PRESS RELEASE

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SOLAS CAPITAL MAKES NEW INVESTMENT UNDER EUR 33M FINANCING PARTNERSHIP WITH ENCORE EFFICIENCY, SUPPORTING INDUSTRIAL DECARBONISATION IN GERMANY

31 AUGUST 2026

- **New transaction under Solas' existing EUR 33 million facility with ENCORE to deliver heat, power and cooling optimisation for German automotive supplier manufacturer**
- **Investors benefit from fixed, contracted cash flows from EU-Taxonomy eligible energy efficiency infrastructure, backed by global automotive technology provider**
- **Expected to save over 600 tCO_2 annually for the manufacturing facility, supporting the group's climate goals**
- **Latest of more than 20 industrial projects financed under ENCORE partnership, extending Solas' efforts to build long-term partnerships to scale industrial decarbonisation**

Solas Capital AG has signed a new transaction with ENCORE Efficiency, a German energy efficiency specialist, to finance a combined heat, power and cooling solution for a German subsidiary of a global automotive technology leader, with over 100 years of experience in seating and electronic systems.

The investment replaces the ageing oil- and gas-fired boilers and compression chillers with a combined heat and power (CHP) plant paired with an absorption chiller. The CHP units generate electricity for the facility's self-supply while recovering heat to meet its heating needs; the absorption chiller then converts a share of that heat into cooling for chilled water and refrigeration. This allows a single energy input to deliver electricity, heat and cooling simultaneously, reducing the factory's reliance on grid electricity and external fuel supply while improving the facility's overall energy efficiency.

Considered EU-Taxonomy eligible, the investment will deliver energy savings of 17'000 MWh across the 5-year investment period, amounting to fuel cost savings of approximately EUR 1.5 million for the customer. Germany is targeting significant emissions reductions towards 2045, in line with EU climate policy and regulation. With the industrial sector accounting for 22% of the country's total emissions, Solas Capital – together with ENCORE's expertise in industrial energy efficiency – is contributing to sector-wide reductions while reducing industrial reliance on external energy supply, a key priority for German competitiveness and energy security.

This transaction is the latest in a long-standing partnership between Solas Capital and ENCORE, which has financed more than 20 sizeable industrial energy efficiency projects under a 33 million framework agreement since 2023. Through our expertise in unlocking and scaling financing for behind-the-meter and energy efficiency projects, Solas Capital is accelerating the decarbonisation of European industry. This transaction adds to a portfolio of more than 4,700 financed projects across nine European countries, delivering more than 4,300 GWh in energy reductions and EUR 430 million in energy cost savings for European businesses, households and public sector.

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Slawomir Huss

Partner & Head of Investment Team, Solas Capital AG

"Our partnership with ENCORE has grown steadily since 2023, and this transaction shows how that relationship continues to scale into new sectors and clients. ENCORE's ability to combine heat, power and cooling into a single efficiency solution makes them a strong partner for industrial decarbonisation in Germany, and we're pleased to keep building on this track record together."

Peter Eilers

Managing Director, ENCORE Efficiency SE

“We deeply value our long-standing partnership with Solas Capital . We are seeing enormous demand in the market for industrial decarbonisation projects, as companies urgently look for ways to sustainably reduce energy costs and CO_2 emissions. Solas Capital´s financing offer provides considerable value to us and our customers, as it combines exceptionally well with our model of refinancing efficiency projects through guaranteed cost savings.

Together, we can provide industrial customers with the financial resources they urgently need."

Sebastian Carneiro

CEO, Solas Capital AG

"Our energy efficiency projects provide our investors long-term, contracted cash flows , while directly supporting the industrial energy transition. Transactions of this kind are a core part of how we build diversified, resilient portfolios for our investors, and we expect to see continued demand as European industry looks to cut both costs and emissions.“

ABOUT THE PARTNERS

About Solas Capital AG

Solas Capital is the European specialist in building and industrial decarbonisation energy infrastructure investments. We address a crucial pillar of the energy transition – energy efficiency and behind-the-meter projects – by providing tailor-made project finance solutions to energy service companies. Our asset-backed private credit strategy provides fixed-income-type returns and portfolio diversification to institutional investors alongside measurable climate impact and energy security. Based in Zurich with offices in Munich and Dublin, Solas Capital is the investment advisor to the Solas Sustainable Energy Fund ICAV with cornerstone investors including the European Investment Bank (EIB), Munich Re Group, and Ireland Strategic Investment Fund (ISIF). The fund is further supported by an EU Credit Loss Guarantee.

For more information, please visit: www.solas.capital

About ENCORE Efficiency SE

ENCORE Efficiency is a German company providing end-to-end energy efficiency solutions for industrial and commercial clients, guaranteeing energy savings and CO_2 reductions. Headquartered in Osnabrück, Germany, its professionals identify, analyse, plan, construct and finance efficiency measures, monitor performance during operation and guarantee customers the expected efficiency gains of a project. Through comprehensive energy efficiency measures, ENCORE supports European C&I companies' journey towards climate neutrality and lower energy costs.

For more information, please visit: ENCORE Efficiency

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