

7C SOLARPARKEN

ANNOUNCES 9M FIGURES 2018

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- 38% INCREASE IN ELECTRICITY PRODUCTION COMPARED TO 9M 2017
- 9M-EBITDA ROSE BY 17.8% TO EUR 31.7m YEAR-ON-YEAR

OPERATIONAL ACTIVITY

POWER PRODUCTION

In the first nine months of 2018 electricity production rose by 38% to 127 GWh compared to the same period last year, underpinned by an expansion of the weighted average capacity base by 28% and an increase in production per unit of installed capacity (i.e. specific yield) by 7%, due to higher than average weather conditions.

		2018 9M	2017 9M	Δ
Weighted average capacity*	MWp	132	103	28%
Production	GWh	127	92	38%
Specific yield	kWh/kWp	949	884	7%

**time-based weighting*

Although weather conditions in the first semester of 2018 were positive (+2% period on period) compared to an already very good first half 2017, the extraordinarily high irradiation during the Summer 2018 has increased the specific yield by 17% in the third quarter of 2018 compared to the same quarter last year. As a result, the specific yield of the first nine months of 2018 increased in total by 7% compared to the first three quarters of 2017.

		2018Q3	2017Q3	Δ	2018H1	2017H1	Δ
Weighted average capacity*	MWp	141	106	33%	127	103	22%
Production	GWh	55	36	54%	72	56	28%
Specific yield	kWh/kWp	397	337	17%	552	547	2%

**time-based weighting*

ASSET PORTFOLIO

At the reporting date, the capacity of the solar asset portfolio has reached 153 MWp (year-end 2017: 118 MWp). The development of the investments during the reporting period is shown in the following table:

INVESTMENTS		2018 9M	INVESTMENTS		2017 9M	
	<i>Project</i>	<i>Capacity (kWp)</i>		<i>Project</i>	<i>Capacity (kWp)</i>	
Q1	Sömmerda	1,200	Q1	Großfurra	4,082	
	Umpferstedt	999				
	Demmin	629				
	Wallstawe I	748				
	Wallstawe II	442				
	Dähre	750				
	Mühlheim (bereits veräußert)	750				
Q2	SunX Portfolio	9,484	Q2	Swan Energy	1,236	
	Weißer Weg	2,297				
Q3	Ludwigsfelde II	749	Q3	Grafentraubach III	746	
	Bernsdorf	750			Nettgau (im Bau)	750
	Calbe	750				
	Flöha (im Bau)	750				
	Himmelfürst (im Bau)	750				
	Falkenau (im Bau)	750				
	Weißenfels (im Bau)	648				
	Brandholz (im Erwerb)	1,881				
	Tangerhütte	6,249				
	Zschornewitz	2,641				
	Flieth-Stegelitz (im Bau)	573				
	Friedrichsholm	750				
	Derching	1,110				
	Säritz	630				
Total		36,276	Total		6,814	

In the first two quarters 2018 the group acquired new solar assets with a capacity of 17.3 MWp. In the third quarter operating assets with a capacity of 8.0 MWp were acquired and new-build projects with a capacity of 5.6 MWp were commissioned. Projects with a total capacity of 3.5 MWp were still under construction and projects with a capacity of 1.9 MWp were still in acquisition during the third quarter 2018.

7C Solarparken has opportunistically realized a gain on disposal of assets in an amount of EUR 0.1m by divesting its 750 MWp rooftop project Mühlheim, which was acquired in the Amatec transaction in February 2018.

At the date of publication the total capacity of the project portfolio was unchanged at 153 MWp.

OPERATIONAL RESULTS

The revenues of the first nine months of 2018 reached EUR 35.7m, which is a 21.4% increase compared to the same period in 2017 (EUR 29.4m). The revenues of the period consist, as was the case in the comparative period, for 99% of sale of electricity.

in EUR m	2018 9M	2017 9M	Δ
Revenues	35.7	29.4	21.4%
EBITDA	31.7	26.9	17.8%

The increase in revenues is therefore underpinned by the rise in sale of electricity; this hike was caused mainly by the full period effect of the investments made during 2017 (+EUR 2.0m), the addition of sale of electricity of all projects still under construction during the same period in 2017 (+EUR 0.4m), as well as the contributions of the projects acquired during the first nine months of 2018 (+EUR 2.4m). A decrease in revenues resulted from the disposal of the sole Italian solar asset in December 2017 (-EUR 0.4m).

The earnings before Interest, taxes, depreciation and amortization (EBITDA) for the reporting period were EUR 31.7m, which is a 17.8% increase compared to the first nine months of 2017.

The EBITDA of the reporting period as well as of the comparative period of last year contain several one-off effects, of which one-time gains from bargain purchases (badwill) is the most important. During the first nine months of 2018 one-time gains from bargain purchases (badwill) in the amount of EUR 1.1m were earned, compared to exceptional gains from business combinations of EUR 0.5m in the first three quarters of 2017.

FINANCIAL POSITION

Cash and cash equivalents amounted to EUR 50.1m (of which restricted cash: EUR 16.1m) at the closing date which represents an increase of 47.0% compared to the end of the financial year 2017. The increase is mainly a result of the strong operating cashflow due to the exceptionally good weather conditions during the summer 2018 as well as the successful EUR 11.9m capital increase in the second quarter 2018 in consideration of the first dividend pay-out of EUR 4.7m.

NET DEBT (in EUR m)	30.09.18	31.12.17	Δ
Financial debt	213.7	180.7	18.2%
Cash & Cash Equivalents	50.1	34.1	47.0%
Net Debt	163.6	146.6	11.6%

The liquidity position will be used for funding the acquisitions and assets under construction, which were not yet paid at the publication date of this trading update, in the amount of EUR 3.7m. A further amount of EUR 14.0m will be used for asset portfolio expansion in 2019.

The financial debt of the group in the amount of EUR 213.7m was up by 18,2% compared to the end of the financial year 2017 (EUR 180.7m). The increase mainly results from issuing a Schuldschein loan in the amount of EUR 24.7m in February 2018, as well as securing new loans and acquiring existing loans within the framework of a business combination, totaling EUR 33.7m. Furthermore, accrued interest payments of EUR 0.5m were incurred during the period. Redemption of existing financing, on the other hand, reduced financial debt with 25.9m.

OTHER MAJOR EVENTS AFTER THE THIRD QUARTER 2018**ACQUISITION OF DIFFERENT SOLAR ASSETS**

Prior to the date of publication, the group acquired 100% of the limited partnership share in Pfalzsolar Solarpark XXI GmbH & Co. KG. The acquired company owns two operational solar assets (free field and rooftop) with a total capacity of 1.9 MWp. Under normal weather conditions it is projected that the acquired company will generate revenues of TEUR 188 p.a. and an EBITDA of TEUR 150 p.a.

Furthermore, 7C Solarparken is planning to build rooftop projects of at least 2 MWp at short notice, given the expected change in EEG law which will have a negative impact on the feed-in tariff for new-build rooftop projects as from January, 1st 2019.

CAPITAL INCREASE OF EUR 5.0M

In November 2017, 7C Solarparken increased the capital whilst offering subscription rights to the existing shareholders by issuing 1,923,076 new shares at an issue price of EUR 2.60 per share, thereby reaching total proceeds of EUR 5.0m. This capital increase will allow the group to accelerate its portfolio growth.

OUTLOOK

The management board continues to see a positive development of the group and increases again its full-year guidance due to the exceptionally favourable weather conditions in the first nine months of 2018. For the full-year 2018 revenues of EUR 39.5m (previously: EUR 36.2m), an EBITDA of EUR 33.0m (previously: "at least EUR 31.0m") and a cashflow per share of EUR 0.52 (previously: "at least EUR 0.50 per share") are projected.

This trading update presents group financial statements (IFRS), but has not been reviewed by an auditor.

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