

7C SOLARPARKEN ANNOUNCES Q1 FIGURES 2019

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- 48% INCREASE IN ELECTRICITY PRODUCTION COMPARED TO Q1 2018
- REPORTED EBITDA IN Q1 2019 OF EUR 6.15M
- EBITDA GUIDANCE 2019 OF "AT LEAST EUR 35.0M" CONFIRMED
- ASSET PORTFOLIO REACHED 171 MWp AT DATE OF PUBLICATION

OPERATIONAL ACTIVITY

POWER PRODUCTION

The power production has increased by 48% to 25 GWh in the first quarter of 2019, underpinned by the expansion of the weighted average capacity base by 30%. Improved weather conditions have raised the production per unit of installed capacity (i.e. specific yield) by 11%. These favourable weather conditions have already been fully reflected in the guidance for production and revenues for the financial year 2019.

		2019 Q1	2018 Q1	Change
Weighted average capacity base	MWp	157	120	30%
Production	GWh	25	17	48%
Specific Yield	kWh/kWp	161	145	11%
Average FIT tariff	EUR / MWh	256	289	- 11%

The specific yield has risen especially as a result of the addition of the new wind installation to the IPP portfolio. If the specific yield is calculated solely based on the production of the PV portfolio, this metric would have increased by 7% to 155 kWh/kWp. The average feed-in tariff (FIT) of the asset portfolio decreased by 11% to 256 EUR / MWh compared to the first quarter of 2018. This is due to the continuing rejuvenation of the portfolio, achieved by adding newbuilt projects to the existing asset base.

ASSET PORTFOLIO

At the date of publication of this quarterly update, the capacity of the asset portfolio has reached 171 MWp (year-end 2018: 154 MWp). Total capacity additions of 10.2 MWp were related to the first quarter 2019, whereas year to date 17 MWp in total was acquired. The additions consist of 4.3 MWp operating installations (1.5 MWp solar installations and a 2.8 MW wind farm) as well as 5.9 MWp newbuilts, of which 5.2 MWp was still under construction at the date of publication. Solely the wind farm Medard 2 has materially contributed to the revenues in the first quarter.

INVESTMENTS			2019*				2018
	Project		Capacity (kWp)	Project		Capacity (kWp)	
Q1	Oppin	Existing installation	929	Q1	Sömmerda	Existing installation	1,200
	Medard2	Existing installation	2,780		Umpferstedt	Existing installation	999
	Geesthacht	Existing installation	556		Mühlheim	Newbuilt	750
	Wallstawe III	Newbuilt	747		Demmin	Existing installation	629
	Umpferstedt II (under construction)	Newbuilt	423		Wallstawe I	Existing installation	748
	Surya (under construction)	Newbuilt	2,538		Wallstawe II	Existing installation	442
	Neustadt I & II (under construction)	Newbuilt	748		Dähre 1	Existing installation	750
	Bünde (under construction)	Newbuilt	749				
	Aerzen (under construction)	Newbuilt	749				
Q2*	Glasewitz (in acquisition)	Existing installation	1,507	Q2	SunX Portfolio	Existing installation	9,482
	Blankenberg (in acquisition)	Existing installation	1,109		Weißer Weg	Existing installation	2,297
	Stephanposching (in acquisition)	Existing installation	580				
	Schmidöd	Newbuilt	2,000				
	Plötzky	Newbuilt	551				
	Ludwigsfelde III	Newbuilt	749				
Total:			16,715	Total:			17,295

*at the date of publication (May, 28th 2019)

The Group has not divested any installations in the first quarter 2019, nor in the comparative period.

Under its strategic plan 2018-2020, 7C Solarparken plans to extend its asset portfolio to 220 MWp by the end of the year 2020. Further asset acquisitions are currently under negotiation. The management board is confident that it can reach its capacity target.

OPERATIONAL RESULTS

The revenues of the first three months of 2019 reached EUR 6.5 Mio., which is a 28% increase compared to the same period in 2018 (EUR 5.1 Mio.). This revenue increase is due to three effects: (i) firstly the addition of a wind farm (Medard 2), which has contributed EUR 0.1m to revenues since February 2019 (ii) secondly, the increase in specific yield of the solar portfolio of 7%, which represents EUR 0.4 Mio. (ii) finally, the acquisitions from the last three quarters of 2018 as well as the first quarter of 2019 have boosted revenues.

in TEUR	2019 Q1	2018 Q1	Change
Revenues	6,526	5,097	28%
Of which sale of electricity	6,455	5,036	28%
EBITDA	6,150	4,323	42%

Earnings before Interest, taxes, depreciation and amortization (EBITDA) for the reporting period reached EUR 6.15m, which is a 42% increase compared to the first three months of 2018.

Whilst the realised gains from bargain purchases ("Badwill") decreased by EUR 0.4m compared to the same period last year, EBITDA was supported by a settlement with a module supplier by EUR 0.6m.

As from January, 1st 2019, the Group applies the new standard IFRS 16 “Leasing Accounting” using the modified retrospective approach. The application of this new standard has improved reported EBITDA by EUR 0.2m in the first quarter 2019, compared to applying the existing accounting policy on the 2019 Q1 figures. The previous year’s period was not retroactively adjusted to the new standard.

FINANCIAL POSITION

Compared to December 31st 2018, financial debt has increased by 3% to 218.6m. This raise is mainly due to securing new project finance loans in the amount of EUR 12.0m. Furthermore, in the course of business combinations, a financial debt of EUR 6.8m was added to the Group’s financial position. Ordinary redemption of loans (EUR 5.5m) as well as exceptional redemption in the same amount, however, have decreased the financial debt.

NET DEBT (in TEUR)*	31.03.19	31.12.18	Change
Financial debt	218,627	211,337	3%
Cash & Cash Equivalents	42,137	49,533	-15%
Net debt	176,490	161,804	9%

* in the presentation of the net debt in the table above, lease liabilities of EUR 11.4m were not included. These liabilities are related to the implementation of IFRS 16 (see above) and were first recognised on January 1st, 2019. The lease liabilities are offset by right of use assets in the amount of EUR 14.8m.

Due to the high level of investment activity, the liquidity position decreased by 15% to EUR 42.1m at the end of the first quarter 2019, of which EUR 14.3m was restricted cash & cash equivalents (year-end 2018: EUR 16.8m).

In total, the Group’s net debt increased by 9% to EUR 176.5m.

OTHER MAJOR EVENTS IN THE FIRST QUARTER 2019

ENTRY IN ASSET MANAGEMENT

7C Solarparken has acquired a PV asset management business from Ernst Russ with managed operating assets of 77 MWp. The deal will bring recurring management fees to 7C Solarparken. In the first quarter, the acquisition has not materially contributed to the results yet, as the transaction was executed end of February 2019.

The deal is related to the vision to reach 500 MWp by 2025 including assets under management. The underlying assets match very well with the acquisition profile of 7C Solarparken in terms of geography, components, and performance

DIVIDEND PROPOSAL 2018

The management board has, as approved by the supervisory board, proposed a dividend of EUR 0.11 per share to the shareholders. This represents a dividend increase of 10% compared to the previous year. The shareholders will vote on the General Meeting of June 7th in Cologne on the management board’s proposal.

OUTLOOK

Guidance	2019
Revenues	EUR 41.0 Mio.
EBITDA	At least EUR 35.0 Mio.
Cashflow per Share	At least EUR 0.50

This quarterly update presents Group financial statements (IFRS) but has not been reviewed by an auditor.

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Steven De Proost

Koen Boriau

CEO

CFO

Contact

7C Solarparken AG

An der Feuerwache 15

95445 Bayreuth

Germany

TEL: +49 (0) (921) 230557 77

FAX: +49 (0) (921) 230557 79

EMAIL: info@solarparken.com

www.solarparken.com