-time consolidation in 2023, the acquiree generated revenue of EUR 60 thousand, EBITDA of EUR 55 thousand and net profit of EUR -5 thousand.

8. OPERATING SEGMENTS

The Group focuses on the sale of electricity generated with its own wind farms and solar assets, generating more than 98.0% of total revenue with this business (previous year: 98.6%). In addition, the Group has further activities of minor significance (each 2.0% in the financial year and 1.4% in the previous year). These secondary activities relate to contracts for technical and commercial services regarding certain investment companies or solar assets of third parties outside the Group in Germany and abroad and to rental income from third parties relating to PV estate (see Note 9.1).

The Group has only one operating segment that is managed by the Management Board as a whole. In total, 92% (previous year: 90%) of non-current assets serve to generate and sell electricity. The organisational structure and internal reporting of the Group is thus not divided into separate business segments.

At the end of the reporting period, the Group's own solar assets and wind farms and the associated right-of-use assets account for 92% (previous year: 90%) of its non-current assets (without deferred tax).

in thousands of euro	**31.12.2023**	**31.12.2022**
Solar assets	366,271	349,259
Wind farms	9,308	9,975
Right-of-use assets	42,541	38,398
Non-current assets related to sale of electricity	418,119	397,632
Non-current assets (excl. deferred taxes)	455,096	441,958
Share of electricity sales	**92%**	**90%**

Revenue share by geographic market clearly reflects the Group's predominant focus on the German market. In financial year 2023, the Group generated 91.5% of its revenue in Germany (previous year: 92.3%). The remaining Group revenue (8.5%) was generated in Belgium (previous year: 7.7%).

in thousands of euro	**2023**		**2022**	
	Revenue	%	**Revenue**	%
Germany	63,857	91.5%	79,237	92.3%
Belgium	5,958	8.5%	6,565	7.7%
Total	**69,815**		**85,802**	

The non-current assets (without deferred tax) are listed in the tables below. At the end of the reporting period, 89% of total non-current assets at Group level were in Germany (previous year: 91%). Non-current assets in Belgium increased from 9% to 11% as the focus shifted towards investments in Belgium.

31.12.2023

in thousands of euro	Germany	Belgium	Total
Goodwill	1,199	-	1,199
Intangible assets	2,108	3	2,111
Land and buildings	13,401	1,036	14,437
Solar assets	329,568	36,702	366,271
Wind farms	9,308	-	9,308
Solar assets under construction	9,556	6,494	16,050
Right-of-use assets	37,350	5,191	42,541
Other tangible assets	242	211	454
Other non-current assets	2,133	594	2,727
Total	**404,865**	**50,231**	**455,097**
	89%	11%	100%

31.12.2022

in thousands of euro	Germany	Belgium	Total
Goodwill	1,199	-	1,199
Intangible assets	2,517	87	2,604
Land and buildings	12,303	1,061	13,364
Solar assets	320,096	29,163	349,259
Wind farms	9,975	-	9,975
Solar assets under construction	11,958	3,616	15,574
Right-of-use assets	34,154	4,243	38,397
Other tangible assets	208	167	375
Other non-current assets	10,895	316	11,211
Total	**403,305**	**38,653-**	**441,958**
	91%	9%	100%

9. REVENUE AND OTHER OPERATING INCOME

For accounting policies, please refer to Note 6.4.

9.1. REVENUE

in thousands of euro	**2023**	**2022**
Sale of electricity	68,446	84,627
of which income from the electricity price swap agreement	*6,166*	*-6,107*
Sale of services	1,031	916
Other	337	259
Total	**69,815**	**85,802**

The Group's main business activity is the production and sale of electricity from solar assets and wind farms. In addition, the Group provides technical and commercial services, particularly in the remote monitoring, repair and maintenance of solar assets and their operation. Other revenue mainly consists of rental income from the so-called PV estate portfolio.

The decrease in revenue (minus 19%) from the sale of electricity is due to the reduction in the average capture price achieved (minus EUR 22.5 million) and the poorer weather conditions during the first half of the year compared to the same period of the previous year (minus EUR 9.3 million). On a positive note, the sale of electricity from the new solar assets acquired in 2022 and 2023 was fully reflected in revenue in the reporting period (plus EUR 15.6 million). The effects of the swap agreement with the large European utility on the price received for electricity sold is recognised as an increase or decrease in revenue. The swap agreement had a positive impact on revenue of EUR 6.2 million in the reporting period (previous year: EUR -6.1 million) as the electricity price on the market was lower than the swap rate.

In the reporting period, the effect of the electricity price levy in Germany and Belgium in the amount of minus EUR 0.1 million (previous year: minus EUR 0.7 million) has already been fully deducted from the revenue from electricity sold.

Sales of services amounted to EUR 1.0 million in financial year 2023, which was roughly the same level as in the previous year (EUR 0.9 million).

The Group generated revenue of approx. EUR 15.5 million with two customers, who accounted for more than 10% of the revenue mix.

The Group did not generate any revenue from sub-letting right-of-use assets.

9.2. OTHER OPERATING INCOME

For accounting policies, please refer to Note 6.4.

in thousands of euro	2023	2022
Damage compensation	252	1,468
Income from 'Redispatch 2.0'	4,800	1,078
Income related to previous periods	330	68
Gain on the sale of property, plant and equipment	69	-
Reversal of provisions	1,029	201
Waiver of liabilities	368	200
Reversal of impairment losses on receivables	223	73
Other income	380	224
Total	**7,451**	**3,312**

7C Solarparken generated other operating income amounting to EUR 7.5 million (previous year: EUR 3.3 million).

The introduction of Redispatch 2.0 at the end of financial year 2021, a new regulation to ensure grid stability, led to increased shutdowns of the Group's wind farms and solar assets in the reporting period as in the previous year because the regional grid operators are now able to avoid grid overloads in their region by curtailing the output of renewable energy facilities. The Group cannot prevent these shutdowns. Depending on the specifics of the shutdown, grid operators are obligated to pay compensation to the Group. Due to this reorganization of grid management, there was a considerable delay in the settlement of compensation payments in the first full year after the introduction of Redispatch 2.0. These compensation payments constitute other operating income for the Group. These were recognized through profit or loss in the financial year in the amount of EUR 4.8 million (previous year: EUR 1.1 million), of which EUR 2.2 million related to previous years and EUR 2.6 million to the reporting year.

Provisions for warranties and a provision for individual risks in the total amount of EUR 0.6 million were released to profit in the reporting year, as the Group managed to conclude court settlements that were below the provision amount and a lawsuit against the Group was dismissed by the court. In addition, provisions for the dismantling of solar assets in the amount of EUR 0.4 million were reversed through profit or loss.

In financial year 2023, income from damage compensation in the amount of EUR 0.2 million was received in connection with insured claims (previous year: EUR 0.6 million). In the previous year, this income also included an amount of EUR 0.9 million from the breach of guarantee provisions in connection with a purchase agreement for a solar asset, which was successfully asserted. This one-off income from damage compensation was offset by a revenue loss of EUR 0.2 million (see Note 9.1) and an impairment of a solar asset in the amount of EUR 0.5 million (see Note 17).

Government grants in the amount of EUR 36 thousand (previous year EUR 18 thousand) were amortised to income in the financial year. This is recognised under other operating income.

10. OPERATING EXPENSES

10.1. EMPLOYEE BENEFITS

in thousands of euro	2023	2022
Salaries and wages	1,407	1,162
Key management personnel	625	527
Social security	185	177
Other personnel expenses	127	144
Total	**2,344**	**2,010**

Employee benefits increased slightly from EUR 2,010 thousand in financial year 2022 to EUR 2,344 thousand in 2023. With an average headcount of 23 employees, the Group employed one employee less than in the previous year. At the end of the reporting period, the Group employed 19 persons plus the two members of the Management Board (previous year: 24 employees).

Other personnel expenses refer mainly to variable employee remuneration and expenses for employee pensions.

10.2. OTHER OPERATING EXPENSES

in thousands of euro	2023	2022
Administrative expenses	1,636	1,143
Operating expenses related to solar assets and wind farms	7,086	6,077
Increase of provisions	953	1,601
Cost of materials	560	293
Legal, advisory and audit expenses	1,067	1,028
Car and travel expenses	223	219
Insurance	669	544
Impairment losses on receivables and inventories	616	900
Expenses related to previous periods	200	189
Loss from the disposal of fixed assets	-	254
Other	302	139
Total	**13,313**	**12,387**

Other operating expenses refer mainly to the cost of operating solar assets in the amount of EUR 7.1 million (previous year: EUR 6.1 million). They include for example expenses for maintenance and repairs as well as direct seller costs and costs for lawn maintenance/greenkeeping. The main reasons for this increase of EUR 1.0 million are the outsourcing of the maintenance of solar assets and wind farms (plus EUR 0.6 million), the increase in the cost of electricity (plus EUR 0.2 million) and the increase in direct seller costs (plus EUR 0.7 million). However, the variable leasing rates from rental agreements related to solar assets decreased significantly by EUR 0.6 million compared to 2022 due to the poorer weather conditions.

Administrative expenses in financial year 2023 increased by approximately EUR 0.5 million due to several service agreements with external consultants.

10.3. OTHER EMPLOYEE BENEFITS

The Group does not have any defined benefit plans or defined contribution plans beyond the payments into the German statutory pension scheme in the reporting period. The aforementioned amounts are fully included in the social security item in Note 10.1.

11. FINANCIAL RESULT

For accounting policies, please refer to Note 6.7.

in thousands of euro	2023	2022
Interest income from:		
– Cash and cash equivalents	136	10
- Other financial instruments measured at amortised cost	228	109
Total interest income arising from financial instruments measured at amortised cost	**364**	**119**
Share of the net result of investments accounted for using the equity method	257	40
Changes in fair value of the ineffective portion of an interest rate swap	-	72
Dividends	77	74
Other financial income	37	58
Foreign currency translation differences	13	-
Income from other financial assets at fair value through profit or loss	-	68
Other financial income	**384**	**309**
Financial income	**749**	**428**
Financial liabilities measured at amortised cost:		
Interest expenses	-4,892	-4,786
Unwinding of discount on provisions	-878	-758
Bank costs and other financial costs	-689	-292
Unwinding of discount on lease liabilities	-699	-437
Changes in fair value of the ineffective portion of an interest rate swap	-3	-
Foreign currency translation differences	-	-4
Expenses from other financial assets at fair value through profit or loss	-151	-41
Financial expenses	**-7,313**	**-6,318**
Financial result	**-6,564**	**-5,890**

Interest income is generated with cash as well as other investments in addition to interest income from loans granted by the Group to third parties. Other investments and loans granted are carried at amortised cost.

Interest expenses amounting to EUR 4,892 thousand (previous year: EUR 4,786 thousand) relate nearly entirely to the project financing of solar assets, wind farms and PV estate in the amount of EUR 3,942 thousand (previous year: EUR 3,794 thousand), plus interest on issued unsecured bonds in the amount of EUR 740 thousand (previous year: EUR 938 thousand) and interest expenses resulting from lease liabilities in connection with solar assets amounting to EUR 52 thousand (previous year: EUR 54 thousand).

The Bank costs and other financial costs item includes the expense from the remeasurement of project financing in the amount of EUR 431 thousand (previous year: EUR 0 thousand) due to the adjustment of the interest rate following the expiry of the fixed-interest period.

12. EARNINGS PER SHARE

For accounting policies, please refer to Note 6.13.

12.1. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated based on the profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding.

A. PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS (BASIC)

in thousands of euro	2023	2022
Profit for the year attributable to shareholders of 7C Solarparken AG	10,082	23,511
Profit attributable to ordinary shareholders	10,082	23,511

B. WEIGHTED-AVERAGE NUMBER OF ORDINARY SHARES (BASIC)

in thousands of shares	2023		2022	
Issued shares at 1 January	79,848	100%	76,362	100%
Effect of share options exercised	52	0%	-	0%
Effect of treasury shares	-6	0%	-	0%
Effect of shares issued through private placement (on average)	2,150	71%	1,021	29%
Weighted-average number of ordinary shares at the end of the reporting period	81,383		76,662	

in euro	2023	2022
Earnings per share		
Basic earnings per share (rounded)	0.12	0.31

Please refer to Note 21.A for capital measures involving the issue of ordinary shares that were carried out as at the reporting date.

12.2. DILUTED EARNINGS PER SHARE

The calculation of diluted earnings per share and diluted comprehensive income per share differs from the calculation of basic earnings per share and basic comprehensive income per share, as it includes the options still outstanding at the end of 2023 that were originally issued as part of the option bond in financial year 2023 for those periods during the financial year in which these options were in the money.

A. PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS (DILUTED)

in thousands of euro	2023	2022
Profit for the year attributable to shareholders of 7C Solarparken AG	10,082	23,511
Profit attributable to ordinary shareholders	10,082	23,511

B. WEIGHTED-AVERAGE NUMBER OF ORDINARY SHARES (DILUTED)

in thousands of shares	2023		2022	
Issued shares at 1 January	79,848	100%	76,362	100%
Effect of share options exercised	2	0%	-	0%
Effect of shares issued through private placement (on average)	2,150	71%	1,021	29%
Effect of exercise of all in-the-money options	504	15%	-	0%
Weighted-average number of ordinary shares at the end of the reporting period	81,457		76,662	

in euro	2023	2022
Earnings per share		
Basic earnings per share (rounded)	0.12	0.31

12.3. OPTIONS AND CONDITIONAL CAPITAL

A. CONDITIONAL CAPITAL 2022

The Annual General Meeting on 21 July 2022 passed a resolution to conditionally increase the share capital by up to EUR 38,181,236.00 by issuing up to 38,181,236 new no-par value bearer shares with dividend rights for which no resolution on the appropriation of profits has yet been passed from the start of the last financial year (Conditional Capital 2022).

13. INCOME TAX

For accounting policies, please refer to Note 6.8.

13.1. AMOUNTS RECOGNISED IN PROFIT OR LOSS

Income taxes break down as follows:

in thousands of euro	2023	2022
Current tax expenses		
Current year	2,749	3,287
Income tax previous year	184	-143
Deferred tax expense		
thereof from the origination and reversal of temporary differences	-854	3,434
thereof from loss carryforwards	2,581	4,311
recognition of previously unrecognised tax losses	-911	-1,079
Tax expenses	**3,749**	**9,810**

The deferred income tax expense mainly relates to temporary differences in the recognition and measurement of assets and liabilities in accordance with IFRSs as well as consolidation transactions recognised through profit or loss and changes in loss carryforwards that do not result from changes in the group of companies included in the consolidated financial statements.

It is determined based on the tax rates that apply or are expected to apply according to the current legal provisions in the individual countries at the time of realisation.

The current tax expense consists of the tax expense in the financial year of EUR 2,749 thousand (previous year: EUR 3,287 thousand) plus the income from adjustments to taxes paid in the previous year of EUR 184 thousand (previous year: EUR 143 thousand). In total, current income taxes paid in the reporting period amounted to EUR 3,328 thousand (previous year: EUR 2,764 thousand).

13.2. AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

Amounts recognised in other comprehensive income break down as follows:

in thousands of euro	2023			2022		
	Before tax	**Tax expense/benefit**	**Net of tax**	**Before tax**	**Tax expense/benefit**	**Net of tax**
Cash flow hedges	5,591	-1,600	3,991	-921	259	-662
Foreign operations – foreign currency translation differences	-17	-	-17	1	-	1

13.3. RECONCILIATION OF EFFECTIVE TAX RATE

The tax rate for the Group is the German tax rate applicable in Bayreuth, which amounts to 29.48% for the financial year (previous year: 28.78%).

The reconciliation from the expected to the reported tax result breaks down as follows:

in thousands of euro	%	2023	%	2022
Earnings before tax	29.48%	15,190	28.78%	34,268
Tax using the Company's domestic tax rate		4,478		9,861
Effect of tax rates in foreign jurisdictions	-0.44%	-67	-0.29%	-98
Tax rate change	-10.48%	924	n.a.	
Non-deductible expenses/ tax-exempt income	0.49%	74	0.41%	141
Tax incentives				
Temporary differences and losses for which no deferred tax asset is recognised	-1.12%	-170	0.05%	16
Income tax previous year	1.21%	184	-0.42%	-143
Reduction due to previously unrecognised tax losses and previously unrecognised temporary differences from previous periods	-0.40%	-61	-2.77%	-950
Extraordinary effects on changes in deferred taxes recognised	-10.48%	-1,593	1.86%	636
Other tax effects	-0.13%	-19	1.01%	347
Effective tax rate	**24.68%**	**3,749**	28.63%	9,810

The decrease in the effective tax rate in the reporting year compared to the previous year is mainly due to deferred tax assets not recognised in the previous year (EUR 1.6 million). This was counteracted by the increase in the nominal tax rate (EUR 0.9 million).

13.4. UNRECOGNISED DEFERRED TAX ASSETS

The Group did not recognise deferred tax assets of EUR 0.8 million on corporate income tax loss carryforwards and deferred tax assets of EUR 0.4 million on trade tax loss carryforwards for two German Group companies in the financial year, as the Group uses a planning period of six years to assess usability and these losses cannot be used within this period based on the assumptions underlying the tax planning. Furthermore, for the same reason, deferred tax assets from loss carryforwards in the amount of EUR 0.3 million were not recognised for one Belgian Group company.

Deferred tax liabilities on temporary differences relating to investments in subsidiaries in the amount of EUR 427 thousand (previous year: EUR 321 thousand) have been recognised, because it is not probable that these temporary differences will be reversed in the foreseeable future.

13.5. CHANGES IN DEFERRED TAXES RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

Changes in deferred tax assets and liabilities were as follows:

Deferred tax assets (in thousands of euro)	2023	2022	Change
Intangible assets	39	43	n.a.
Property, plant and equipment	2,798	1,955	43%
Financial liabilities and lease liabilities	8,899	7,202	23%
Other non-current provisions	4,048	3,560	14%
Tax loss carryforwards	12,767	12,488	2%
Other items	868	459	86%
Total	**29,420**	**25,705**	**14%**
Netting of deferred tax assets and liabilities	-24,239	-19,743	23%
Deferred tax assets after netting	**5,181**	**5,963**	**-14%**

Deferred tax liabilities (in thousands of euro)	2023	2022	Change
Intangible assets	-825	-629	31%
Property, plant and equipment (incl. right-of-use assets)	-45,401	-40,419	14%
Financial liabilities and lease liabilities	-2,076	-87	2,303%
Other non-current provisions	-86	-2	5,552%
Other items	-261	-241	-94%
Total	**-48,649**	**-41,377**	**19%**
Netting of deferred tax assets and liabilities	24,239	19,743	23%
Deferred tax liabilities after netting	**-24,410**	**-21,634**	**15%**

Deferred taxes from the use of tax loss carryforwards are capitalised to the extent that it is probable that future income will be available that can be offset against existing loss carryforwards.

The Group has incurred losses in several companies in the reporting year as well as in the previous year. After offsetting deferred tax assets against deferred tax liabilities, the Group has recognised deferred tax assets of EUR 1,975 thousand for these companies. The Group expects that the future taxable profit will probably be sufficient to realise these deferred tax assets.

The net amount of deferred tax liabilities at the end of the reporting period is therefore EUR 19,229 thousand (previous year: EUR 15,672 thousand). The following table shows the changes in the net amount of deferred tax liabilities:

in thousands of euro	2023	2022
Net amount of deferred tax assets (+) or liabilities (-) at 1 January	**15,672**	**9,322**
Deferred tax liabilities in the statement of profit or loss	816	6,666
Deferred taxes recognised in other comprehensive income	1,600	-259
Net addition of deferred tax liabilities from acquisitions	1,130	-60
Net decrease of deferred tax liabilities due to company liquidation	-	3
Other changes	12	-
Net amount of deferred tax (assets or) liabilities (+/-) at 31 December	**19,229**	**15,672**

14. INVENTORIES

For accounting policies, please refer to Note 6.9.

in thousands of euro	31.12.2023	31.12.2022
Raw materials and consumables	52	164
Modules	2,908	910
Total	**2,960**	**1,074**

The Group inventories consist of modules for the construction of solar assets for the Group portfolio and spare parts for (emergency) repairs to solar assets, such as inverters, modules and consumables.

The purchase of modules for the planned projects increased inventories by around EUR 2.0 million. These modules are expected to be installed in the Group's own projects in the 2024 financial year.

At the end of the reporting period, the modules were valued at net realisable value, which was lower than the acquisition cost. The corresponding impairment of EUR 333 thousand (previous year: EUR 348 thousand) was recognised in other operating expenses.

15. TRADE AND OTHER RECEIVABLES AND OTHER NON-CURRENT ASSETS

For accounting policies, please refer to Note 6.1, 6.12 as well as Note 26.

in thousands of euro	31.12.2023	31.12.2022
Prepayments	30	140
Trade receivables	4,955	3,785
Other non-current assets	495	9,612
Other current assets	14,020	6,173
Total	**19,500**	**19,710**
of which non-current assets	495	9,612
of which current assets	19,005	10,098
Total	**19,500**	**19,710**

Current trade receivables mainly refer to credit notes or invoices relating to the sale of electricity to grid operators with good credit ratings. The receivables are expected to be collectible.

The decrease in non-current assets mainly results from the contribution of the Group's individual loan receivables of GSI Solarfonds Drei GmbH & Co. KG and its subsidiaries (see Note 7.1.B) of EUR 7.2 million to the equity of the aforementioned company. In addition, the company Photovoltaikkraftwerk Ansbach GmbH & Co. KG was also fully consolidated after the contribution, which meant that the loan of EUR 2.2 million granted to this company in the previous year was removed from non-current assets. The recognition of the non-current portion of the positive fair value of an electricity price swap agreement concluded in the financial year in the amount of EUR 0.3 million had the opposite effect.

The increase in trade receivables compared to the previous year (plus EUR 1.1 million) is mainly due to the expansion of the solar portfolio (plus EUR 0.3 million) and a receivable of EUR 0.8 million from the sale of a solar asset under construction at the end of December 2023.

Other current assets mainly relate to a receivable in connection with loans granted to third parties for solar assets (EUR 6,471 thousand). Other current assets also comprise derivative assets of EUR 4,134 thousand that result from the positive fair value of the electricity price swap agreement with a European utility concluded during the financial year, as well as receivables from advance VAT payments of EUR 1,979 thousand (previous year: EUR 2,638 thousand) and deferred income of EUR 442 thousand (previous year: EUR 1,317 thousand), and other current receivables of EUR 994 thousand (previous year: EUR 1,125 thousand).

The Group's credit and market risks, impairments of trade receivables and other receivables are explained in Note 26.

16. CURRENT FINANCIAL ASSETS AND CASH AND CASH EQUIVALENTS

For accounting policies, please refer to Note 6.12.

16.1. CURRENT FINANCIAL ASSETS

in thousands of euro	31.12.2023	31.12.2022
Current financial assets	18,273	-
Current financial assets	**18,273**	**-**

Due to the change in the interest rate environment, the Group invested cash and cash equivalents with various European banks during the financial year in fixed-term deposit accounts with a term of more than three months at the time of investment. The funds in the fixed-term deposit accounts are recognised under other investments.

As at the reporting date, other investments totalled EUR 18.3 million, of which EUR 2.4 million still had a term of more than three months as at the reporting date.

16.2. CASH AND CASH EQUIVALENTS

in thousands of euro	31.12.2023	31.12.2022
Restricted cash and cash equivalents	12,103	18,766
Cash and cash equivalents on hand	50,179	71,720
Total cash and cash equivalents	**62,282**	**90,486**

Restricted cash and cash equivalents relates to project-specific reserve accounts amounting to EUR 11,466 thousand (previous year: EUR 17,979 thousand), mortgage savings accounts amounting to EUR 212 thousand (previous year: EUR 160 thousand) and other accounts amounting to EUR 425 thousand (previous year: EUR 627 thousand). These accounts are furnished to the bank or leasing company as security for making the agreed regular debt servicing payments in connection with the financing of the respective solar asset (especially in the months from December to February). These securities are inherent to the type of business and serve to guarantee the payments owed in the scope of ordinary business operations. Given the excellent liquidity situation, no amounts were drawn from these accounts to meet ordinary debt servicing payments in the reporting period.

The reserve accounts serve to preserve the liquidity of the respective project company during times with low irradiation or during technical disturbances as both events have a direct effect on cash. They are to guarantee that the project company remains in a position to cover running costs and debt servicing and/or make the necessary repairs. The liquidity to be maintained on these reserve accounts depends on the cash flows of the respective project company (primarily, the servicing of financing debts). The accounts are continuously adjusted, meaning they are constantly reduced as the financing volume decreases or stocked up to ensure that funds are available in case of repairs. They are subject to restrictions concerning the disposal over such accounts, for instance concerning distributions. No restrictions apply, however, to the use of funds for the operations of the respective project company.

Through acquisitions of subsidiaries (see Note 7) in the financial year, the Group acquired cash and cash equivalents totalling EUR 4,625 thousand (previous year: EUR 1,055 thousand).

Restricted and unrestricted cash is presented separately in Note 26.

17. PROPERTY, PLANT AND EQUIPMENT

17.1. PROPERTY, PLANT AND EQUIPMENT

For accounting policies, please refer to Note 6.10 and 6.14.

2023

in thousands of euro	Note	Land and buildings	Solar assets	Wind farms	Right-of-use assets	Other PPE *	Solar assets under construction	Total
Cost								
Balance at 1 January 2023		**14,067**	**529,867**	**12,361**	**44,389**	**1,342**	**15,598**	**617,622**
Additions through business combinations	7	337	34,826		5,566			40,729
Additions		855	8,916	5	2,047	255	11,375	23,423
Other additions	25		848					848
Disposals		-7	-1,292		-484	-161	-690	-2,635
Reclassification			10,209				-10,209	-
Remeasurement					-562			-562
Balance at 31 December 2023		**15,253**	**583,374**	**12,366**	**50,955**	**1,405**	**16,073**	**679,425**
Accumulated amortisation and impairment losses								
Balance at 1 January 2023		**-704**	**-180,607**	**-2,383**	**-5,994**	**-967**	**-25**	**-190,678**
Depreciation		-115	-32,541	-672	-2,425	-46		-35,800
Impairment loss			-3,953					-3,953
Disposals		4				62		66
Balance at 31 December 2023		**-815**	**-217,101**	**-3,055**	**-8,416**	**-951**	**-25**	**-230,366**
Carrying amounts								
Balance at 1 January 2023		**13,364**	**349,259**	**9,975**	**38,398**	**375**	**15,574**	**426,943**
Balance at 31 December 2023		**14,437**	**366,271**	**9,308**	**42,541**	**454**	**16,050**	**449,060**

2022

in thousands of euro	Note	Land and buildings	Solar assets	Wind farms	Right-of-use assets	Other PPE *	Solar assets under construction	Total
Cost								
Balance at 1 January 2022		**13,472**	**513,950**	**12,336**	**30,354**	**1,353**	**2,175**	**573,639**
Additions through business combinations	7		6,770		831			7,601
Additions		1,091	5,019	25	13,096	150	17,259	36,641
Other additions	25		258					258
Disposals		-496			-39	-162		-696
Reclassification			3,837				-3,837	-
Reclassification of intangible assets			34					34
Remeasurement					146			146
Balance at 31 December 2022		**14,067**	**529,867**	**12,361**	**44,389**	**1,342**	**15,598**	**617,622**
Accumulated amortisation and impairment losses								
Balance at 1 January 2022		**-544**	**-149,103**	**-1,711**	**-4,060**	**-902**	**-25**	**-156,344**
Depreciation		-98	-29,967	-672	-1,933	-65		-32,735
Impairment loss		-62	-1,537					-1,599
Balance at 31 December 2022		**-704**	**-180,607**	**-2,383**	**-5,994**	**-967**	**-25**	**-190,678**
Carrying amounts								
Balance at 1 January 2022		**12,928**	**364,846**	**10,625**	**26,295**	**452**	**2,149**	**417,295**
Balance at 31 December 2022		**13,364**	**349,259**	**9,975**	**38,398**	**375**	**15,574**	**426,943**

Impairment losses of EUR 4.0 million were recognised on solar assets in the reporting period due to factors specific to the solar assets (such as increased operating expenses) and as a result of the increase in the pre-tax discount rate to be used in the measurement of the solar assets.

Solar assets, wind farms and land and buildings with a carrying amount of EUR 295 million serve as collateral for financial liabilities explained in Note 23.1.

Financial obligations in connection with the construction of solar assets amounted to EUR 2.2 million (previous year: EUR 5.2 million) at the reporting date. These unrecognised obligations are related to work in progress at the installations under construction at the end of the year.

17.2. DETAILED INFORMATION ON RIGHT-OF-USE ASSETS

2023

ACQUISITION VALUE **Right-of-use assets related to** **in thousands of euro**	**Land**	**Solar assets**	**Rental agreements related to solar assets**	**Rental agreements related to wind farms**	**Other assets**	**Total**
Balance at 1 January 2023	**91**	**-**	**42,516**	**1,589**	**193**	**44,389**
Changes in group of consolidated companies			5,566			5,566
Additions			2,047			2,047
Remeasurement			-562			-562
Disposals			-484			-484
Reclassification			-98		98	-
Balance at 31 December 2023	**91**		**48,986**	**1,589**	**291**	**50,955**
ACCUMULATED DEPRECIATION						
Balance at 1 January 2023		**-**	**-5,605**	**-240**	**-146**	**-5,993**
Depreciation			-2,313	-68	-44	-2,425
Balance at 31 December 2023			**-7,918**	**-308**	**-190**	**-8,416**
CARRYING AMOUNTS						
Balance at 1 January 2023	**91**	**-**	**36,911**	**1,349**	**47**	**38,398**
Balance at 31 December 2023	**91**		**41,068**	**1,281**	**101**	**42,541**

2022

ACQUISITION VALUE **Right-of-use assets related to** **in thousands of euro**	**Land**	**Solar assets**	**Rental agreements related to solar assets**	**Rental agreements related to wind farms**	**Other assets**	**Total**
Balance at 1 January 2022	**91**	**-**	**28,737**	**1,334**	**193**	**30,354**
Changes in group of consolidated companies			831			831
Additions			13,096			13,069
Remeasurement				255		255
Disposals through cancellation of existing right-of-use assets			-148			-148
Balance at 31 December 2022	**91**	**-**	**42,516**	**1,589**	**193**	**44,389**
ACCUMULATED DEPRECIATION						
Balance at 1 January 2022		**-**	**-3,785**	**-171**	**-102**	**-4,060**
Depreciation			-1,820	-69	-44	-1,933
Balance at 31 December 2022			**-5,605**	**-240**	**-146**	**-5,993**
CARRYING AMOUNTS						
Balance at 1 January 2022	**91**	**-**	**24,952**	**1,163**	**91**	**26,295**
Balance at 31 December 2022	**91**	**-**	**36,911**	**1,349**	**47**	**38,398**

The Group leases several assets, including one piece of land, a solar asset as well as rooftops, free fields, cable routes for solar assets and wind farms and, to a lesser extent, office space. The average term of the rights of use in connection with lease or rental agreements for solar assets and wind farms is 20.0 years as at the reporting date.

Usually, the Group does not assume any option or obligation to acquire leased assets after the end of the lease for leases pertaining to lease or rental agreements. The Group's obligations to pay a usage fee under the lease or rental agreements are unsecured as the lessors usually waive their right of lien in this respect. The site deconstruction in connection with solar assets and wind farms built on leased property is often secured by means of sureties or pledging of bank accounts. The lessor is usually entitled to cancel the lease contract if the Group fails to meet its obligations (including the lease payments).

No lease or rental agreements were cancelled or expired in the reporting year.

The Group has a purchase option for one piece of land (EUR 10 thousand).

18. GOODWILL AND INTANGIBLE ASSETS

For accounting policies, please refer to Note 6.11 and 6.14.B.

18.1. RECONCILIATION OF THE CARRYING AMOUNT

2023

in thousands of euro	Note	Goodwill	Acquired contracts	Project rights	Other	Total
Cost						
Balance at 1 January 2023		**5,688**	**2,158**	**2,015**	**113**	**8,995**
Disposals related to changes in group of consolidated companies			-372			-372
Disposals				-83		-83
Balance at 31 December 2023		**5,688**	**1,786**	**1,932**	**113**	**9,519**
Accumulated amortisation and impairment losses						
Balance at 1 January 2023		**-4,489**	**-569**	**-1,005**	**-109**	**-5,192**
Depreciation			-100			-100
Disposals related to changes in group of consolidated companies			64			64
Balance at 31 December 2023		**-4,489**	**-606**	**-1,005**	**-109**	**-6,209**
Carrying amounts						
Balance at 1 January 2023		**1,199**	**1,588**	**1,012**	**4**	**3,803**
Balance at 31 December 2023		**1,199**	**1,180**	**927**	**4**	**3,309**

2022

in thousands of euro	Note	Goodwill	Acquired contracts	Project rights	Other	Total
Cost						
Balance at 1 January 2022		**5,688**	**2,158**	**1,043**	**44**	**8,933**
Acquisitions				1,016	69	1,085
Disposals				-42		-42
Balance at 31 December 2022		**5,688**	**2,158**	**2,015**	**113**	**8,995**
Accumulated amortisation and impairment losses						
Balance at 1 January 2022		**-4,489**	**-443**	**-980**	**-38**	**-5,950**
Depreciation			-127	-25	-71	-223
Balance at 31 December 2022		**-4,489**	**-569**	**-1,005**	**-109**	**-5,192**
Carrying amounts						
Balance at 1 January 2022		**1,199**	**1,716**	**62**	**6**	**2,983**
Balance at 31 December 2022		**1,199**	**1,588**	**1,012**	**4**	**3,803**

Several service contracts acquired as part of acquisitions in previous years are reported under intangible assets. This includes for example contracts governing the commercial management of investment companies.

In the reporting year, the Group acquired no project rights for the development of solar assets (previous year: EUR 1.0 million).

18.2. AMORTISATION

As the contracts acquired have a fixed term, they were subject to scheduled amortisation of EUR 100 thousand during the financial year (previous year: EUR 127 thousand).

18.3. IMPAIRMENT

At the end of the financial year, the Group reported goodwill of EUR 1,199 thousand (previous year: EUR 1,199 thousand) as a result of the business combinations ‘Sun-X PV Portfolio (incl. Säritz Solar)’ (EUR 551 thousand) and ‘Operational management business’ (EUR 648 thousand).

The operational management business also includes the operational management of GSI Solarfonds Drei GmbH & Co. KG. As GSI Solarfonds Drei GmbH & Co. KG was consolidated for the first time in the financial year (see Note 7.1). The goodwill in the amount of EUR 419 thousand that was originally allocated to the operational management business is allocated to the cash-generating unit GSI Solarfonds Drei GmbH & Co. KG from financial year 2023.

The impairment test did not lead to any impairment of the individual goodwill of the companies. For the purpose of impairment testing, the Group formed cash-generating units at the individual portfolio level of ‘Sun-X PV Portfolio’, the ‘Operational management business’ and GSI Solarfonds Drei GmbH & Co. KG. The recoverable amount for each cash-generating unit was higher than its carrying amount, and therefore no impairment was recognised. The pre-tax discount rate used for this is 5.6%. An increase in this pre-tax discount rate by one percentage point would not have resulted in an impairment of goodwill in any of the three tests performed.

The following additional assumptions were made by the Group:

A. SUN-X-PV PORTFOLIO

The Group made assumptions when testing the goodwill of the Sun-X-PV portfolio (incl. Säritz Solar) for impairment concerning the profitability of the solar assets, in particular regarding irradiation, performance ratio, feed-in tariffs and estimated electricity prices after the feed-in tariff period. Assumptions were made with regard to costs recognised for the Sun X-PV Portfolio. The detailed planning phase is 21 years, which corresponds to the expected remaining life of the solar assets in the Sun-X-PV portfolio. There is no assumption of terminal value. The costs recognised are based on existing contracts and expected costs based on past experience.

B. GSI SOLARFONDS DREI GMBH & CO KG

Key assumptions relate to the profitability of the solar assets, in particular assumptions regarding irradiation, performance ratio, feed-in tariffs and estimated electricity prices after the feed-in tariff period. In addition, assumptions were made regarding costs recognised for GSI Solarfonds Drei GmbH & Co. KG. The detailed planning phase is 18 years, which corresponds to the expected remaining life of the solar assets in GSI Solarfonds Drei GmbH & Co. KG. There is no assumption of terminal value. The costs recognised are based on existing contracts and expected costs based on past experience.

C. OPERATIONAL MANAGEMENT BUSINESS

The underlying expected future income from the operational management business, on which the impairment test is based, contains assumptions regarding the profitability of the solar assets managed by the Group, in particular assumptions regarding irradiation, performance ratio and feed-in tariffs. The detailed planning phase is 8 years, which corresponds to the expected remaining life of the operational management business. This in turn is derived from the expected remaining useful life of the managed solar assets. There is no assumption of terminal value. The costs recognised are based on existing contracts and expected costs based on past experience.

19. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

For accounting policies, please refer to Note 6.12, 6.14.

19.1. LIST OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

in thousands of euro	2023	2022
Viriflux BV	547	290
Infrastrukturgesellschaft Bischheim GmbH & Co. KG	8	8
Solarpark Zerre Infrastruktur GbR	-	-
Zweite Solarpark Nowgorod GmbH & Co. KG	-	-
Investments accounted for using the equity method	**554**	**298**

No further information is provided on the companies Infrastrukturgesellschaft Bischheim GmbH & Co. KG, Solarpark Zerre Infrastruktur GbR and Zweite Solarpark Nowgorod GmbH & Co. KG as they are insignificant for the Group.

19.2. ASSOCIATES

A. VIRIFLUX BV

in thousands of euro	2023	2022
Shareholding	**50%**	**50%**
Non-current assets	1,215	818
Current assets (incl. cash and cash equivalents – 2023: EUR 163 thousand/2022: EUR 268 thousand)	253	364
Non-current liabilities (incl. non-current financial liabilities excluding trade and other payables and provisions – 2023: EUR 359 thousand/2022: EUR 559 thousand)	-359	-559
Current liabilities (including current financial liabilities excluding trade and other payables and provisions – 2023: minus EUR 3 thousand/2022: minus EUR 6 thousand)	-10	-43
Net assets (100%)	**1,095**	**580**
Group’s share in net assets (50%)	548	290
Carrying amount of interest		
Revenue	157	197
Interest expenses	-12	-5
Profit and total comprehensive income (100%)	515	82
Group’s share in total comprehensive income (50%)	**257**	**41**

On 4 October 2021, the Group acquired 50% of the shares in Viriflux BV. Viriflux operates a rooftop solar asset in Lokeren with a capacity of 1,288.50 kWp that was connected to the grid on 14 September 2021.

20. OTHER FINANCIAL ASSETS

The other financial assets listed in this note are financial assets that are measured at fair value through profit or loss.

in thousands of euro	31.12.2023	31.12.2022
Cooperative shares	85	85
Shares and other holdings	1,431	1,028
Financial assets from interest rate swaps	161	189
Other financial assets	**1,677**	**1,301**

As in the previous year, the other financial assets consist of cooperative shares in banks that the Group holds in connection with its business relationships with these banks. Mainly, however, these financial assets consist of shares in investment companies that are managed by the Group. The cost of acquisition of the other financial assets reported on the reporting date amounted to EUR 1,346 thousand (previous year: EUR 997 thousand). Finally, this item in the statement of financial position also includes financial assets from interest rate swaps (EUR 0.2 million), which the Group has concluded to mitigate its rate risk exposure. Information regarding the extent to which the Group is exposed to interest, currency and liquidity risks is presented under Note 26.

21. CAPITAL AND RESERVES

For accounting policies, please refer to Note 6.13.

For changes in capital and reserves, please refer to the statement of changes in equity.

21.1. SHARE CAPITAL AND SHARE PREMIUM

A. ISSUE OF ORDINARY SHARES

Share capital was increased in the reporting year by way of a private placement.

On 13 April 2023, the Management Board of 7C Solarparken AG resolved, on the basis of the authorising resolution of the Annual General Meeting of 21 July 2022 and with the approval of the Supervisory Board, to increase the share capital of the Company from EUR 79,847,983.00 by up to EUR 3,000,000.00 to up to EUR 82,847,983.00 by issuing up to 3,000,000 new no-par value bearer shares against cash contributions, while excluding shareholders' subscription rights.

The 3,000,000 new shares were offered for purchase to investors in Germany and other European countries at a fixed placement price of EUR 3.75 by way of a private placement excluding subscription rights in accordance with section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

The cash increase in capital was entered into the commercial register on 19 April 2023.

The Group held 449,176 treasury shares at the end of the reporting period.

B. CHANGE IN THE NUMBER OF SHARES OUTSTANDING

	In thousands shares
Shares outstanding at 1 January 2022	**76,362**
Issue of ordinary shares in 2022	3,486
Shares outstanding at 1 January 2023	**79,848**
Issue of ordinary shares in 2023	3,005
Shares outstanding at 31 December 2023	**82,853**
of which treasury shares held by the Group	*449*

C. CONDITIONAL CAPITAL 2022

The Annual General Meeting on 21 July 2022 passed a resolution to conditionally increase the share capital by up to EUR 38,181,236.00 by issuing up to 38,181,236 new no-par value bearer shares with dividend rights for which no resolution on the appropriation of profits has yet been passed from the start of the last financial year (Conditional Capital 2022). After partial utilisation through the issue of 3,458,400 options in connection with the warrant bond issued on 23 May 2023 (see note 12), the Conditional Capital 2022 still amounted to EUR 34,722,836.00 in the reporting year.

D. AUTHORISED CAPITAL 2022

The Annual General Meeting of 21 July 2022 authorised the Management Board to increase the Company's share capital by up to EUR 38,181,236.00 with the consent of the Supervisory Board by issuing new no-par value bearer shares against cash and/or contribution in kind on one or several occasions (Authorised Capital 2022) with the authorisation to exclude the shareholders' subscription rights. The resolution was entered into the commercial register on 9 August 2022.

The Management Board of 7C Solarparken AG resolved on 17 August 2022, based on the authorising resolution passed by the Annual General Meeting on 21 July 2022 and the approval of the Supervisory Board, to increase the Company's share capital, thereby granting the existing shareholders a right of subscription, from EUR 76,362,473.00 to up to EUR 78,097,983.00 by issuing up to 1,735,510 new no-par value bearer shares against contribution in cash. The Management Board determined and the Supervisory Board approved a subscription price of EUR 4.55.

7C Solarparken AG successfully completed an increase in share capital of up to EUR 1,750,000.00 from EUR 78,097,983.00 to up to EUR 79,847,983.00, as resolved on 27 September 2022, by issuing up to 1,750,000 new no-par value bearer shares against cash contribution, by partially utilising the existing authorised capital and excluding shareholders' subscription rights. The 1,750,000 new shares in total were fully placed through a private placement exclusively to institutional investors in Germany and other European countries for a price of EUR 4.55 per share.

7C Solarparken AG successfully completed an increase in share capital of up to EUR 3,000,000.00 from EUR 79,847,983.00 to up to EUR 82,847,983.00, as resolved on 13 April 2023, by issuing up to 3,000,000 new no-par value bearer shares against cash contribution, by partially utilising the existing authorised capital and excluding shareholders' subscription rights. The 3,000,000 new shares in total were fully placed through a private placement exclusively to institutional investors in Germany and other European countries for a price of EUR 3.75 per share.

After partial utilisation, the Authorised Capital 2022 still amounts to EUR 31,695,726.00. The Annual General Meeting on 12 June 2023 cancelled the Authorised Capital 2022. The resolution was entered into the commercial register on 21 June 2023.

E. AUTHORISED CAPITAL 2023

The Annual General Meeting on 12 June 2023 authorised the Management Board to increase the Company's share capital by up to EUR 41,423,991.00 with the consent of the Supervisory Board by issuing new no-par value bearer shares against cash and/or contribution in kind on one or several occasions until 28 June 2028 (Authorised Capital 2023) with the authorisation to exclude the shareholders' subscription rights. The resolution was entered into the commercial register on 21 June 2023.

21.2. NATURE AND PURPOSE OF RESERVES

A. SHARE PREMIUM

in thousands of euro	2023	2022
Balance at beginning of the year	94,655	82,499
Change in share premium account (see Note 21.1)	8,250	12,374
Exercised options of the option bond	14	-
Accrual due to the emission of the option bond	622	-
Transaction costs recognised directly in equity	-185	-217
Balance at end of the year	**103,356**	**94,655**

The share premium of the Group does not correspond to the parent's capital reserve in the financial statements prepared in accordance with the German Commercial Code (HGB) as the Group's capital and reserves is, due to the reverse acquisition carried out in 2014, not determined based on the parent's equity as reported in its financial statements in accordance with IFRSs.

The transaction costs amounting to EUR 185 thousand (previous year: EUR 217 thousand) were recognised directly in equity. No deferred tax liabilities were recognised with respect to these transaction costs.

B. RETAINED EARNINGS

in thousands of euro	2023	2022
Balance at beginning of the year	42,172	26,988
Transactions with non-controlling interests	-9	73
Profit for the period attributable to shareholders of 7C Solarparken AG	10,082	23,511
Dividends	-9,942	-8,400
Balance at end of the year	**42,303**	**42,172**

A dividend of EUR 0.12 per share (previous year: EUR 0.11 per share) was distributed to the shareholders of 7C Solarparken AG in the financial year. This corresponds to a total distribution of EUR 9,942 thousand (previous year: EUR 8,400 thousand.

The Management Board of 7C Solarparken AG will make a dividend proposal to the Annual General Meeting in 2024 of EUR 0.06 per share and thus EUR 4,882 thousand based on the number of shares on the date of publication (see Notes 21.1A and 21.1B), less treasury shares (see Note 30), payable from the 2023 distributable profits of the parent company.

C. RESERVE FOR TREASURY SHARES

On 27 November, the Management Board of 7C Solarparken resolved, with the approval of the Company's Supervisory Board, to carry out a buyback of up to 1,666,666 own shares via the stock exchange at a total purchase price (excluding incidental acquisition costs) of up to EUR 6.0 million. The share buyback is being carried out since the authorisation granted by the Company's Annual General Meeting on 17 July 2020.

As at the reporting date, the Company had already bought back 449,139 shares at an average price of EUR 3.52 per share and had thus spent EUR 1,573 thousand on the buyback programme. A reserve for treasury shares was recognised in the corresponding amount.

in thousands of euro	
Reserve for treasury shares at 1 January 2023	**0**
Purchase of treasury shares in 2023	-1,573
Reserve for treasury shares at 31 December 2023	**-1,573**

D. TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation (see Note 6.3). The changes in this account are shown in the table below.

in thousands of euro	
Translation reserve at 1 January 2022	**9**
Other comprehensive income/expense from currency translation in 2022	1
Translation reserve at 1 January 2023	**10**
Other comprehensive income/expense from currency translation in 2023	-17
Translation reserve at 31 December 2023	**-7**

E. OTHER COMPREHENSIVE RESULT FROM HEDGING TRANSACTIONS

The hedging reserve comprises the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flows in other comprehensive income.

in thousands of euro	
Other comprehensive result from hedging transactions at 1 January 2022	**24**
Changes in other comprehensive income due to changes in fair value of financial instruments designated as hedge accounting in 2022 incl. deferred tax	-662
Other comprehensive result from hedging transactions at 1 January 2023	**-638**
Changes in other comprehensive income due to changes in fair value of financial instruments designated as hedge accounting in 2023 incl. deferred tax	3,991
Other comprehensive result from hedging transactions at 31 December 2023	**3,353**

The changes in other comprehensive income due to changes in fair value of financial instruments designated as hedge accounting of EUR 4.0 million relate to the recognition of electricity price swap agreements entered into with large European utilities in the reporting period as well as the continuation of such an electricity price swap agreements from the previous year and to interest rate swaps that had already been in place in previous reporting periods.

This is the other comprehensive income from new electricity price swap agreements for the coming two financial years in the amount of EUR 4.4 million (see Note 15) in addition to the adjustment of the fair value of the electricity price swap agreement already recognised in the previous year in the amount of EUR 1.2 million, taking into account deferred taxes (see Note 24). The positive other comprehensive income after tax of the effective portion of the interest rate swap that had already been in place in previous reporting periods had the opposite effect of EUR 0.0 million.

Electricity price swap agreement from April 2022:

in thousands of euro	
Recognition of the electricity price swap agreement in April 2022 at fair value	**0**
Changes in the fair value of the electricity price swap agreement in financial year 2022	-7,306
Change in other comprehensive income due to reclassification. to the statement of profit or loss in the 2022 financial year	6,107
Fair value of the electricity price swap agreement from April 2022 at 31 December 2022	**-1,199**
Changes in the fair value of the electricity price swap agreement in financial year 2023	7,365
Change in other comprehensive income due to reclassification. to the statement of profit or loss in the 2023 financial year	-6,166
Fair value of the electricity price swap agreement from April 2022 to 31 December 2023	**-**

Electricity price swap agreement from October 2023:

in thousands of euro	
Recognition of the electricity price swap agreement in October 2023 at fair value	**0**
Changes in the fair value of the electricity price swap agreement in financial year 2023	3,752
Change in other comprehensive income due to reclassification. to the statement of profit or loss in the 2023 financial year	-
Fair value of the electricity price swap agreement from October 2023 to 31 December 2023	**3,752**

Electricity price swap agreement from November 2023:

in thousands of euro	
Recognition of the electricity price swap agreement in November 2023 at fair value	**0**
Changes in the fair value of the electricity price swap agreement in financial year 2023	646
Change in other comprehensive income due to reclassification. to the statement of profit or loss in the 2023 financial year	-
Fair value of the electricity price swap agreement from November 2023 to 31 December 2023	**646**

22. CAPITAL MANAGEMENT

See Notes 16 and 23 as well as the statement of changes in equity.

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

The Management Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Group monitors capital and financial leverage using the adjusted net debt-to-equity ratio. The adjusted net debt includes interest-bearing loans and bonds as well as lease liabilities less cash and cash equivalents, current financial assets in fixed-term deposit accounts and lease liabilities related to right-of-use assets under lease or rental agreements for solar assets and wind farms. Adjusted equity comprises all components of equity except for the hedging reserve.

The calculation of adjusted net debt and the equity ratio is as follows:

in thousands of euro	**31.12.2023**	**31.12.2022**
Current and non-current financial liabilities	210,085	227,040
Current and non-current lease liabilities	42,364	39,057
Financial assets from interest swaps measured at fair value through profit or loss	-161	-189
less cash and cash equivalents*	-62,282	-90,486
Less current financial assets	-18,273	-
Less current and non-current lease liabilities as per IFRS 16 in connection with right-of-use assets from rental agreements of solar assets and wind farms	-38,416	-34,512
Adjusted net debt	**133,317**	**140,910**
Capital and reserves without hedging reserve	**246,810**	**227,817**
Total assets	564,361	550,354
Equity ratio (in %)	**43.7**	**41.4**

** of which EUR 12,103 thousand previous year: EUR 18,766 thousand) with restricted right of disposal.*

23. FINANCIAL LIABILITIES

23.1. LOANS & BORROWINGS

in thousands of euro	31.12.2023	31.12.2022
Non-current liabilities		
Secured bank debts	144,397	156,875
Unsecured bonds	28,442	22,202
Non-current lease liabilities	39,095	35,713
Interest rate swaps for hedging	5	3
Total	**211,939**	**214,792**
Current liabilities		
Current portion of secured banks debts and accrued interest	36,693	32,132
Current portion of unsecured bonds and accrued interest	549	15,828
Current lease liabilities	3,269	3,344
Total	**40,510**	**51,304**

Information regarding the extent to which the Group is exposed to interest, currency and liquidity risks is presented under Note 26.

23.2. BANK DEBTS

Outstanding bank loans were all concluded in euros with the following terms and conditions:

				31 December 2023		31 December 2022	
in thousands of euro	**Fixed until**	**Interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
7C Solarparken NV	n.a.	n.a.	2022–23	-	-	15	15
	n.a.	EURIBOR3 M +1.75%	2017–27	611	636	786	826
7C Solarparken AG	n.a.	n.a.	2017–28	-	-	2,350	2,265
	05.05.26	1.76%	2017–26	747	747	839	839
	31.07.27	1.51%	2017–31	764	764	848	848
	31.12.32	1.55%	2017–32	1,27	1,513	1,697	1,681
	31.12.32	2.10%	2017–32	336	333	374	370
	30.06.24	2.30%	2017–24	200	200	600	600
	30.12.26	1.68%	2019–36	5,529	5,496	6,457	6,421
	30.09.29	1.13%	2019–37	395	395	424	424
	n.a.	EURIBOR 3M +1.50%	2023–29	9,750	9,719	-	-
	n.a.	EURIBOR 3M +1.20%	2023–33	10,000	9,963	-	-
Tannhäuser Solar UG	30.12.34	1.90%	2017–34	411	411	448	448
Solardach Gutenberg GmbH & Co.	30.03.25	2.04%	2019–28	627	628	759	761
Sabrina Solar BV	16.08.29	1.69%	2017–29	312	312	367	367
Solar4Future Diest NV	31.12.26	5.70%	2017–26	1,3614	1,412	1,764	1,852
Solarpark Green GmbH	n.a.	1.75%	2017–26	-	-	1,625	1,621
	30.06.25	4.75%	2017–25	252	252	434	434
Solarpark Heretsried GmbH	30.12.24	2.00%	2017–24	578	575	1,156	1,147
	30.12.25	2.13%	2017–25	1,460	1,451	2,190	2,171
	30.03.25	3.49%	2017–25	726	734	1,197	1,218
	30.03.25	2.16%	2017–29	2,225	2,225	2,596	2,596
Solarpark Longuich GmbH	30.12.25	2.13%	2017–25	1,520	1,511	2,280	2,260
Solarpark Oberhörbach GmbH	30.12.25	2.13%	2017–25	1,030	1,020	1,545	1,526
Solarpark CBG GmbH	n.a.	1.75%	2017–25	-	-	1,398	1,386
Solarpark Neudorf GmbH	n.a.	EURIBOR 3M +1.6%	2017–24	78	78	157	157
	31.05.28	1.35%	2020–27	220	220	268	268
	30.06.27	1.95%	2017–27	695	695	889	889
	30.03.25	3.99%	2019–26	246	253	332	346
SonnenSolarPark GmbH	31.03.24	2.00%	2017–25	127	127	381	381
Melkor UG	30.11.27	2.75%	2017–27	195	194	245	243
	31.01.27	3.07%	2017–28	148	148	197	198
	30.06.26	1.96%	2017–26	418	418	586	586
Solardach Wandersleben GmbH & Co. KG	31.03.26	2.59%	2017–26	566	570	818	826
	30.12.25	2.53%	2018–25	19	19	28	28
Solardach LLG GmbH	31.12.32	1.65%	2017–32	534	529	593	587
	30.12.34	2.10%	2017–34	723	715	788	781
	30.12.31	2.30%	2018–36	445	445	481	481
	30.12.28	1.80%	2019–37	322	322	345	345
Solardach Stieten GmbH & Co. KG	31.12.26	2.26%	2017–26	621	623	829	832
	n.a.	3.55%	2017–26	-	-	368	374
Solardach Steinburg GmbH	30.03.27	1.45%	2017–35	493	491	534	532
Solardach Neubukow GmbH & Co. KG	31.12.26	2.07%	2017–26	559	560	746	747
ProVireo Solarpark 3 Schönebeck GmbH & Co. KG	30.09.30	1.54%	2017–30	1,640	1,647	1,883	1,892
	30.09.30	1.99%	2017–30	233	237	267	273
Lohengrin Solar UG	31.12.34	2.10%	2017–34	525	520	573	567
	30.09.28	1.83%	2019–36	462	458	498	493
Solarparken IPP GmbH	n.a.	n.a.	2017–28	-	-	14	14
Sonnendach K19 GmbH & Co. KG	30.06.26	2.79%	2017–26	638	638	893	893
	30.06.26	1.74%	2017–26	211	211	295	295
Erste Solarpark Xanten GmbH & Co. KG	30.09.26	1.00%	2017–26	343	343	458	458
Erste Solarpark Wulfen GmbH & Co. KG	30.06.27	1.48	2017–27	247	247	317	317
	30.06.27	1.59%	2017–27	83	83	107	107
	n.a.	EURIBOR 3M +1.59%	2017–26	81	81	107	107
Säugling Solar GmbH & Co. KG	30.06.26	1.99%	2019–26	2,667	2,653	3,733	3,714
Solarpark Taurus GmbH & Co. KG	30.06.29	1.10%	2017–29	539	530	637	620
Solarpark Bitterfeld II GmbH & Co.	30.12.35	2.10%	2018–35	2,033	2,025	2,203	2,194
Sonnendach M55 GmbH & Co. KG	30.03.25	3.49%	2017–25	947	986	1,099	1,150

	31.12.29	1.95%	2018–29	987	977	1,151	1,140
Solarpark Carport Wolnzach GmbH &	30.09.29	2.04%	2017–29	611	618	709	709
	31.12.29	2.50%	2017–29	523	509	603	585
Solarpark Gemini GmbH & Co. KG	n.a.	EURIBOR 3M +1.66%	2017–31	2,681	2,785	3,017	2,963
Sphinx Solar GmbH & Co. KG	31.07.25	2.40%	2017–25	76	76	116	116
Solarpark Pflugdorf GmbH & Co	31.03.28	1.00%	2017–24	196	195	588	578
	30.06.27	3.50%	2017–27	2,532	2,541	3,184	3,202
Solarpark Zschornewitz GmbH & Co. KG	30.06.28	1.90%	2019–37	1,141	1,127	1,229	1,213
Solarpark Pflugdorf GmbH & Co	30.06.30	1.15%	2020–38	4,289	4,271	4,584	4,565
Siebente Solarpark Zerre GmbH & Co. KG	30.06.26	3.40%	2017–26	515	515	721	721
	30.06.25	4.60%	2017–25	5	5	9	9
	30.01.29	2.35%	2017–29	234	231	280	275
	n.a.	0.00%	2017–31	244	200	252	203
Solarpark Zerre IV GmbH & Co. KG	30.06.26	1.05%	2017–26	348	348	487	487
	30.01.29	3.60%	2017–29	168	168	196	196
Vardar UG	31.08.25	2.37%	2017–25	220	220	252	252
Erste Solarpark Sandersdorf GmbH &	31.03.30	3.60%	2017–30	3,011	2,845	3,493	3,273
Dritte Solarpark Glauchau GmbH & Co. KG	31.12.27	3.10%	2017–27	297	299	372	374
	31.12.27	3.18%	2017–27	833	838	1,042	1,048
Colexon 1. Solarprojectgesellschaft mbH & Co. KG	30.06.24	2.30%	2017–24	115	115	390	390
Pinta Solarparks GmbH & Co. KG	30.06.27	1.80%	2018–27	1,251	1,250	1,355	1,353
	30.12.29	1.40%	2020–37	400	400	429	429
Solarpark Meyenkrebs GmbH & Co. KG	31.12.28	4.50%	2018–28	200	213	235	253
	31.12.28	2.25%	2018–28	159	160	191	192
Solarpark Tangerhütte GmbH & Co. KG	30.03.35	2.65%	2018–35	2,512	2,608	2,736	2,848
	30.03.36	3.15%	2018–36	417	466	451	485
Solarpark Brandholz GmbH & Co.	31.12.27	1.85%	2019–34	938	928	1,024	1,013
Windpark Medard 2 GmbH & Co.	30.06.26	1.90%	2019–33	3,125	3,144	3,454	3,477
Windpark Stetten II GmbH & Co.	30.06.31	2.10%	2019–31	2,555	2,609	2,896	2,965
Renewagy 5. Solarprojektgesellschaft mbH & Co.	30.06.26	2.15%	2017–26	4,159	4,159	5,549	5,549
	30.12.25	1.79%	2017–25	3,453	3,419	5,179	5,129
	31.12.31	1.15%	2022–39	2,046	2,033	2,182	2,160
Renewagy 11.Solarprojektgesellschaft mbH &	31.12.26	2.20%	2017–26	1,066	1,060	1,423	1,414
Renewagy 21.Solarprojektgesellschaft mbH	n.a.	EURIBOR 3M +1.3%	2017–23	2,167	2,168	3,250	3,252
	31.12.25	2.30%	2017–25	18	18	27	27
Renewagy 22.Solarprojektgesellschaft mbH	31.12.25	2.50%	2017–25	1,127	1,114	1,691	1,669
	30.09.26	1.35%	2017–34	443	443	484	484
Tristan Solar GmbH & Co. KG	30.12.29	2.16%	2018–29	1,934	1,934	2,189	2,189
Amatec PV 20 GmbH & Co. KG	30.03.28	1.82%	2019–35	383	380	412	409
	31.12.28	1.78%	2019–36	624	622	672	670
	30.03.28	1.82%	2018–36	415	412	447	444
	31.12.28	1.78%	2019–36	312	311	336	335
	30.06.28	1.82%	2018–36	383	379	412	408
	31.12.28	1.78%	2019–36	312	311	336	335
	30.06.28	2.45%	2018–37	476	476	511	511
Solarpark Bernsdorf GmbH & Co.	31.07.28	1.95%	2018–36	519	519	554	554
Solardach Derching GmbH & Co.	23.02.28	2.13%	2018–29	1,108	1,112	1,309	1,316
Amatec PV 37 GmbH & Co. KG	n.a.	EURIBOR 3M +1.87%	2019–24	123	124	246	254
Amatec PV Chemnitz GmbH & Co.	28.02.25	2.15%	2018–33	1,510	1,524	1,648	1,664
Solarpark Rötz GmbH & Co. KG	30.10.27	1.25%	2020–27	285	286	331	333
	30.12.27	1.40%	2020–27	287	292	333	339
	30.12.27	1.03%	2020–27	345	343	389	387
Trüstedt I Solar GmbH & Co. KG	28.02.25	2.80%	2018–31	653	673	744	770
	30.06.26	1.40%	2018–34	107	104	117	113
	28.02.25	2.80%	2018–31	316	326	361	373
	28.02.25	2.80%	2018–31	606	624	691	714
	30.06.26	1.40%	2018–34	107	104	117	113
	28.02.25	2.80%	2018–31	613	631	698	722
	30.06.26	1.40%	2018–34	107	104	117	113
	n.a.	n.a.	2018–27	-	-	117	119
	30.09.26	2.00%	2018–31	131	131	148	148
	n.a.	n.a.	2018–27	-	-	348	380

The notes on pages 20 to 120 are an integral part of these consolidated financial statements.

	n.a.	n.a.	2018–27	-	-	326	333
	30.03.24	2.75%	2018–30	303	311	351	362
	30.09.26	2.00%	2018–31	26	26	30	30
	n.a.	n.a.	2018–27	-	-	391	400
	28.02.25	2.80%	2018–31	320	329	364	376
	30.03.25	2.80%	2018–31	576	594	656	678
	30.03.25	2.80%	2018–31	567	584	645	667
	31.12.27	3.70%	2017–27	875	875	1,093	1,093
Erste Solarpark Nowgorod GmbH & Co. KG	30.06.30	1.15%	2020–37	386	386	414	414
Solarpark Draisdorf-Eggenbach	30.12.31	1.01%	2022–41	8,640	8,619	9,000	8,978
	30.12.31	0.86%	2022–31	1,146	1,146	1,250	1,250
PV Görike GmbH & Co. KG	30.06.28	2.25%	2019–37	2,306	2,412	2,477	2,598
Solarpark Gorgast GmbH & Co. KG	30.12.29	1.40%	2020-38	209	207	221	219
	30.12.29	1.40%	2020–38	204	202	218	216
PV Gumtow GmbH & Co. KG	30.09.29	1.03%	2020–39	2,222	2,222	2,363	2,363
	30.09.29	1.03%	2020–39	431	431	458	458
Photovoltaik-Park Dessau-Süd GmbH & Co. KG	30.03.30	3.25%	2021–33	920	1,015	1,019	1,135
Solarpark Schwerin GmbH & Co. KG	31.12.33	2.23%	2015—33	4,000	3,844	-	-
7C Groeni BV	31.07.29	2.86%	2021–29	184	194	220	233
	31.01.30	2.91%	2021–30	113	119	133	141
	31.12.29	2.81%	2021–29	343	362	405	430
	31.12.27	2.23%	2021–27	192	198	260	268
Solar Park Blankenberg GmbH & Co. KG	05.01.26	4.60%	2019–28	149	158	184	198
	31.03.28	3.25%	2019–28	485	479	599	590
Solarpark Glasewitz GmbH & Co.	30.07.25	3.25%	2019–28	827	873	1,001	1,068
BBS Solarpark Alpha GmbH & Co. KG	n.a.	EURIBOR 3M +1.15%	n.a.	587	591	-	-
Solarpark WO GmbH & Co. KG	30.06.29	1.40%	2020–37	408	405	437	434
PWA Solarparks GmbH & Co. KG	30.12.26	1.18%	2021–37	1,034	1,030	1,110	1,105
REG PVA zwei GmbH & Co. KG	01.07.31	2.10%	2020–35	1,351	1,399	1,464	1,519
	01.09.34	2.10%	2020–37	163	170	175	183
	01.04.33	1.99%	2020–35	531	546	575	592
	01.09.34	2.10%	2020–37	288	299	309	322
	01.09.34	2.10%	2020–37	408	424	438	456
MES Solar XX GmbH & Co. KG	31.03.31	0.99%	2022–32	3,843	3,831	3,414	3,413
Renewagy 5. Solarprojektgesellschaft mbH & Co.	30.08.31	1.03%	2021–38	5,745	5,733	5,686	5,676
Renewagy 5. Solarprojektgesellschaft mbH & Co.	30.03.31	1.14%	2021–39	2,551	2,540	2,717	2,704
Solarpark Floating GmbH & Co. KG	30.12.39	1.50%	2020–39	262	261	262	261
	30.06.30	1.10%	2020–30	173	170	200	196
Solardach Walternienburg GmbH & Co. KG	n.a.	EURIBOR 3M +1.15%	2013–29	379	372	-	-
Energiepark SP Theilenhofen GmbH & Co. KG	30.12.38	1.20%	2021–44	666	678	666	678
	n.a.	EURIBOR 3M +1.34%	2021–41	4,824	4,990	5,099	5,287
Solarpark am Schaugraben GmbH & Co. KG	30.12.38	1.21%	2021–29	1,520	1,527	1,621	1,630
Solarpark Zerre IV GmbH & Co. KG	30.09.38	1.33%	2021–39	3,278	3,332	3,500	3,562
Erste Solarpark Sandersdorf GmbH & Co. KG	30.09.35	1.42%	2021–35	1,592	1,622	1,727	1,762
	30.09.39	1.16%	2021–39	577	580	614	617
Solarpark Höttingen GmbH & Co.	30.12.40	1.34%	2021-40	3,970	4,081	4,203	4,328
	n.a.	1.20% until 30 June 2030 then EURIBOR 3M + 0.95%	2021–43	663	693	663	694
Photovoltaikkraftwerk Brodswinden GmbH & Co. KG	30.09.30	2.15%	2023–30	1,616	1,693	-	-
HCI Solarpark Igling-Buchloe GmbH & Co. KG	n.a.	n.a.	2020–23	-	-	793	792
HCI Solarpark Neuhaus-Stetten GmbH & Co. KG	n.a.	n.a.	2020–23	-	-	116	116
	30.09.25	1.25%	2020–25	490	491	735	738
	n.a.	n.a.	2020–23	-	-	274	274
HCI Solarpark Oberostendorf GmbH & Co. KG	30.03.25	3.85%	2020–27	1,445	1,524	1,830	1,956
HCI Solarpark Dettenhofen GmbH & Co. KG	30.03.25	3.85%	2020–27	2,005	2,123	2,507	2,688

Current account	n.a.	n.a.		59	59	-	-
Total				**179,984**	**180,888**	**187,842**	**188,964**

The bank debts are secured by the solar assets, wind farms as well as land and buildings (see Note 17) and also by current and future trade receivables from the sale of electricity or incoming rental payments (see Note 15) as is customary in the industry. In addition, the Company pledged sight deposits with a carrying amount of EUR 11,466 thousand (previous year: EUR 17,979 thousand) (see Note 16) as security for certain bank debts. This refers to the accounts reserved for debt servicing and mortgage savings accounts that can be accessed in connection with regular debt servicing payments.

At the reporting date, accrued interest of the above-stated bank debts amounted to EUR 40 thousand (previous year: EUR 40 thousand), recognised under the current portion of secured bank debts and accrued interest.

On 31 December 2023, two bank loans in connection with solar assets amounting to EUR 0.2 million had not been fully disbursed.

The Group fulfilled all obligations under covenants for bank liabilities as at the reporting date.

23.3. LEASE LIABILITIES

The outstanding lease liabilities are subject to the following terms and conditions as at the reporting date:

Lease liabilities related to				31.12.2023		31.12.2022	
in thousands of euro	Currency	Interest rate*	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Land	EUR	2.0%	2032	10	8	10	8
Solar assets Belgium	EUR		2029–2031	3,933	3,910	4,522	4,536
Rental agreements related to Solar assets	EUR	2.1%	2020–2052	45,235	37,005	38,411	32,970
Rental agreements related to Wind farms	EUR	1.6%	2020–2043	1,561	1,346	1,714	1,401
Rental agreements related to other assets	EUR	2.2%	2020–2027	98	94	146	140
Total				**50,837**	**42,364**	**44,803**	**39,057**

** This refers to the incremental borrowing rate.*

The acquisition of subsidiaries led to an increase in lease liabilities of EUR 5.6 million (previous year: EUR 0.7 million). In addition, new lease contracts related to solar assets were concluded, leading to an increase in lease liabilities of EUR 1.7 million (previous year: EUR 13.1 million). Finally, lease liabilities increased by EUR 0.7 million (previous year: EUR 0.4 million) due to unwinding of discount and by EUR 0.6 million (previous year: EUR 0.2 million) due to remeasurement of the rental agreements related to solar assets (see Note 17.2). Repayments subsequently reduced lease liabilities by EUR 3.0 million (previous year: EUR 2.1 million) in the reporting period.

The Group fulfilled all obligations under lease contracts as at the reporting date and it did not have any conditional lease payment obligations in the current or in the previous reporting period.

The changes in lease liabilities were as follows:

in thousands of euro	31.12.2023	31.12.2022
Balance at beginning of reporting period	**39,057**	**26,348**
Changes in group of consolidated companies	5,566	706
New leases	1,708	13,077
Acquired leases	-	433
Repayment of leases	-3,602	-2,067
Remeasurement of rental agreements related to Wind farms	-	258
Remeasurement of rental agreements related to Solar assets	-568	-94
Unwinding of discount on leases	699	437
Disposals	-496	-39
Balance at end of reporting period	**42,364**	**39,057**

23.4. UNSECURED BONDS

On 30 May 2023, 7C Solarparken AG placed an option bond with its shareholders for which subscription rights were granted. The option bond has a total face value of EUR 6,916,800.00 and consists of 69,168 bearer bonds with equal rights (ISIN DE000A351NK9) with a face value of EUR 100.00 each and 50 detached subscription warrants (ISIN DE000A351NH5). In total, 3,458,400 subscription warrants were issued. In accordance with the applicable terms and conditions, each subscription warrant entitled the holder to subscribe to one share of 7C Solarparken AG (ISIN: DE000A11QW68) with a pro rata amount of the share capital of EUR 1.00 per share at an exercise price of EUR 3.75. The option bond was issued at a fixed interest rate of 2.5% with a final maturity date of 30 May 2028 and a total volume of EUR 6,916,800. The option bond is a compound financial instrument consisting of a debt component and an equity component. The debt component is initially recognised at fair value. The initial measurement of the equity component results from the difference between the fair value of the entire financial instrument (issue amount) and the fair value of the debt instrument. The fair value of the debt component was calculated based on an interest rate of 4.55% appropriate to the term of the option bond and associated risk. The transaction costs were allocated on a pro-rated basis to the equity and debt components. This resulted in a fair value of EUR 6,295 thousand for the debt component and EUR 662 thousand for the equity component. The internal interest rate for the debt component is 4.79%.

in thousands of euro						
			2023		2022	
Option bond 2023	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Option bond 2023	2.50%	2023–28	6,917	6,295	-	-
Total			**6,917**	**6,295**	**-**	**-**

In February 2018, 7C Solarparken AG issued its first promissory note loan with a face value of EUR 25 million at an average, mostly fixed interest rate of about 2.78% on the capital market. The promissory note loan is divided into three tranches with terms of five or seven years.

in thousands of euro						
			2023		2022	
Promissory Note 2018	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Tranche A	EURIBOR 3M +2.00%	2023	-	-	1,500	1,500
Tranche B	2.48%	2023	-	-	13,500	13,500
Tranche C	3.29%	2025	10,000	9,939	10,000	9,960
Total			**10,000**	**9,939**	**25,000**	**24,960**

In March 2020, 7C Solarparken AG issued another promissory note loan with a face value of EUR 11.5 million at a fixed interest rate of about 1.80% on the capital market. The promissory note loan has a term of five years.

in thousands of euro						
			2023		2022	
Promissory Note 2020	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Tranche A	1.80%	2025	11,500	11,471	11,500	11,483
Total			**11,500**	**11,471**	**11,500**	**11,483**

Interest expense for Promissory Note 2018, tranche B and C and for Promissory Note 2020 is payable once a year in February (Promissory Note 2018) and March (Promissory Note 2020), respectively. Interest expense for tranche A (Promissory Note 2018) is paid to the investors of the promissory note twice a year (in February and August). Interest expenses in relation to the promissory note loan of EUR 257 thousand were accrued as at the reporting date and reported in the current portion of secured bank loans and accrued interest. For the Promissory Note 2020, EUR 172 thousand were accrued.

As a result of the acquisition of the subsidiary 7C Groeni BV in January 2021, project-related bonds subscribed by individual investors with a carrying amount of EUR 1.3 million were taken over. The project bonds were issued to finance 7C Groeni BV's own contribution of capital funds to its projects. The following table shows these bonds as at the reporting date:

in thousands of euro

				2023		2022	
Project bonds	**Maturity**	**Nominal interest rate**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Tranche A	Annual payments	4.50%–5.00%	31.12.2028	526	585	617	699
Tranche B	Annual payments	2.00%	30.11.2025	30	34	47	51
Tranche C	Annual payments	2.00%	31.12.2025	7	7	11	11
Tranche D	Due at maturity	2.00%	31.12.2025	58	58	57	55
Tranche E	Annual payments	1.75%	28.11.2031	50	50	50	50
Total				**671**	**734**	**782**	**869**

The current portion of these bonds amounts to EUR 119 thousand as of 31 December 2023 (previous year: EUR 112 thousand).

24. TRADE AND OTHER PAYABLES

For accounting policies, please refer to Note 6.1, 6.6, 6.12 A.

in thousands of euro	31.12.2023	31.12.2022
Trade payables	4,459	5,419
Other non-current liabilities	45	23
Long-term and short-term government grants	753	965
Other current liabilities	2,146	3,184
Total	**7,405**	**9,591**

For the currency and liquidity risks of the Group arising from trade payables and other current liabilities please refer to Note 26.

The other current liabilities consist mainly of personnel-related liabilities (EUR 253 thousand) and VAT-related liabilities (EUR 153 thousand) and contingent consideration due to conditional purchase prices associated with changes in the group of consolidated companies in the previous year (EUR 461 thousand) and accrued costs (EUR 523 thousand) as well as deposits received (EUR 263 thousand). Other current liabilities decreased by EUR 1.0 million compared to the previous year. This is mainly because in the previous year they still included a derivative liability in the amount of EUR 1,199 thousand on the negative fair value of an electricity price swap agreement.

Trade payables decreased from EUR 1.0 million at the end of the previous year to EUR 4.4 million. These liabilities consist mainly of unpaid invoices to general contractors for solar assets in Germany and Belgium that are still under construction (EUR 0.8 million) and outstanding operating and maintenance invoices amounting to EUR 0.5 million.

The Group was awarded several investment grants in the Belgian tender procedure, which have not yet been paid out at the reporting date but which the Group is confident to receive. Government grants are accounted for based on the accounting policies stated under Note 6.7. At the end of the year, the Group recognised such investment grants of EUR 753 thousand in its statement of financial position (previous year: EUR 965 thousand).

25. NON-CURRENT PROVISIONS

For accounting policies, please refer to Note 6.15.

2023

	Site deconstruction	Warranties	Project business	Individual risks	Own real estate and leases	Other	Total
Balance at 1 January 2023	**19,877**	**1,157**	**0**	**1,015**	**1,855**	**62**	**23,966**
Additions through business combinations	1,597						1,597
New provisions	859		570			81	1,507
Increase of provisions		226					226
Use of provisions		-283		-140	-24		-448
Reversal of provisions	-427	-241		-198	-4		-868
Winding/unwinding of discounts	867	11					878
Balance at 31 December 2023	**22,771**	**869**	**570**	**677**	**1,828**	**143**	**26,857**

2022

	Site deconstruction	Warranties	Onerous contracts	Individual risks	Own real estate and leases	Other	Total
Balance at 1 January 2022	**18,382**	**1,264**	**0**	**929**	**360**	**62**	**20,997**
Additions through business combinations	500						500
New provisions	258						258
Adjustment of existing provisions		105		176	1,496		1,777
Use of provisions		-24		-92			-116
Reversal of provisions		-201					-201
Winding/unwinding of discounts	738	13		2			755
Balance at 31 December 2022	**19,877**	**1,157**	**0**	**1,015**	**1,855**	**62**	**23,966**

A. SITE DECONSTRUCTION OBLIGATIONS

The site deconstruction obligations refer to costs that will be incurred when a solar asset or wind farm is decommissioned, i.e. after 10 to 30 years when the asset is deconstructed. The Group estimates the site deconstruction costs based on an assumed price per kWp for deconstruction that is derived from market prices, taking into account the unwinding of discount at an estimated inflation rate until the time of deconstruction. This amount is recognised at its discounted value, and unwinding of discount is added every year.

B. WARRANTIES

The provisions for warranties refer mainly to assets built by COLEXON in the past that are subject to warranty risks. The risks regarding the likelihood and amount of warranty claims were assessed in the scope of the purchase price allocation and have been continually reviewed since initial recognition. Proceedings for the preservation of evidence or legal disputes have been initiated for all provisions recognised.

The first instance has already passed its ruling in individual legal disputes, and the Group or the former client has appealed against the decision. These warranties will likely be called or the decisions of the first or second instance passed in one to two years' time. The estimates regarding the amount and extent of potential claims are based on many years of experience with former clients of COLEXON but are subject to a certain degree of uncertainty. However, we consider it more than likely these warranties will be called.

C. INDIVIDUAL RISKS

The individual risks refer to assumed contingent liabilities (that were recognised in the scope of purchase price allocation in accordance with IFRS 3 and are carried forward).

Firstly, individual risks exist in connection with buy-back obligations relating to individual assets built by COLEXON. The buy-back obligations will potentially come into effect in six years' time at the earliest.

Secondly, the Group is exposed to a litigation risk in connection with an asset built by COLEXON. The Group estimates this to be settled in two to three years' time. The extent and likelihood of these warranties being called is assessed to be very high, although the outcome of the proceedings is extremely hard to predict as at the reporting date. As a matter of course, there is considerable uncertainty regarding the extent of potential claims, as this depends on the outcome of the proceedings. The outflow of funds could thus be significantly lower or higher than estimated.

D. OWN REAL ESTATE AND LEASES

In the scope of a business acquisition in accordance with IFRS 3 in 2017, the Group assumed the obligation under a lease to maintain the roofs on which the Group operates its own rooftop solar assets. In the current financial year, the Group established that there had been repair backlogs before the acquisition in connection with the maintenance of these roofs. The contracting party further requested in the current financial year that the Group should carry out the required repair work. The Group is currently negotiating with this contracting party in relation to which period and what extent the maintenance measures shall be carried out. Nevertheless, the Group assesses the outflow of funds to be probable and therefore set aside a corresponding provision. As a matter of course, there is considerable uncertainty regarding the extent of related cost, as this depends on the outcome of the negotiations with the other contracting party. The outflow of funds could thus be lower or higher than estimated.

The Group owns a piece of land, which, in the reporting period was found to be contaminated. The obligation to remove contamination is legally incumbent on the landowner, which is why the Group considers an outflow of funds to be probable. For this purpose, the Group has formed a provision in the reporting period. There is considerable uncertainty regarding the extent of the contamination, the costs of removal and the timeframe in which the contamination must be removed, so that the utilisation of the provision is fraught with a high degree of uncertainty. The outflow of funds could thus be lower or higher than estimated.

E. PROVISIONS IN CONNECTION WITH PROJECT BUSINESS

The Group currently operates a solar asset which is likely to be dismantled from its existing location for safety reasons and rebuilt at a new location. To cover this eventuality, a risk provision of EUR 0.2 million was recognised.

The Group has also recognised provisions of EUR 0.4 million for amounts that may have to be paid if documents in connection with solar assets relating to the past, in this case often the pre-acquisition period, cannot be submitted in full or within a reasonable period after being requested to do so.

26. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

26.1. CATEGORISATION AND FAIR VALUES

The following table shows the carrying amounts and fair values of financial assets and liabilities, including the corresponding levels in the fair value hierarchy. It does not contain any information on the fair value of financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2023

		Carrying amount			
in thousands of euro	*Note*	Fair value hedging instruments	Mandatory at FVTPL – Other	Financial assets at amortised cost (AC)	Total
Financial assets measured at fair value					
Equity investments	*20*		1,516		1,516
Electricity price swap agreement		4,398			4,398
Interest rate swaps for hedging	*20*	161			161
Total		**4,559**	**5,914**		**6,075**
Financial assets not measured at fair value					
Trade and other receivables	*15*			4,955	4,955
Current financial assets	*16*			18,273	18,273
Cash and cash equivalents on hand	*16*			50,179	50,179
Restricted cash and cash equivalents	*16*			12,103	12,103
Other current assets	*15*			9,886	9,886
Total				**95,396**	**95,396**

31 December 2023

	Fair value			
in thousands of euro	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value				
Equity investments	1,516			**1,516**
Electricity price swap agreement		4,398		**4,398**
Interest rate swaps that are used for hedge accounting		161		**161**
Total	**1,516**	**4,559**		**6,075**
Financial assets not measured at fair value				
Trade and other receivables				
Current financial assets				
Cash and cash equivalents on hand				
Bank accounts with restricted right of disposal				
Other non-current assets				
Other current assets				
Total				

31 December 2023

in thousands of euro	*Note*	Carrying amount Fair value hedging instruments	Mandatory at FVTPL – Other	Other financial liabilities	Total
Financial liabilities measured at fair value					
Interest rate swaps for hedging	*23, 26.3*		-5		**-5**
Electricity price swap agreement	*26.E.3*				
Total			**-5**		**-5**
Financial liabilities not measured at fair value					
Bank debts	*23*			-181,090	**-181,090**
Unsecured bonds	*23*			-22,680	**-22,680**
Option bond	*23,4*			-6,311	**-6,311**
Lease liabilities	*23*			-42,364	**-42,364**
Trade payables	*24*			-4,459	**-4,459**
Other current liabilities	*24*			-2,146	**-2,146**
Total				**-259,049**	**-259,049**

31 December 2023

in thousands of euro	Fair value Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
Interest rate swaps for hedging		-5		**-5**
Electricity price swap agreement				
Total		**-6,316**		**-6,316**
Financial liabilities not measured at fair value				
Bank debts			-156,441	**-156,441**
Unsecured bonds			-21,461	**-21,461**
Option bond			-6,311	**-6,311**
Lease liabilities			-39,221	**-39,221**
Trade payables				
Other current liabilities				
Total			**-223,434**	**-223,434**

31 December 2022

		Carrying amount			
in thousands of euro	*Note*	Fair value hedging instruments	Mandatory at FVTPL – Other	Financial assets at amortised cost (AC)	Total
Financial assets measured at fair value					
Equity investments	*20*		1,113		1,113
Interest rate swaps for hedging	*20*	189			189
Total		189	**1,113**		**1,302**
Financial assets not measured at fair value					
Trade and other receivables	*15*			3,785	3,785
Cash and cash equivalents on hand	*16*			71,720	71,720
Restricted cash and cash equivalents	*16*			18,766	18,766
Other current assets	*15*			6,173	6,173
Total				**100,444**	**100,444**

31 December 2022

	Fair value			
in thousands of euro	Level 1	Level 2	Level 3	**Total**
Financial assets measured at fair value				
Equity investments	1,113			**1,113**
Interest rate swaps for hedging		189		**189**
Total	**1,113**	**189**		**1,302**
Financial assets not measured at fair value				
Trade and other receivables				
Cash and cash equivalents on hand				
Bank accounts with restricted right of disposal				
Other non-current assets				
Other current assets				
Total				

The notes on pages 20 to 120 are an integral part of these consolidated financial statements.

31 December 2022

in thousands of euro	Note	Carrying amount Fair value hedging instruments	Mandatory at FVTPL – Other	Other financial liabilities	Total
Financial liabilities measured at fair value					
Interest rate swaps for hedging	*23, 26.3*		-3		**-3**
Electricity price swap agreement	*26.E.3*		-1,199		**-1,199**
Total			**-1,202**		**-1,202**
Financial liabilities not measured at fair value					
Bank debts	*23*			-189,007	**-189,007**
Unsecured bonds				-38,030	**-38,030**
Lease liabilities	*23*			-39,057	**-39,057**
Trade payables	*24*			-5,419	**-5,419**
Other current liabilities	*24*			-3,184	**-3,184**
Total				**-274,697**	**-274,697**

31 December 2022

	Fair value			
in thousands of euro	Level 1	Level 2	Level 3	**Total**
Financial liabilities measured at fair value				
Interest rate swaps for hedging		-3		**-3**
Electricity price swap agreement		-1,199		**-1,199**
Total		**-1,202**		**-1,202**
Financial liabilities not measured at fair value				
Bank debts			-165,608	**-165,608**
Unsecured bonds			-34,487	**-34,487**
Lease liabilities			-34,906	**-34,906**
Trade payables				
Other current liabilities				
Total			**-235,001**	**-235,001**

26.2. MEASUREMENT OF FAIR VALUES

VALUATION TECHNIQUES AND SIGNIFICANT UNOBSERVABLE INPUTS

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values as well as the significant unobservable inputs used:

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Electricity price swap agreement **	DCF method: the difference between the forward electricity prices and the fixed price of the swap agreement are discounted to fair value using the expected production volumes for the solar assets included in the swap agreement.	Not applicable	Not applicable
Interest rate swaps	Market comparison technique: The fair values are based on standardised calculations using the dollar-offset method of a reputable German financial institution using only input factors observable on the market.	Not applicable	Not applicable

FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

Type	Valuation technique	Significant unobservable inputs
Other financial liabilities *	Discounted cash flows in a DCF model using market interest rates and the term of the loan	Not applicable
Option bond	Discounted cash flows in a DCF model using market interest rates and the term of the loan	Not applicable
Lease liabilities	Discounted cash flows from leases in a DCF model using market-oriented incremental borrowing rates	Not applicable

* *Other financial liabilities include secured and unsecured bank loans and unsecured bonds.*

*** Equity component and derivative match as at the reporting date, as the underlying contracts will only affect cash flow from 1 January 2024.*

26.3. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see B).
- liquidity risk (see C).
- market risk (see D).
- electricity price risk (see E).

A. RISK MANAGEMENT FRAMEWORK

The Company's Management Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Management Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Management Board on its activities The risk management framework can be transferred to financial risks as further explained in the risk report included in the combined management report, see page 48.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Supervisory Board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

B. CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables and debt investments in the form of loans granted by the Group to third parties. The receivables of the solar assets are essentially trade receivables from the sale of the generated kilowatt hours. The purchase of the electricity generated is based on contractual remuneration rates and legally regulated and ensured in all markets in which the Group is active. These receivables are exclusively current receivables that are usually settled within two months.

The carrying amounts of financial assets represent the maximum credit exposure.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management Board also considers the factors that may influence the credit risk of its entire customer base, including the credit risk associated with the industry and country in which customers operate. Nevertheless, the Management Board has limited influence on the customer base, as customers are often legally obliged to purchase certain electricity volumes, or the Group is obliged to supply the electricity generated.

Most of the Group's customers are semi-public grid operators. To date, all receivables from these customers have been received in full, and therefore no credit losses are expected in the future either. In addition, a significant amount of electricity is sold via direct sellers to energy trading companies. These companies usually have a higher risk of default than semi-public grid operators. One such customer filed for insolvency in the reporting year. To monitor this type of credit risk, the Group pays particular attention to the timing of invoicing, which is usually determined by the customer, and to the timing of settlement of the invoice.

IMPAIRMENT LOSSES ON TRADE RECEIVABLES

For trade receivables, the Group applies the simplified expected loss impairment model in accordance with IFRS 9. This is based on expected credit losses (ECL).

The Group allocates the trade receivables from the sale of electricity to largely homogenous categories that have similar characteristics regarding the estimated risk of default. Here it is significant whether the Group's rights are based directly on legal provisions, whether the customer can pass on the receivables to be paid to the Group to its own customers (EEG levy) or whether the customer is a state-owned or semi-public enterprise.

The Group further differentiates whether security was furnished for the receivables and whether such security consists of a bank guarantee or a letter of comfort.

The Group assesses the risk of credit losses from other trade receivables not resulting from the sale of electricity on a case-by-case basis depending on the characteristics of the individual customer and any security that was provided.

The Group uses a special impairment account. As at 31 December 2023, impairment of trade receivables was recognised at a nominal amount of EUR 1,778 thousand (2022: EUR 1,588 thousand). The increase in impairment losses thus amounted to EUR 190 thousand in the reporting period (previous year: EUR 543 thousand), which is recognised in the income statement under other operating expenses.

in thousands of euro	**2023**	**2022**
Impairment account at 1 January	**1,588**	**1,045**
Increase	413	543
Decrease	-223	-
Impairment account at 31 December	**1,778**	**1,588**

Trade receivables are not subject to interest and have a maturity of 15–30 days due to the credit note process customary in this industry.

As at 31 December, the trade receivables have the following maturity structure:

			past due but not impaired			
in thousands of euro	**Total**	**neither past due nor impaired**	**< 30 days**	**30–60 days**	**60–90 days**	**>90 days**
2023	4,955	4,111	227	35	19	563
2022	3,785	3,174	80	23	33	475

For the receivables > 90 days listed above, the Group carried out an individual credit assessment, which did not reveal any need for impairment.

IMPAIRMENT OF OTHER FINANCIAL ASSETS MEASURED AT AMORTISED COST

Other financial assets measured at amortised cost mainly relate to cash and cash equivalents, current financial assets as well as debt investments in the form of loans granted by the Group to third parties.

As explained in Note 6.14, the Group makes an individual assessment of the timing and amount of the impairment for these financial assets based on whether there is a reasonable expectation of recovery. The impairment account kept for these assets stood at EUR 626 thousand (previous year: EUR 434 thousand) at the end of the reporting year.

CURRENT FINANCIAL ASSETS

As at 31 December 2023, the Group had current financial assets of EUR 18,273 thousand (previous year: EUR 0 thousand). These are fixed-term deposit accounts with banks in the European Union with a term of more than three months at the time of investment. This amount therefore represents the maximum default risk regarding these assets. The Group has not recognised any impairment losses on these financial assets. The Group assumes that current financial assets in the form of fixed-term deposit accounts have an insignificant default risk.

CASH AND CASH EQUIVALENTS

As at 31 December 2023, the Group held cash and cash equivalents of EUR 62,282 thousand (previous year: EUR 90,486 thousand). This amount therefore represents the maximum default risk regarding these assets. The Group has not recognised any impairment losses on these financial assets. The Group assumes that its cash and cash equivalents have an insignificant default risk. Cash and cash equivalents are held at various banks or financial institutions throughout Germany, but also to a limited extent in other countries such as Belgium.

COLLATERAL RECEIVED

The Group received collateral for the sale of electricity by traders on the electricity exchanges (see Notes 6.1 A, 6.4). This collateral is mostly provided in the form of guarantees. At the end of the reporting period, such collateral amounted to EUR 2.5 million (previous year: EUR 2.7 million).

C. LIQUIDITY RISK

Liquidity risk means the risk that the Group is not able to meet its financial obligations on time and when due. There are no liquidity risks resulting from financial liabilities, as the Group had cash and cash equivalents of EUR 62,282 thousand (previous year: EUR 90,486 thousand) as well as current financial assets (fixed-term deposit accounts in the amount of EUR 18,273 thousand (previous year: EUR 0 thousand)) at the reporting date. Moreover, the solar assets in operation are expected with a great degree of certainty to generate cash flows that will suffice to pay interest and redeem loans and to settle financial liabilities when they fall due. Responsibility for liquidity risk management ultimately lies with the Management Board who has established an appropriate concept for the management of short-, medium- and long-term funding and liquidity requirements. The Group manages liquidity risks by maintaining adequate reserves and by constantly monitoring the forecast and actual cash flows as well as matching the maturity profiles of financial assets and liabilities.

IFRS 7 continues to require a maturity analysis for both derivative and non-derivative financial liabilities. The following maturity analysis shows the extent to which the undiscounted cash flows related to the liabilities as at 31 December 2023 (31 December 2022) affect the future liquidity situation of the Group.

SIGNIFICANCE OF LIQUIDITY RISK

The following table shows the remaining contractual maturities of the financial liabilities as at the reporting date, including estimated interest payments. It states the undiscounted gross amounts including the estimated interest payments, but before any off-sets.

31 December 2023

	Carrying amount	Nominal amount	Contractual cash flow			
in thousands of euro			**Total**	**< 1 year**	**< 5 years**	**> 5 years**
Secured bank loans incl. interest rate swaps	180,888	179,984	198,757	33,078	84,564	81,115
Unsecured bonds	29,095	29,087	31,018	854	22,950	7,214
Lease liabilities related to rental agreements	42,296	51,387	62,270	3,810	17,255	41,605
Other lease liabilities	8	10	11	1	-	10
Total	**252,287**	**260,468**	**292,056**	**37,743**	**124,769**	**129,944**

31 December 2022

	Carrying amount	Nominal amount	Contractual cash flow			
in thousands of euro			**Total**	**< 1 year**	**< 5 years**	**> 5 years**
Secured bank loans incl. interest rate swaps	188,721	187,842	245,694	29,539	140,893	75,262
Unsecured bonds	37,343	37,282	39,364	16,030	23,143	191
Lease liabilities related to rental agreements	39,049	39,782	50,181	4,564	12,597	33,020
Other lease liabilities	8	10	11	1	-	10
Total	**265,121**	**264,916**	**335,250**	**50,134**	**176,633**	**108,483**

The gross inflows and outflows stated in the above table are the undiscounted cash flows of financial liabilities and lease liabilities from interest rate swaps that are held for risk management purposes and usually not settled before the end of their contractual term.

As disclosed under Note 23, most of the Group's bank loans contain covenants. If these covenants were to be violated in the future, a loan might have to be paid back earlier than disclosed in the above table. This is limited to project financing and is generally without recourse to other Group companies (non-recourse).

The interest payments for variable-rate loans and bonds in the above table that are covered by interest rate swaps were recognised at a fixed interest rate. They reflect the market conditions for forward interest rates at the end of the financial year. These amounts may change as market interest rates change.

D. MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of the financial instruments it holds. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys and sells derivatives or enters into financial liabilities to manage market risks. All such transactions are carried out within the guidelines set by the risk management committee. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss. At the end of the reporting period, no risk concentrations were identified for Group companies.

CURRENCY RISK

The Company was not exposed to any significant currency risks, as the Group has only one Danish subsidiary, which does not carry out any independent operating activities, but can be classified as a holding company. The Danish subsidiary has no financial liabilities, and the liquidity risk is limited to current assets, except for cash and cash equivalents as these are denominated in euros. Moreover, the Danish subsidiary had no significant receivables from third parties for which the Group would have to bear the currency risk of the Danish krone against the euro.

INTEREST RATE RISK

The Group is mainly exposed to interest rate risk in connection with the financing of solar assets. Bank loans with variable interest rates, which are listed under Notes 20 and 23.2, result in an interest-related cash flow risk. Generally, these liabilities are hedged with interest rate swaps. The following table shows an overview of the interest rate swaps concluded by the Group:

in thousands of euro	Currency	Interest rate	Year of maturity	31.12.2023 Carrying amount	31.12.2022 Carrying amount
PWA Solarparks GmbH & Co. KG	EUR	2.00% vs. EURIBOR (3M)	2016–34	-	-21
7C Solarparken NV	EUR	3.35% vs. EURIBOR (3M)	2017–27	5	2
Solarpark Höttingen GmbH & Co. KG	EUR	1.30% vs. EURIBOR (3M)	2021–43	-77	-90
Energiepark SP Theilenhofen GmbH & Co. KG	EUR	1.50% vs. EURIBOR (3M)	2021–44	-66	-77
Amatec PV 37 GmbH & Co. KG	EUR	1.87% vs. EURIBOR (3M)	2009–24	1	1
BBS Solarpark Alpha GmbH & Co. KG	EUR	2.74% vs. EURIBOR (3M)	2021–27	-	-
Solardach Walternienburg GmbH & Co. KG	EUR	1.95% vs. EURIBOR (3M)	2021–29	-7	-
Total				**-144**	**-185**

Regarding the nominal amount of the bank loans hedged using interest rate swaps, please refer to Notes 20 and 23.2.

The reconciliation of interest rate swaps during financial year 2023 can be derived as follows:

in thousands of euro	Currency	Fair value 31 December 2023	Fair value 31 December 2022	Difference through profit or loss for the period	Difference in other comprehensive income
PWA Solarparks GmbH & Co. KG	EUR	**-**	21	-21	-
7C Solarparken NV	EUR	**-5**	-2	-3	-
Solarpark Höttingen GmbH & Co. KG	EUR	**77**	90	-	-13
Energiepark SP Theilenhofen GmbH & Co. KG	EUR	**66**	77	-	-11
Amatec PV 37 GmbH & Co. KG	EUR	**-1**	-1	-	-
BBS Solarpark Alpha GmbH & Co. KG	EUR	**-**	-	-	-
Solardach Walternienburg GmbH & Co. KG	EUR	**7**	-	-	7
Total		**144**	**185**	**-24**	**-17**

As at the reporting date, there were no bank loans with variable interest rates not hedged by interest rate swaps. 7C Solarparken NV (as legal successor of Swan Energy NV) has taken out a loan of EUR 636 thousand (previous year: EUR 826 thousand) with a variable interest rate, for which a pro rata interest rate swap of 75% of the loan volume was concluded. Consequently, there is an interest rate risk for the remaining loan amount of EUR 159 thousand (previous year: EUR 207 thousand).

The following table shows the effects of an assumed interest rate change of +/-100 basis points for a term of one year for variable-rate bank financing that is not hedged by interest rate swaps.

in thousands of euro	**31.12.2023**		**31.12.2022**	
Interest rate level	+100 basis points	-100 basis points	+100 basis points	-100 basis points
Bank financing with variable interest rates	220	-220	27	-27
Unsecured bonds with variable interest rates	-	-	30	-30
Effects on earnings of non-effective derivative financial instruments	8	-8	14	-14
Total	**2228**	**-228**	**70**	**-70**

To hedge interest rate risk, 7C Solarparken has entered into interest rate swaps. Pursuant to IFRS 7, interest rate risks are disclosed in sensitivity analyses. These analyses show the effects of changes in market interest rates on interest payments, interest income and expenses, other components of profit or loss and, where applicable, equity. The interest rate sensitivity analyses are based on the following underlying assumptions.

Changes in the market interest rate of non-derivative financial instruments with fixed interest rates only affect the profit or loss if these are measured at fair value. The fixed-interest financial instruments measured at amortised cost are not subject to interest rate risks within the meaning of IFRS 7.

Changes in the market interest rates of financial instruments designated as hedging instruments (interest rate swaps) for cash flows to hedge interest-related payment fluctuations affect the hedging reserve in equity and are therefore considered in the equity-related sensitivity analysis.

The following table shows the effect of assumed changes in interest rate of +/-100 basis points ceteris paribus for the effective portion of derivative financial instruments on equity:

in thousands of euro	**31.12.2023**		**31.12.2022**	
Interest rate level	+100 basis points	-100 basis points	+100 basis points	-100 basis points
Changes in equity from effective derivative financial instruments	297	-39	214	162

The effectiveness tests carried out at 31 December 2023 indicated an effectiveness in the range of 98% to 100% for all hedging relationships, which is within a range of 80% to 120%.

E. ELECTRICITY PRICE RISK

Generally, the Group receives income from the sale of electricity in Germany based on the feed-in tariffs for electricity from renewable energy sources in accordance with the German Renewable Energy Sources Act (EEG). Since 2012, the German government has been trying to integrate solar assets into the market by means of direct seller agreements (Direktvermarktung). Operators with assets commissioned before 2016 have the option of also offering their electricity on the European Energy Exchange (EEX), whereas operators of assets commissioned after 2016 are under an obligation to offer their electricity on the EEX.

In addition to the current EEX price, operators who sell electricity directly also receive a market premium amounting to the difference between the legally or contractually agreed feed-in tariff and the current price on the EEX plus EUR 4/MWh for those who participate voluntarily. Under the current law, the market premium cannot be negative, meaning that with higher electricity prices, particularly for assets that have a lower feed-in tariff than the electricity price, there is potential to generate additional revenue, while the feed-in tariff is the minimum. This results in high volatility, particularly for assets with a low feed-in tariff.

Nevertheless, renewable energy assets that went into operation after 1 January 2016 are also exposed to greater downward price risks, as the so-called six-hour rule (Section 24 EEG 2014), and four-hour rule (Section 51 (1) EEG 2021) applies to these assets. Prospectively, the minimum number of negative hours for the application of this rule will be reduced to one hour from the commissioning year 2027. As a result, the market premium (or the compensation payment pursuant to Redispatch 2.0) falls to zero as soon as the electricity price is negative for at least six or four consecutive hours (prospectively: at least one hour), which means that on days when the electricity price is negative for a longer period of time, the subsidies for the assets are reduced and the Group loses revenue.

However, the Group occasionally concludes electricity price swap agreements to hedge the electricity price risk; the purpose of these agreements is to fix an electricity price above the feed-in tariff. The contractual terms of the electricity price swap agreements concluded to date are shown in the table below.

	Swap agreement from April 2022	**Swap agreement from October 2023**	**Swap agreement from November 2023**
Contractual partner	European utility *	European utility *	European utility *
Output	93 MWp	110 MWp	22 MWp
Average feed-in tariff rate for the contractually agreed output**	57.9 EUR/MWh	57.3 EUR/MWh	58.7 EUR/MWh
Volume	Actual production of the affected asset portfolio in the period of the swap agreement		
Period	June 2022 to December 2023	January 2024 to December 2024	January 2023 to December 2025
Fixed electricity price	149.5 EUR/MWh	106 EUR/MWh	89 EUR/MWh
Variable (electricity) price	Maximum price between the EEX solar market value and the value to be applied (feed-in tariff rate)	Maximum price between the EEX solar market value and the value to be applied (feed-in tariff rate)	EPEX Spot Solar

* Not necessarily the same contractual partner **weighted according to output

Under a swap agreement, the Group receives from the contractual partner for the term of the swap agreement, either a fixed price less any positive difference between the feed-in tariff and the EEX electricity prices for PV instead of the EEX electricity price, or a fixed price instead of the EPEX spot price solar. The swap agreement covers the real output volumes of the solar assets.

The aim of the agreement is that the Group generates the fixed price for the real output of its solar assets over the term of the swap agreement, irrespective of the EEX electricity prices for PV.

Derivatives are initially and subsequently measured at fair value (see Note 6.12 E), and changes therein are generally recognised in profit or loss.

The Group, however, classifies the swap agreements concluded to hedge against price swings as a derivative which is used to hedge against fluctuations in cash flow resulting from highly probable forecast transactions that arise from changes in electricity prices.

At the inception of each swap agreement, the Group documented the risk management objective and strategy for undertaking the hedge. The Group also documented the economic relationship between the hedged item and the hedging instrument, and the Group expects the changes in cash flows of the hedged item and hedging instrument to offset each other.

Therefore, the swap agreements were classified as derivatives, i.e. as a cash flow hedging instrument, and the effective portion of changes in the fair value is recognised in other comprehensive income and accumulated in the hedging reserve. This portion is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve are reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. The hedging reserve and the cost of hedging reserve are consistently grouped and presented in other comprehensive income from hedging relationships in the equity item.

If the hedge in the form of a swap agreement no longer meets the criteria for hedge accounting, or if the hedging instrument expires, is sold, terminated, or exercised, then this hedge accounting is discontinued prospectively.

Once accounting for the swap agreement is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods in which the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been recognised in other comprehensive income from hedging relationships and the cost of hedging reserve are immediately reclassified to profit or loss.

As at the reporting date, the following derivative receivables (+)/liabilities (-) under the swap agreement were recognised for the first time:

in thousands of euro	Currency	Swap	Year of maturity	31.12.2023 Carrying amount	31.12.2022 Carrying amount
Electricity price swap agreement from April 2022	EUR	Fixed price vs. EEX electricity price for PV *	2022–2023	-	-1,199
Electricity price swap agreement from October 2023	EUR	Fixed price vs. EEX electricity price for PV*	2023–2024	3,752	-
Electricity price swap agreement from November 2023	EUR	Fixed price vs. EPEX Spot PV on EEX	2023–2025	646	-
Total				**4,398**	**-1,199**

** Less any positive difference between the feed-in tariff and the EEX electricity prices for PV.*

The following assumptions and estimates were made as at the reporting date to account for the fair value of the swap agreement.

For the Swap agreement from October 2023:

The average forward electricity price in the period 1 January 2024 to 31 December 2024 of 77.9 EUR/MWh and an estimated specific output of 1,000 kWh/kWp for one financial year spread over the hedged months based on empirical data.

Electricity price swap agreement from November 2023:

The average forward electricity price in the period 1 January 2024 to 31 December 2025 of 80.4 EUR/MWh and an estimated specific output of 972 kWh/kWp for one financial year spread over the hedged months based on empirical data.

The following table shows the effects on other comprehensive income as at the reporting date of a change in forward electricity prices by +/-10 EUR/MWh for the remaining term of each individual swap agreement:

For the Swap agreement from October 2023:

in thousands of euro Change in other comprehensive income if forward electricity price changes by:	**31.12.2023** +10 EUR/MWh	 -10 EUR/MWh
Other comprehensive income from swap agreement designated as hedge accounting, before tax	-970	+970
Deferred tax on other comprehensive income from swap agreement designated as hedge accounting	279	-279
Other comprehensive income from swap agreement designated as hedge accounting, net of tax	**-691**	**+691**

For the Swap agreement from November 2023:

in thousands of euro Change in other comprehensive income if forward electricity price changes by:	**31.12.2023** +10 EUR/MWh	 -10 EUR/MWh
Other comprehensive income from swap agreement designated as hedge accounting, before tax	-369	+442
Deferred tax on other comprehensive income from swap agreement designated as hedge accounting	106	-127
Other comprehensive income from swap agreement designated as hedge accounting, net of tax	**-263**	**+315**

27. LEASES

For accounting policies, please refer to Note 6.16.

27.1. LEASES AS A LESSEE

The Group has short-term leases and leases that only contain variable payments, which are not capitalised. This concerns a rented office space with a term of less than three months as well as various lease or rental agreements for which the lease payments depend on the revenue generated or the output generated by equipment operated on this real estate. These lease or rental agreements do not require a minimum lease payment. The variable lease payments under these lease or rental agreements are recognised in profit or loss under other operating expenses. The payments are variable because the contracts have a component according to which a part of the lease payments depends on the revenue generated with the solar asset on the piece of land.

Total cash outflow from recognised leases amounted to EUR 3,602 thousand in the financial year (previous year: EUR 2,067 thousand). Cash outflow from leases not recognised in the statement financial position amounted to EUR 179 thousand in the financial year (previous year: EUR 740 thousand).

27.2 LEASES AS A LESSOR

The Group also owns some land and buildings, some of which are rented out on a long-term basis in addition to its own use. This usually relates to operating leases with a term of more than 20 years for the rental of open space for the operation of photovoltaic systems as well as office space rented out in the short to medium term (up to five years).

A. FUTURE MINIMUM LEASE PAYMENTS

As at 31 December 2023, the following future minimum lease payments are outstanding under non-cancellable leases:

in thousands of euro	**2023**
2024	98
2025	96
2026	96
2027	96
2028	96
More than five years	332
Total	**814**

As at 31 December 2022, the following future minimum lease payments are outstanding under non-cancellable leases:

in thousands of euro	2022
2023	140
2024	131
2025	98
2026	96
2027	96
More than five years	428
Total	**989**

B. AMOUNTS RECOGNISED IN PROFIT OR LOSS

In 2023, rental income from properties in the amount of EUR 201 thousand (previous year: EUR 162 thousand) was recognised in revenue:

in thousands of euro	2023	2022
Properties from which rental income is generated	201	162
Total	**201**	**162**

28. CONTINGENT LIABILITIES

The Group has construction obligations from investment grant procedures. A bank guarantee in the amount of EUR 39 thousand (previous year: EUR 39 thousand) has been deposited for this purpose, and the corresponding probability of utilisation is less than 50%, but not improbable.

29. RELATED PARTIES

29.1. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

A. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation comprised the following:

in thousands of euro	2023	2022
Short-term employee benefits	625	527
Total	**625**	**527**

The compensation of the existing members of the Group's Management Board for their functions within the Group (direct and indirect) amounted to EUR 625 thousand in financial year 2023 (previous year: EUR 527 thousand).

B. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

On the date of publication, the members of the Management Board control 2.2% of the voting shares of the Company.

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows:

in thousands of euro	**Transaction values**		**Balance outstanding at 31 December**	
Transaction	**2023**	**2022**	**2023**	**2022**
Services*(*)*	1	1	-	-
External services*(**)*	69	67	-	-

(*) The Group renders accounting services to a company owned by a member of the Management Board.

(**) One member of the Management Board indirectly provided the Group with an employee through his company in the current financial year. This transaction was recognised as external services in operating expenses and presented in this table. The provision of staff is paid for at market rates.

C. TRANSACTIONS WITH MEMBERS OF THE SUPERVISORY BOARD

There were no transactions or outstanding balances related to members of the Supervisory Board and entities over which they have control or significant influence in the current or previous reporting period.

D. TRANSACTIONS WITH INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

in thousands of euro	**Viriflux BV**	**Zweite Solarpark Nowgorod GmbH & Co. KG**
Sale of services	1	3
Other operating income	-	-

E. TRANSACTIONS WITH OTHER RELATED PARTIES

There were no transactions with other related parties in the reporting period.

30. SUBSEQUENT EVENTS

A. SHARE BUYBACK PROGRAM 2023

On 27 November, the Management Board of 7C Solarparken resolved, with the approval of the Company's Supervisory Board, to carry out a buyback of up to 1,666,666 own shares via the stock exchange at a total purchase price (excluding incidental acquisition costs) of up to EUR 6.0 million. The share buyback is being carried out on the basis of the authorisation granted by the Company's Annual General Meeting on 17 July 2020.

The share buybacks were to be carried out at a maximum price level of EUR 3.60 per share. The buyback programme began on 28 November 2023 and was scheduled to end on 28 February 2024. On this day, however, the Management Board extended the share buyback programme until the end of 29 March 2024 with the approval of the Supervisory Board. At the same time, the maximum price level was reduced to EUR 3.30 per share from 28 February.

On 19 March 2024, the Group announced the successful and early termination of the 2023 share buyback programme. A total of 1,666,666 shares were acquired in the total share buyback period from 28 November 2023 up to and including 19 March 2024. This is equivalent to 2.0% of the share capital. The rounded purchase price paid on the stock exchange averaged EUR 3.39 per share. Shares were repurchased for a total consideration of EUR 5,648,826.07 (excluding incidental acquisition costs).

31. DISCLOSURES PURSUANT TO SECTION 315A GERMAN COMMERCIAL CODE (HGB)

31.1. AUDITOR'S FEE

in thousands of euro	2023	2022
Audit of the financial statements	206	199
Other assurance services	4	9
Other services	0	9
Total	**210**	**217**

The auditor's fee for the audit of financial statements in the financial year amounted to EUR 206 thousand as at 31 December 2023 (previous year: EUR 199 thousand). In addition to the fee for the audit of financial statements, auditor's fees for other assurance services of EUR 4 thousand (previous year: EUR 9 thousand) were recognised.

31.2. CORPORATE GOVERNANCE

The declaration of compliance with the German Corporate Governance Code pursuant to section 161 German Stock Corporation Act (AktG) was submitted and made permanently available to shareholders on the corporate website (https://www.solarparken.com/en/entsprechenserklaerung.php). For more detailed information, please refer to the Corporate Governance Report in the Annual Report.

31.3. EMPLOYEES

The Group had an average of 23 employees in financial year 2023 (previous year: 24). As at 31 December 2023, the Group had 19 employees (previous year: 23).

32. NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

7C Solarparken applies the principles of the framework and all IFRSs issued by the International Accounting Standards Board (IASB) as endorsed by the EU and mandatory as at the reporting date 31 December 2023 as well as the mandatory Interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC).

32.1. APPLIED FOR THE FIRST TIME IN THE FINANCIAL YEAR

The following new standards and interpretations or amendments to existing standards and interpretations were applicable for the first time in financial year 2023:

Standard (published on)	Applicable for financial years beginning on or after	Content and significance	Effects
IAS 1	1 January 2023	Classification of Liabilities as Current or Non-current	insignificant
IFRS 17	1 January 2023	IFRS 17 *Insurance Contracts*	insignificant
IAS 8	1 January 2023	Definition of Accounting Estimates	insignificant
IAS 12	1 January 2023	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	insignificant

The changes had no significant impact on the presentation of the financial position, net assets and results of operations in these consolidated financial statements.

32.2. NOT YET APPLIED IN THE FINANCIAL YEAR

The IASB has issued the following new or amended standards that are relevant from today's perspective. However, as these standards are not yet mandatory or have not yet been endorsed by the EU, 7C Solarparken has not applied these standards in its consolidated financial statements as at 31 December 2023. The new or amended standards are applicable for annual reporting periods beginning on or after the respective effective date. They are not usually applied prematurely, even if some individual standards permit early application.

Standard (published on)	Applicable for financial years beginning on or after	Content and significance
IAS 1	1 January 2024	Non-current liabilities with covenants Classification of liabilities as current and non-current liabilities
IFRS 16	1 January 2024	Lease liabilities from a sale and lease-back transaction
IAS 7 & IFRS 17	1 January 2024	Supplier finance arrangements
IAS 21	1 January 2025	Lack of exchangeability

Group

33. LIST OF ABBREVIATIONS AND DEFINITIONS

EPC	EPC is the abbreviation of Engineering, Procurement and Construction and refers to the subject matter of a sales contract or a contract for work and services (Kauf- oder Werkvertrag) covering the design, component procurement and construction of a solar asset.
O&M	Operating and maintenance
COLEXON	The listed Group or the Company, respectively, before it was taken over on 9 September 2014
Feed-in tariff	The remuneration paid for electricity that is fed into the grid
Direct seller (Direktvermarktung)	Sale of electricity on the European Energy Exchange (EEX)
EEG	The German Renewable Energy Sources Act as amended, for instance EEG 2017
GW	Gigawatts
GWp	Gigawatts-peak
Member of Management	The members of the Management Board themselves as well as the companies controlled by them or involved in management.
MWp	Megawatts-peak
kWp	Kilowatts-peak
AktG	German Stock Corporation Act
HGB	German Commercial Code
IFRS	International Financial Reporting Standards
PV asset	Photovoltaic installation
PV estate	Acquisition of real estate that is used (partly) for generating solar electricity.

34. CORPORATE BODIES

A. MEMBERS OF THE MANAGEMENT BOARD

Steven De Proost	
CEO	since 1 June 2014
Place of residence	Betekom, Belgium
Academic degree	Business Engineer

Koen Boriau	
CFO	since 28 May 2014
Place of residence	Antwerp, Belgium
Academic degree	Master of Applied Economics

B. MEMBERS OF THE SUPERVISORY BOARD

Joris De Meester	
Member	since 15 February 2013
Chairperson	since 15 July 2016
Deputy Chairperson	until 15 July 2016
Occupation	Managing Director of OakInvest BV, Antwerp, Belgium

Seats on supervisory boards and similar supervisory bodies within the meaning of section 285 no. 10 HGB:

- Director, HeatConvert U.A., Goor, Netherlands
- Director, PE Event Logistics Invest NV, Leuven, Belgium
- Director, Family Backed Real Estate NV, Antwerp, Belgium
- Director, Sebiog-Invest BV, Brecht, Antwerp, Belgium
- Director, JPJ Invest NV, Sint-Martens-Latem, Belgium
- Director, NPG Bocholt NV, Bocholt, Belgium
- Director, Biopower Tongeren NV, Tongeren, Belgium
- Director, Sebiog Group NV, Bocholt, Belgium
- Director, Agrogas BV, Geel, Belgium

Bridget Woods	
Member	since 17 December 2015
Deputy Chairperson	since 15 July 2016
Occupation	Management Consultant

Seats on supervisory boards and similar supervisory bodies within the meaning of section 285 no. 10 HGB:

- Director, Quintel Intelligence Ltd., London, Great Britain
- Director, Quintel Advisory Services Ltd., London, Great Britain

Paul Decraemer	
Member	since 14 July 2017
Occupation	Managing Director Paul Decraemer BV, Lochristi, Belgium
	CFO Inbiose NV, Zwijnaarde, Belgium
Seats on supervisory boards and similar supervisory bodies within the meaning of section 285 no. 10 HGB:	
- Director, Seelution AB, Gothenburg, Sweden	
- Director, ABO-Group Environment NV, Ghent, Belgium	

Paul De Fauw	
Member	since 17 July 2020
Occupation	Managing Director Defada BV, Bruges, Belgium
	CEO Vlaamse Energieholding BV, Torhout, Belgium
Seats on supervisory boards and similar supervisory bodies within the meaning of section 285 no. 10 HGB:	
- Chairman of the Administrative Board, Luminus NV, Brussels/Belgium	
- Director, Northwind NV, Brussels, Belgium	
- Director, Publipart NV, Brussels, Belgium	
- Director, Publi-T NV, Brussels, Belgium	
- Director, V.L.E.E.M.O. NV, Antwerp, Belgium	
- Director, V.L.E.E.M.O. II NV, Antwerp, Belgium	
- Director, V.L.E.E.M.O. III NV, Antwerp, Belgium	

Bayreuth, 27 March 2024

Steven De Proost
Chief Executive Officer (CEO)

Koen Boriau
Chief Financial Officer (CFO)

FURTHER DISCLOSURES

RESPONSIBILITY STATEMENT

"We assure that the financial statements or consolidated financial statements give, to the best of our knowledge, and in accordance with the applicable accounting principles, a true and fair view of the net assets, financial position and results of operation of the Group, and that the combined management report includes an accurate review of the business development, performance and overall position of the Group, together with a description of the main opportunities and risks associated with the outlook of the Group."

Bayreuth, 27 March 2024

Steven De Proost	Koen Boriau
Chief Executive Officer (CEO)	Chief Financial Officer (CFO)

AUDITOR'S OPINION

To 7C Solarparken AG, Bayreuth

NOTE ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

Audit opinions

We have audited 7C Solarparken AG's and it subsidiaries' (the Group) consolidated financial statements, comprising the consolidated balance sheet as of December 31, 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash-flow statement for the fiscal year from January 1, 2023 through December 31, 2023, as well as the notes to the consolidated financial statements, including a summary of significant accounting methods. In addition, we have audited 7C Solarparken AG's combined management report for the fiscal year from January 1, 2023 through December 31, 2023. In accordance with German legal requirements, we have not audited the content of the "Corporate Governance Statement pursuant to Art. 315d and 289f HGB (German Commercial Code)" referred to in the section "Other legal disclosures" of the combined management report, nor the disclosures in the section "Risk management and internal control system".

According to our assessment based on our audit's findings

- the attached consolidated financial statements comply, in all material respects, with IFRS as applicable in the EU and the supplementary German legal requirements applicable pursuant to Art. 315e (1) HGB and provide, by taking into account these requirements, a true and fair view of the Group's assets and financial position as of December 31, 2023 and of its profit situation for the fiscal year from January 1 through December 31, 2023; and

- the attached combined management report as a whole provides a true and fair view of the Group's position. In all material respects, this management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of the Group's future development. Our audit opinion on the combined management report does not cover the content of the aforementioned corporate governance statement and the disclosures in the section "Risk management and internal control system" in the combined management report.

Pursuant to Art. 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the consolidated financial statements' and the combined management report's legal compliance.

Basis for our audit opinions

We have conducted our audit of the consolidated financial statements and of the combined management report in accordance with Art. 317 HGB and the EU Audit Regulation (No. 537/2014, hereinafter referred to as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as issued by the German Institute of Certified Public Accountants (*Institut der Wirtschaftsprüfer*; "IDW"). Our responsibilities pursuant to these requirements and principles are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report" in our audit certificate. We are independent from the Company in accordance with the requirements pursuant to

European law as well as German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Furthermore, we declare in accordance with Article 10 Sec. 2 lit. f) of the EU Audit Regulation that we have not provided any non-audit services prohibited pursuant to Article 5 Sec. 1 of the EU Audit Regulation. We believe the audit evidence we have obtained is sufficient and appropriate in order to provide a basis for our audit opinions expressed on the consolidated financial statements and on the combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from January 1, 2023 through December 31, 2023. These matters have been taken into account in connection with our audit of the consolidated financial statements as a whole, and in forming our audit opinion related herewith; we do not express a separate audit opinion on such matters.

From our perspective, the following matters were of most significance during our audit:

- Solar parks' recoverability
- Recognition of the option bond

We have structured our presentation of these key audit matters as follows:

1) Facts and problem

2) Audit approach and findings

3) Reference to further information

In the following, we present the audit matters that we consider to be of particular importance:

A. Solar parks' recoverability

1.)

In the consolidated financial statements of 7C Solarparken, solar parks in the amount of KEUR 366,271(64.9 % of the consolidated balance sheet total) are reported under the balance sheet item “Tangible assets”. Solar parks are depreciated annually according to schedule over their expected useful life and are also subjected to an impairment test in the case of a triggering event. Especially the development of the operating business, which is measured via the so-called “EBITDA yield” (EBITDA per solar park/book value per solar park), is particularly relevant for a triggering event (impairment indicator). If the EBITDA Yield falls below a fixed reference value determined by 7C Solarparken, a detailed impairment test is performed for the solar park concerned. The value in use of the respective plant is determined and compared with the carrying amount of the cash-generating unit to which the solar park in question is allocated. In particular, the output volume of the plant, the solar irradiation and the legally guaranteed feed-in tariff are taken into account. Discounting is carried out using the average weighted cost of capital. The result of this valuation is highly dependent on the assumptions of the individual valuation parameters. The valuation is therefore subject to significant uncertainties. In view of the fact that the solar parks account for the majority of the balance sheet total and that, in addition, impairment is likely to affect the Group’s net assets and profit situation, this is a key audit matter.

2.)

In our audit, we first assessed the methodological approach for identifying an indication of impairment (triggering event) with regard to its suitability for identifying a triggering event for impairment. We also assessed the plausibility of the underlying parameters and reference values for identifying an indication of impairment (determination of the impairment indicator "EBITDA Yield”). We also checked whether the data contained in the underlying calculations are consistent and conclusions are derived logically. For assets for which an indication of impairment was identified and as a result of which an impairment test was performed, we then checked the plausibility of the parameters for determining the value in use, verified the result mathematically and tested conformity with IAS 36 Impairment of Assets. For those assets for which an impairment loss had to be recognized on the basis of the test performed, we examined whether the impairment determined was correctly reflected in the consolidated financial statements. We came to the conclusion that the method used to determine the impairment indicator is appropriate, the valuation parameters and assumptions used by the legal representatives are plausible, the values in use were derived appropriately and identified impairments were recognized correctly in the consolidated financial statements.

3.)

The Group’s disclosures on tangible assets are included in the notes to the consolidated financial statements in the section “Significant accounting methods”, subsection “6.14 Impairments” and “Notes to the balance sheet”, subsection “17.1 Tangible assets”.

B. Recognition of the option bond

1.)

In the financial year, 7C Solarparken AG issued a option bond with a total nominal amount of EUR 6,916,800.00, divided into 69,168 bearer bonds with equal rights and a nominal amount of EUR 100.00 each, each with 50 detached options. Each option entitled the holder to subscribe to one share in 7C Solarparken AG with a pro rata 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 option bond was issued at a fixed interest rate of 2.5 % with a final maturity date of May 30, 2028 and has a credit volume of EUR 6,916,800. The aforementioned exercise price is fixed and is not subject to any contractual adjustment (fixed-for-fixed), which is why the option bond is a compound financial instrument consisting of a debt component and an equity component. The liability component is initially measured at fair value. The initial measurement of the equity component results from the difference between the fair value of the entire financial instrument (issue amount) and the fair value of the debt instrument. The risk for the consolidated financial statements is that the calculated fair value of the debt component does not correspond to the fair value taking into account a market interest rate with a matching risk and term, and that both the debt component and the equity component are therefore reported incorrectly. In our view, this is a complex accounting matter which was of particular significance for the audit.

2.)

Within the scope of our audit, we assessed the bond and option terms and conditions with regard to their recognition in the balance sheet in terms of their substance and amount. In particular, we examined the recognition criteria for a compound financial instrument. We also examined the determination of the debt component’s fair value with regard to the plausibility of the assumptions made and for mathematical accuracy. In particular, we checked the plausibility of the underlying interest rate and the underlying cash flows. Furthermore, we examined whether the transaction costs in connection with the issue of the instrument were allocated correctly between the debt and equity components. We also examined whether the disclosures in the notes in connection with the option bond are complete and correct. We consider the option bond's recognition and the disclosures in the notes to be appropriate.

3.)

The Group's disclosures on the option bond are included in the notes to the consolidated financial statements in the sections "21.2. A Capital reserve", "23.4. Unsecured bonds", and "26. 2. Determination of fair values".

Other information

The legal representatives and the supervisory board are responsible for other information. Other information comprises:

the Management Board's report,

the Supervisory Board's report,

the corporate governance statement published on the website in accordance with Art. 315d, 289f HGB including the statement on the German Corporate Governance Code,

the information contained in the section "Risk management and internal control system" in the combined management report, and

the responsibility statement provided by the legal representatives.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover other information, and consequently we do not express an audit opinion or any other form of audit conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, to assess whether the other information

is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained during the audit; or

otherwise seems to have been materially misstated.

Responsibilities of the legal representatives and the supervisory board for the consolidated financial statements and the combined management report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as applicable in the EU and the supplementary German legal requirements applicable pursuant to Art. 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, provide a true and fair view of the Group's net assets, financial position, and profit situation. Furthermore, the legal representatives are responsible for such internal controls they have determined as being necessary in order to provide for the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud (i.e., manipulation of accounting and property damage) or error.

When preparing the consolidated financial statements, the legal representatives are responsible to assess the Group's ability to continue as a going concern. They also have the responsibility to disclose, as applicable, matters related to the continuation as a going concern. Furthermore, they are responsible for financial reporting based on the going concern principle unless there is an intention to liquidate the Group or to discontinue business operations or if there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the combined management report that, as a whole, provides a true and fair view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of the Group's future development. Furthermore, the legal representatives are responsible for such precautions and measures (systems) they have deemed necessary in order to provide for the preparation of a combined management report that is in accordance with applicable German legal requirements, and in order to provide sufficiently appropriate evidence for the statements contained in the combined management report.

The supervisory board is responsible for monitoring the Group's financial reporting process for the preparation of the consolidated financial statements and the combined management report.

Auditor's responsibilities for the audit of the consolidated financial statements and the combined management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from any material misstatements, whether due to fraud or error, and whether the combined management report as a whole presents a true and fair view of the Group's position and is, in all material respects, consistent with the consolidated financial statements and the knowledge obtained during our audit, complies with German legal requirements and appropriately presents the opportunities and risks of the Group's future development, as well as to issue an audit certificate that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Art. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for the Audit of Financial Statements as issued by the IDW will always detect any material misstatement. Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the combined management report.

We exercise professional judgment and maintain professional skepticism throughout the entire audit. We also:

- identify and assess the risks of material misstatements in the consolidated financial statements and the management report, whether due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting any material misstatements resulting from fraud is higher than the risk of not detecting any material misstatements resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;

- obtain an understanding of the internal control system relevant for the audit of the consolidated financial statements and of precautions and measures relevant for the audit of the combined management report in order to plan audit procedures being appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems;

- evaluate the appropriateness of accounting methods applied by the legal representatives and the reasonableness of estimates made by the legal representatives as well as the related disclosures;

- draw conclusions on the appropriateness of the going concern principle applied by the legal representatives and, based on the audit evidence obtained, whether there is a material uncertainty in connection with events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a material uncertainty, we are required to draw attention in the audit certificate to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit certificate. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements provide, by taking into account IFRS as applicable in the EU and the supplementary German legal requirements applicable pursuant to Art. 315e (1) HGB, a true and fair view of the Group's assets, liabilities, financial position and profit situation;

- obtain sufficiently appropriate audit evidence regarding the financial information of the entities or business activities within the Group in order to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions;

- evaluate the combined management report's consistency with the consolidated financial statements, its conformity with German law, and its presentation of the Group's position;

- perform audit procedures in connection with the prospective information presented by the legal representatives in the combined management report. On the basis of sufficiently appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the underlying assumptions. There is a substantial unavoidable risk that future events will differ significantly from the prospective information.

We discuss with the supervisors, inter alia, the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system we identify during our audit.

We also provide the supervisors with a declaration that we have complied with the relevant independence requirements and discuss with them all relationships and other circumstances that may reasonably be expected to affect our independence as well as the related measures taken in order to eliminate any risks to our independence or protective measures taken in this regard, if applicable.

From the circumstances discussed with the supervisors, we determine those matters that were of most significance during the audit of the consolidated financial statements for the current reporting period and therefore constitute key audit matters. We describe these circumstances in our auditor’s certificate unless the circumstance’s public disclosure should be precluded by any law or other regulation.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Note on the audit of the electronic reproductions of the consolidated financial statements and the combined management report prepared for the purposes of disclosure pursuant to Art. 317 (3a) HGB

Audit opinion

Pursuant to Art. 317 Sec. 3a HGB, we have performed an audit in order to determine with reasonable assurance whether the reproductions of the consolidated financial statements and the combined management report (hereinafter also referred to as the "ESEF documents") contained in the attached file “7C_Konzern_2023” and prepared for disclosure purposes comply in all material respects with the requirements pursuant to Art. 328 (1) HGB regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, such audit extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the aforementioned file.

According to our assessment, the reproductions of the consolidated financial statements and the combined management report contained in the aforementioned attached file and prepared for disclosure purposes comply, in all material respects, with the electronic reporting format requirements pursuant to Art. 328 (1) HGB. We do not express an audit opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file beyond the scope of this audit opinion and our audit opinions on the attached consolidated financial statements and the attached combined management report for the fiscal year from January 1, 2023 to December 31, 2023 contained in the preceding "Report on the audit of the consolidated financial statements and the combined management report".

Basis for our audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the combined management report contained in the above-mentioned attached file in accordance with Art. 317 (3a) HGB and in compliance with the IDW Auditing Standard: Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Art. 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility in accordance with such standard is further described in the section “Group auditor’s Responsibility for the Audit of the ESEF Documents". Our auditing practice complies with the quality assurance system requirements of the IDW Quality Assurance Standard: Requirements to Quality Assurance in Auditing Practice (IDW QMS 1).

Legal representatives’ and Supervisory Board’s responsibilities for the ESEF documents

The Company's legal representatives are responsible for the preparation of the ESEF documents containing the electronic reproductions of the consolidated financial statements and the combined management report in accordance with Art. 328 (1) sentence 4 no. 1 HGB and for the certification of the consolidated financial statements in accordance with Art. 328 (1) sentence 4 no. 2 HGB.

Furthermore, the legal representatives are responsible for such internal controls they have deemed necessary in order to enable the preparation of the ESEF documents that are free from any material non-compliance, whether due to fraud or error, with the provisions pursuant to Art. 328 (1) HGB regarding the electronic reporting format.

The supervisory board is responsible for monitoring the preparation of the ESEF documents as part of the reporting process.

Group auditor's responsibilities for the audit of the ESEF documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from any material non-compliance, whether due to fraud or error, with the requirements pursuant to Art. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the entire audit. We also:

- identify and assess the risks of material non-compliance with the requirements pursuant to Art. 328 (1) HGB, whether due to fraud or error, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion;
- obtain an understanding of the internal controls relevant for the audit of the ESEF documents in order to plan audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls;
- assess the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815 as amended at the reporting date regarding the technical specification for this file;
- assess whether the ESEF documents allow a consistent XHTML reproduction of the audited consolidated financial statements and the audited combined management report.
- assess whether the markup of ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 as amended at the reporting date provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

Other information pursuant to Article 10 EU Audit Regulation

We were elected as group auditors by the annual general meeting on June 12, 2023. We were engaged by the supervisory board on November 17, 2023. We have served as 7C Solarparken AG's group auditors without interruption since the fiscal year 2015.

We declare that the audit opinions contained in this audit certificate are consistent with the additional report to the audit committee pursuant to Article 11 EU Audit Regulation (audit report).

We have provided the following services which have not been disclosed in the consolidated financial statements or in the combined management report in addition to the financial statement audit for the group companies:

In the fiscal year 2023, we have provided other assurance services to 7C Solarparken AG regarding compliance with the governance agreed with the promissory note issuers. These have no impact on the audited financial statements. The supervisory board approved all non-audit services provided.

OTHER FACTS – USE OF THE AUDIT CERTIFICATE

Our audit certificate must always be read in conjunction with the audited consolidated financial statements and the audited management report as well as the audited ESEF documents. The consolidated financial statements and the combined management report converted into ESEF format – also the versions to be disclosed in the business register – are mere electronic reproductions of the audited consolidated financial statements and of the audited combined management report and do not replace them. In particular, the ESEF note and our audit opinion contained therein must only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Ms. Alexandra Dittus.

Nuremberg, March 27, 2024

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Gloth
German CPA

Dittus
German CPA

DISCLAIMER

This report contains forward-looking statements that are based on the expectations and current assumptions and estimates of the Management Board of 7C Solarparken AG. Such forward-looking information is subject to risks and uncertainties. Many factors that are as yet unforeseeable may cause the actual performance and results of 7C Solarparken AG or the Group to differ considerably from such expectations. Such potential factors include the failure of the market to accept newly launched products or services, changes in the general macroeconomic and microeconomic environment, the failure to meet efficiency or cost savings targets or changes in the business strategy. The Management Board is convinced that the expectations underlying these forward-looking statements are well-founded and realistic. Should, however, any of the aforementioned or other unforeseen risks materialise, 7C Solarparken AG can provide no guarantee that these expectations will turn out to be accurate.