

7C SOLARPARKEN ANNOUNCES 9M FIGURES 2020

ISIN DE000A11QW68 - DE000A2DAP26

- INCREASE OF POWER PRODUCTION BY 33.1% COMPARED TO 9M 2019
- RECORD 9M REVENUES OF EUR 44.9M AND EBITDA OF EUR 39.7M
- GUIDANCE INCREASE FOR FY 2020

OPERATIONAL ACTIVITY

POWER PRODUCTION

In the first nine months of 2020 electricity production rose by 33.1% to 198 GWh compared to the same period last year. This was achieved by expanding the weighted average capacity by 27.5% to 205 MWp and by increasing production per installed capacity (i.e. specific yield) by 3.7% to 957 kWh/kWp (previous year: 923 kWh/kWp).

| | | 2020 9M* | 2019 9M* | Δ |
|---------------------------|---------|----------|----------|-------|
| Weighted average capacity | MWp | 205 | 160 | 27.5% |
| Production | GWh | 198 | 149 | 33.1% |
| Specific yield | kWh/kWp | 957 | 923 | 3.7% |

*incl. Wind farms

The specific yield of the solar and wind farms increased by 5.0% in the first half of 2020, in particular due to the good performance of the wind farms, which were acquired in 2019. This effect could particularly be observed in the first months of the year, which had excellent wind conditions. In Q3 2020, the specific yield was 1.6% higher than in the same period of the previous year.

| | | 2020 Q3* | 2019 Q3* | Δ | 2020 H1* | 2019 H1* | Δ |
|---------------------------|---------|----------|----------|-------|----------|----------|-------|
| Weighted average capacity | MWp | 224 | 166 | 35.4% | 195 | 159 | 22.6% |
| Production | GWh | 81 | 59 | 37.5% | 118 | 91 | 29.1% |
| Specific yield | kWh/kWp | 360 | 354 | 1.6% | 596 | 568 | 5.0% |

*incl. Wind farms

ASSET PORTFOLIO

As of September 30th, 2020, the capacity of the total portfolio reached 232 MWp (year-end 2019: 190 MWp).

Investments during the reporting period are presented in the table below:

| INVESTMENTS | | | 2020 | INVESTMENTS | | | 2019 |
|--------------|--|----------------|------|--------------|----------------------------------|----------------|------|
| Q1 | Project | Capacity (kWp) | | Q1 | Project | Capacity (kWp) | |
| | Bremerhaven | 300 | | | Oppin | 929 | |
| | Wiegwitz | 1,473 | | | Medard 2 | 2,780 | |
| | Parchen | 459 | | | Geesthacht | 556 | |
| | Nosswitz | 649 | | | Wallstawe III | 747 | |
| | Wittlich | 1,279 | | | Umpferstedt II | 423 | |
| | Remptendorf | 2,409 | | | Surya | 2,538 | |
| | Dessau | 691 | | | Neustadt I & II | 853 | |
| | Bernsdorf II | 339 | | | Bünde | 749 | |
| | Bernterode | 614 | | | Aerzen | 749 | |
| | Calbe II | 750 | | | | | |
| | Calbe neu (under construction) | 1,317 | | | | | |
| | Luckow Süd | 750 | | | | | |
| Q2 | Oberwesterwaldbahn | 10,000 | | Q2 | Glasewitz | 1,507 | |
| | Ludwigsfelde IV | 748 | | | Blankenberg | 1,109 | |
| | Salzwedel | 729 | | | Stephanposching | 580 | |
| | Dettenhofen | 3,254 | | | Schmidöd | 2,000 | |
| | Igling-Buchloe | 5,787 | | | Plötzky | 551 | |
| | Neuhaus-Stetten | 3,257 | | | Ludwigsfelde III | 749 | |
| | Oberostendorf | 2,457 | | | | | |
| Q3 | Gumtow II & III (III under construction) | 5,244 | | Q3 | Gorgast | 750 | |
| | Rötz | 2,249 | | | Flöha II & III | 1,500 | |
| | | | | | Himmelsfürst II & III | 750 | |
| | | | | | Falkenau II | 750 | |
| | | | | | Bündel I | 1,800 | |
| | | | | | Langelsheim (under construction) | 750 | |
| | | | | | Stetten | 3,075 | |
| | | | | | Dieburg | 6,415 | |
| | | | | | Gumtow I | 750 | |
| Total | | 44,755 | | Total | | 33,360 | |

In the first two quarters 2020 the Group acquired new solar assets with a capacity of 37.3 MWp (Q1 und Q2 2019: 16.8 MWp). In the third quarter PV assets with a capacity of 7.5 MWp (2019Q3: 16.5 MWp) were acquired. Of all the assets in the IPP portfolio, PV projects with a capacity of 3.0 MWp were still under construction.

The sale of the Surya portfolio in the first half of 2020 reduced the IPP portfolio by 2.5 MWp. An other operating income of EUR 0.3 million was generated from the sale.

OPERATIONAL RESULTS

7C Solarparken had revenues of EUR 44.9m over the first nine months of 2020, which is a 19.3% increase compared to the same period in 2019 (EUR 37.6m). The revenues now also include the contributions from the managed HCI funds (EUR 1.8m), which have been consolidated in the Group since June 30th, 2020. The revenues consist for 97.1% of sale of electricity (98.4% comparative period). Income from services increased to EUR 1.1m (previous year: EUR 0.5m) and contributed 2.6% to revenues. The increase is mainly due to the sale of services in connection with a module exchange for a fund company (EUR 0.7m) completed by the Group in the reporting period. This was offset by operating expenses of almost the same amount.

| in EURm | 2020 9M | 2019 9M | Δ |
|----------|---------|---------|-------|
| Revenues | 44.9 | 37.6 | 19.3% |
| EBITDA | 39.7 | 35.1 | 13.1% |

Sale of electricity amounted to EUR 43.6m after the first three quarters of 2020 (2019 9M: EUR 37.0m). The increase in electricity generation is mainly attributable to the full inclusion of the solar plants acquired in the previous year (+EUR 1.8m), the electricity sales of all plants still under construction in the comparative period (+EUR 0.8m) and the revenue contributions of the newly acquired and newly built solar plants during the reporting period (+EUR 3.0m). Finally, a slightly increased specific yield (+ EUR 1.0m) on the back of weather conditions as well as the optimization and an increase in the availability of individual solar plants.

The earnings before Interest, taxes, depreciation and amortization (EBITDA) for the reporting period came in at EUR 39.7m which is a 13.1% increase compared to the first nine months of 2019.

7C Solarparken generated other operating income of EUR 1.3m (2019 9M: EUR 2.3m). In the previous year, other operating income from gain on a bargain purchase (“badwill”) in the amount of EUR 1.0m was recognized in the Group’s income statement. Such income was not generated in the reporting period as the definition of a business in the standard IFRS 3 “business combinations” was changed as from January 1st, 2020. As a result, acquisitions of solar/wind assets are generally no longer classified as businesses and as a result operating income from badwill can no longer be recognized.

Other operating income in the reporting period resulted mainly from a one-off settlement with a module manufacturer and other insurance reimbursements in the amount of EUR 0.8m (2019 9M: EUR 1.0m) and a one-off income from the sale of Surya 1 GmbH & Co KG in the amount of EUR 0.3m.

FINANCIAL POSITION

Cash and cash equivalents amounted to EUR 63.3m (of which restricted cash: EUR 17.8m), at the closing date which represents an increase of 7.3% compared to the end of the financial year 2019. The increase mainly results from the issue of a second promissory note agreement with a nominal amount of EUR 11.5m in the first quarter of 2020. A reduction results from the dividend distribution for the 2019 financial year in the amount of EUR 6.7m in July 2020.

| in TEUR | 30.09.2020 | 31.12.2019 |
|--|----------------|----------------|
| Long and short-term financial debt | 237,883 | 221,238 |
| Long and short-term lease liabilities | 16,299 | 15,681 |
| Minus Cash and cash equivalents* | -63,322 | -59,028 |
| Minus long and short-term lease liabilities (IFRS 16) related to right of use assets from lease agreements of solar and wind parks | -16,299 | -14,518 |
| Net debt | 174,561 | 163,374 |
| Total equity w/o hedging reserve | 146,582 | 129,766 |
| Total assets | 443,196 | 401,295 |
| Equity ratio (%) | 33.1 | 32.3 |

*of which restricted cash: TEUR 17,754 (2019: TEUR 15,349)

The Group monitors its financial position in particular on the basis of net debt and the equity ratio. The equity ratio reached 33.1% on September 30th, 2020, which represents an all-time high.

Net debt is shown in the table above and amounted to EUR 174.6m as of September 30th, 2020. The Group's long-term and short-term financial liabilities totaled EUR 237.9m as of September 30th, 2020 (2019: EUR 221.2m). This increase is due, among other things, to the issue of the new promissory note agreement with a nominal amount of EUR 11.5m. In addition, in the course of expanding the IPP-portfolio in the first 9 months of 2020, existing loans in the amount of EUR 22.5m were taken over, of which EUR 12.0m are related to the inclusion of the fund companies HCI Energy 1 Solar GmbH & Co. KG and HCI Energy 2 Solar GmbH & Co. KG in the scope of the Group's consolidation. For existing projects, new loans in the amount of EUR 0.5m were added. By contrast, redemption of existing bank loans totaled EUR 18.0m.

OTHER MAJOR EVENTS AFTER THE THIRD QUARTER 2020

ACQUISITION OF SOLAR ASSETS

By the date of publication, the Group has acquired a 7.6 MWp free field project in Krakow am See (Mecklenburg-West Pomerania) increasing the total capacity to 240 MWp. The asset, which was erected in 2016, is equipped with RECOM modules and Huawei inverters. In addition to the solar plant, 7C Solarparken also bought the 9.0 hectare property. Over a 12-month period, the PV plant is expected to generate revenues of EUR 0.7m and a EBITDA of EUR 0.6m under normal weather conditions.

CAPITAL INCREASE OF EUR 10.3M

In October 2020 the management board of 7C Solarparken resolved to increase the company's share capital from EUR 61,356,441 to up to EUR 64,256,441 excluding shareholders' subscription rights by issuing up to 2,900,000 new no-par value bearer shares against cash contributions. The new shares were placed by way of a private placement as part of an accelerated book-building process with institutional investors in Germany and other European countries at a placement price of 3.54 per share. The proceeds of the capital increase were around EUR 10.3m and provide an essential part for financing the strategic plan 2020-2022.

ADJUSTMENT OF THE STRATEGIC PLAN 2020-2022

The Management Board has decided to extend the target achievement for the total portfolio of 500 MWp from the end of 2022 to the end of 2023. However, the target for the Group's own IPP portfolio was increased from 350 MWp to 400 MWp compared to the previous plan, while the target for the managed portfolio was reduced from 150 MWp to 100 MWp.

OUTLOOK

The management board continues to expect a positive development of the Group and increases its full-year guidance, based on the positive 9M figures, for revenues to EUR 49.5m and for EBITDA to EUR 41.0m and changes its guidance for the full-year cash flow per share to EUR 0.52 per share.

| Full year guidance 2020 (in EURm) | New guidance | Guidance as per 6m report 2020 | Guidance as per annual report 2019 |
|-----------------------------------|--------------|--------------------------------|------------------------------------|
| Revenues | 49.5 | 48.3 | 43.0 |
| EBITDA | 41.0 | 39.2 | 36.0 |
| CFPS (in EUR) | 0.52 | 0.51 | 0.48 |

This quarterly trading update presents Group financial figures (IFRS), which have not been reviewed by an auditor.

Bayreuth, November 26th, 2020

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