



**7c solarparken**

---

## Annual Results 2021 & Outlook 2022

April 7, 2022

**VIRTUAL PRESENTATION**

*Presented by Steven De Proost, CEO and Koen Boriau, CFO*

# DISCLAIMER



*This presentation is for information purposes only and does not constitute an invitation to purchase any securities of 7C SOLARPARKEN AG. All information contained herein has been carefully prepared. Nevertheless, we do not guarantee its accuracy or completeness. Certain statements contained in this presentation may be statements of future expectations that are based on the company's current views and assumptions and involve known and unknown risks. Investments in capital markets are fundamentally associated with risks and a complete loss of the invested capital cannot be ruled out. Copies of the content of this presentation will only be authorized by written consent from 7C SOLARPARKEN AG.*

# AGENDA



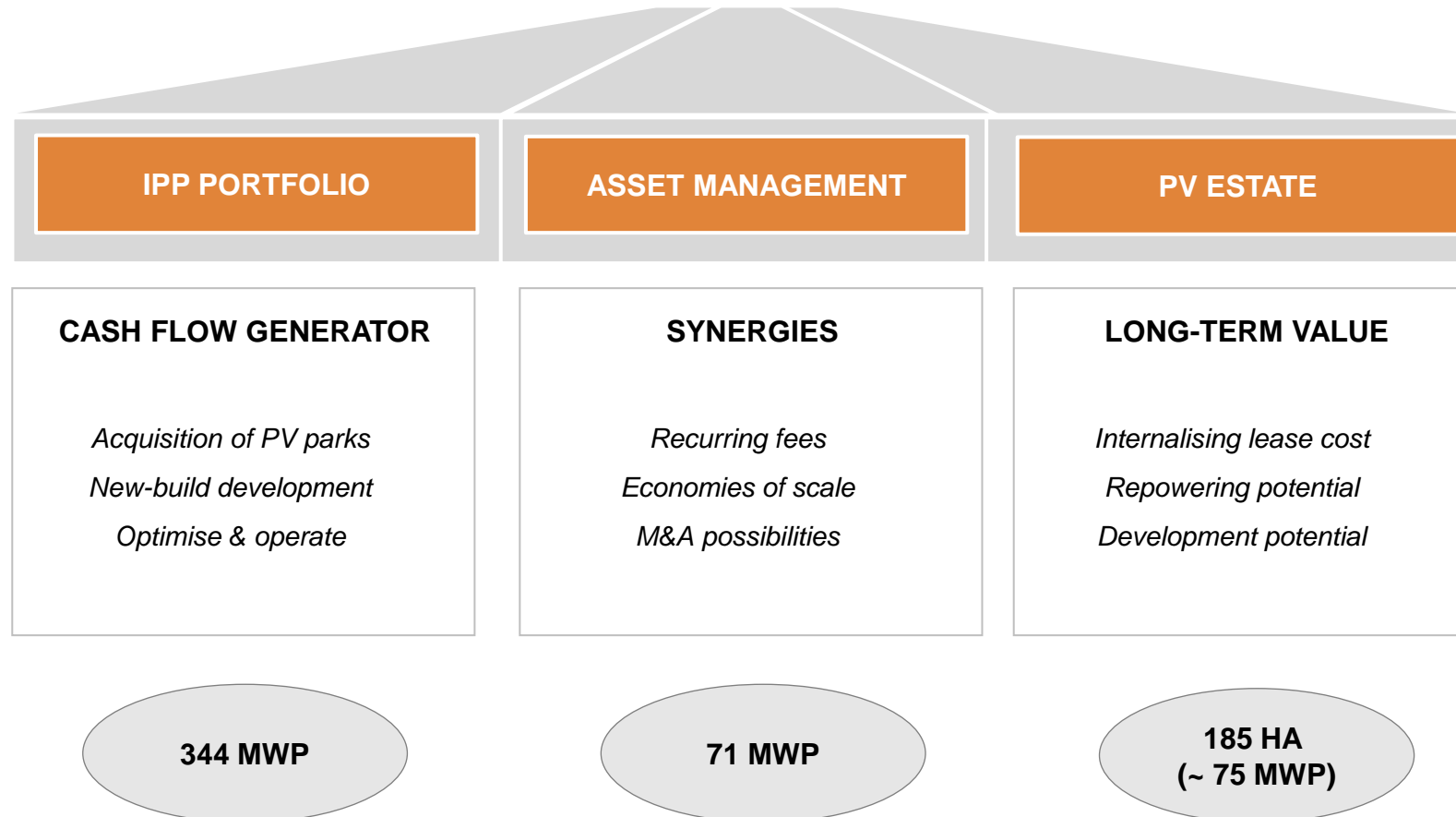
COMPANY

2021 MARKETS

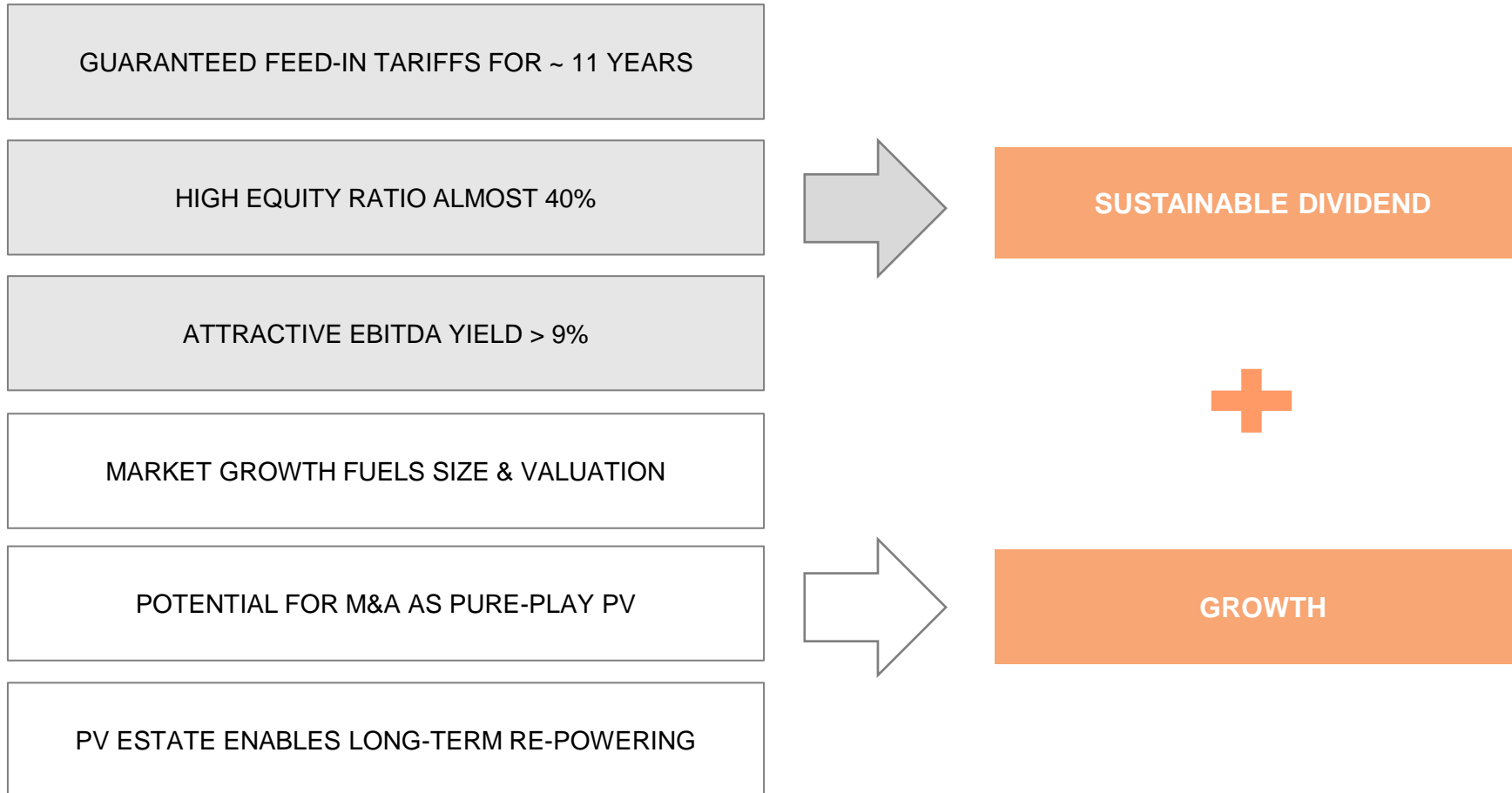
ANNUAL RESULTS

OUTLOOK & RISKS

# BUSINESS MODEL Pure PV Owner & Operator with Focus on Germany and Belgium



# CAPITAL APPRECIATION PROPOSITION Sustainable Dividend + Growth



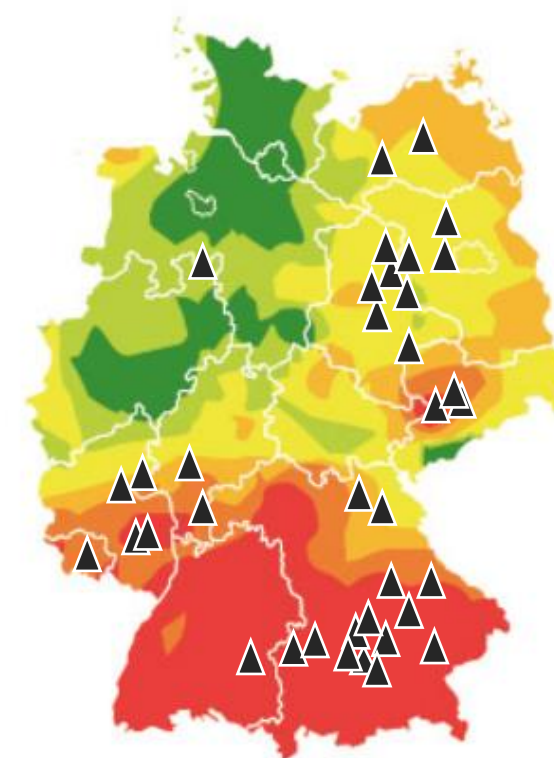
# IPP PORTFOLIO Existing Assets 344 MWp. FIT-based EBITDA > EUR 48 Mio



## KEY PARAMETERS IPP PORTFOLIO

	Power MWp	Yield kWh/kWp	Production GWh	Tariff EUR/MWh	Sales EUR Mio	EBITDA EUR Mio
I Freefield PV	221	1.005	222	156	34.5	29.9
II Rooftop PV	117	879	103	202	20.8	17.6
<i>Germany</i>	84	876	74	225	16.7	14.0
<i>Belgium</i>	33	886	29	142	4.1	3.6
III Wind	6	2.350	14	87	1.2	0.9
<b>GROUP</b>	<b>344</b>	<b>985</b>	<b>338</b>	<b>167</b>	<b>56.4</b>	<b>48.4</b>

## LOCATION OF GERMAN PARKS > 2 MWp



- German PV assets concentrated in Bavaria. Eastern Germany. and Rhineland-Palatinate
- Belgium accounts for 10% of portfolio
- Average plant size: 2.2 MWp
- Average year of commissioning: 2015 (weighted capacity), 2012 (weighted revenues)
- Average feed-in-tariff: EUR 167/MWh which excludes the upside from power prices above FFAV prices. At an assumed power price of EUR 134/MWh for 2022, the average revenue rises to EUR 206/MWh
- German tariffs are state-guaranteed and fixed for 20 years + year of commissioning
- Rooftop and land lease contracts usually running 20 years + at least 5 years extension option
- Small diversification into onshore wind

# IPP PORTFOLIO Breakdown of 344 MWp by Tariff and Year of Commissioning

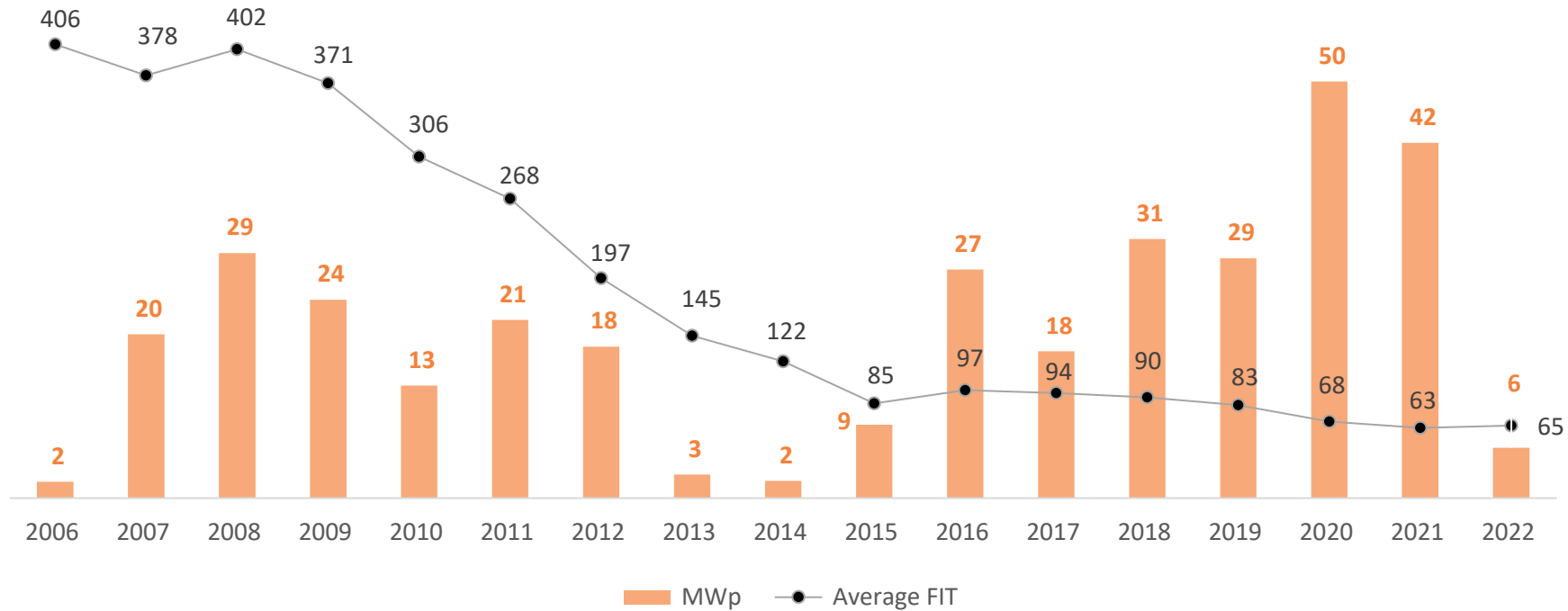


## COMMISSIONING YEAR AND AVERAGE FEED-IN TARIFF (EUR/MWH) PER YEAR

PARKS WITH HIGH EBITDA



PARKS WITH POWER PRICE OPTION VALUE



# PV ESTATE 185 ha accommodating 75 MWp, Book Value EUR 12.9 Mio



## GEOGRAPHICAL BREAKDOWN OF LAND

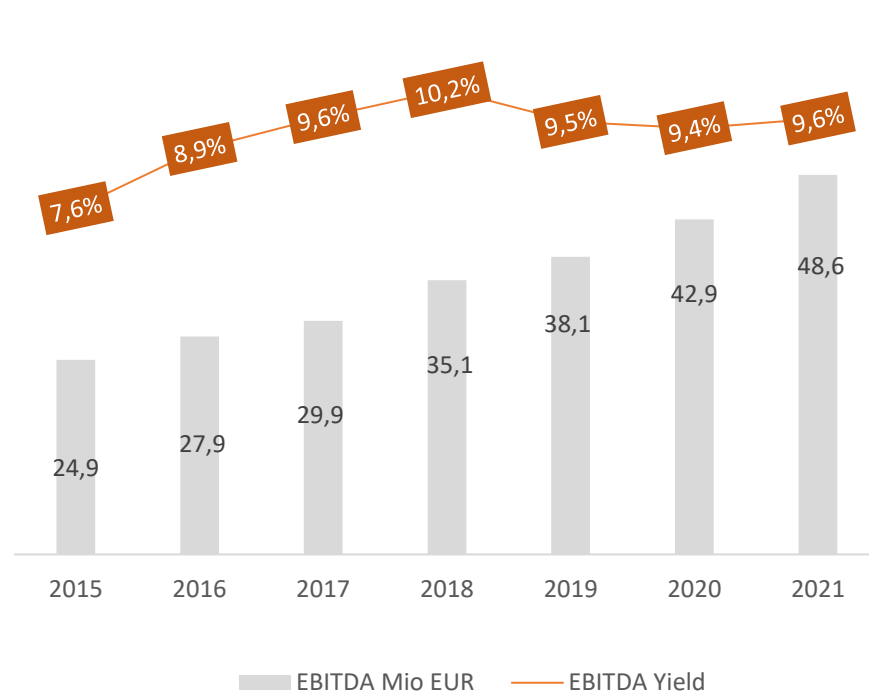




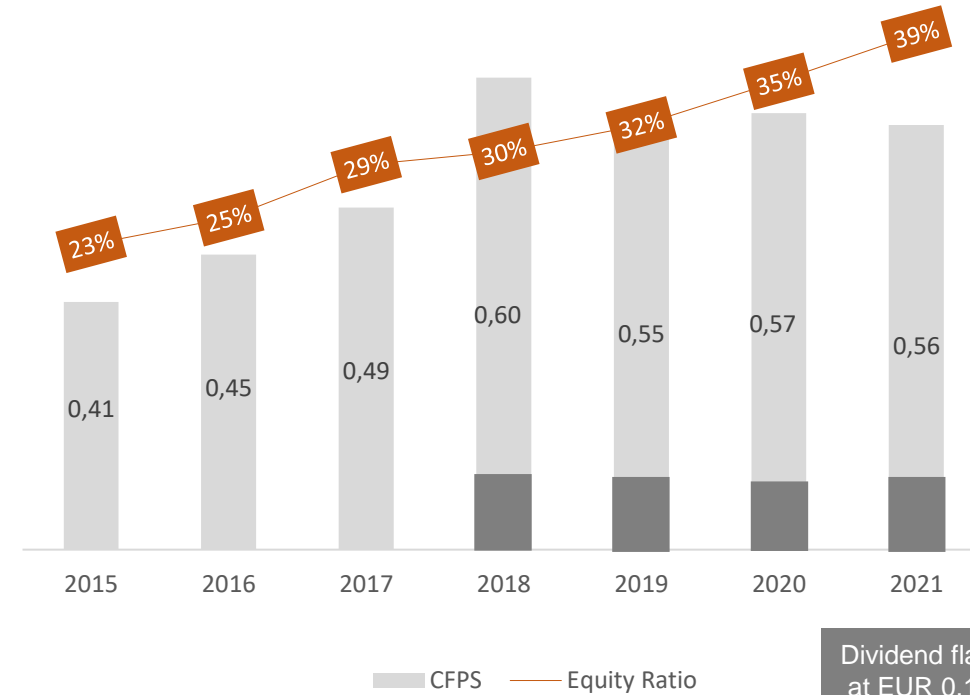
# FINANCIAL PROFILE Steady EBITDA Growth and Equity Ratio 39%



**EBITDA AND EBITDA RETURN (EBITDA/TOTAL ASSETS)**



**EQUITY RATIO AND CASH FLOW PER SHARE**



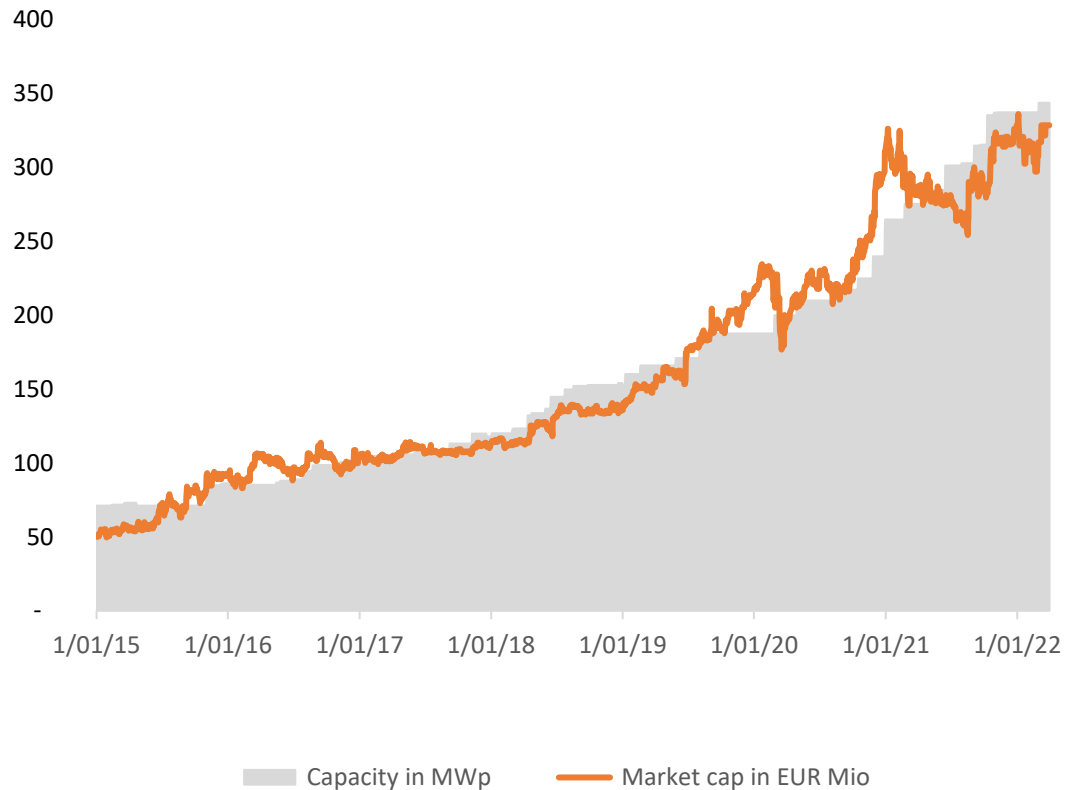
Dividend flat at EUR 0.11

**Within the industry, 7C Solarparken combines superior returns and balance sheet strength**

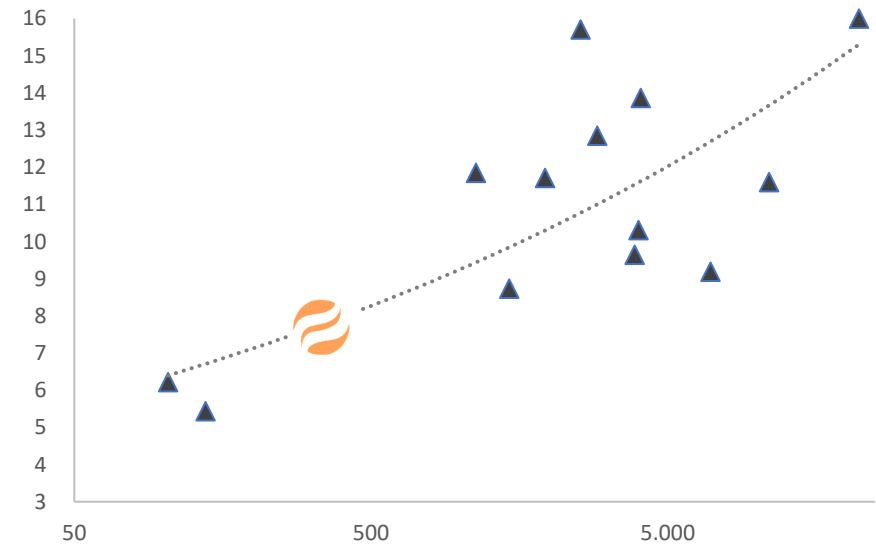
# VALUATION Market Cap versus Installed Capacity



### MWP VERSUS MARKET CAP



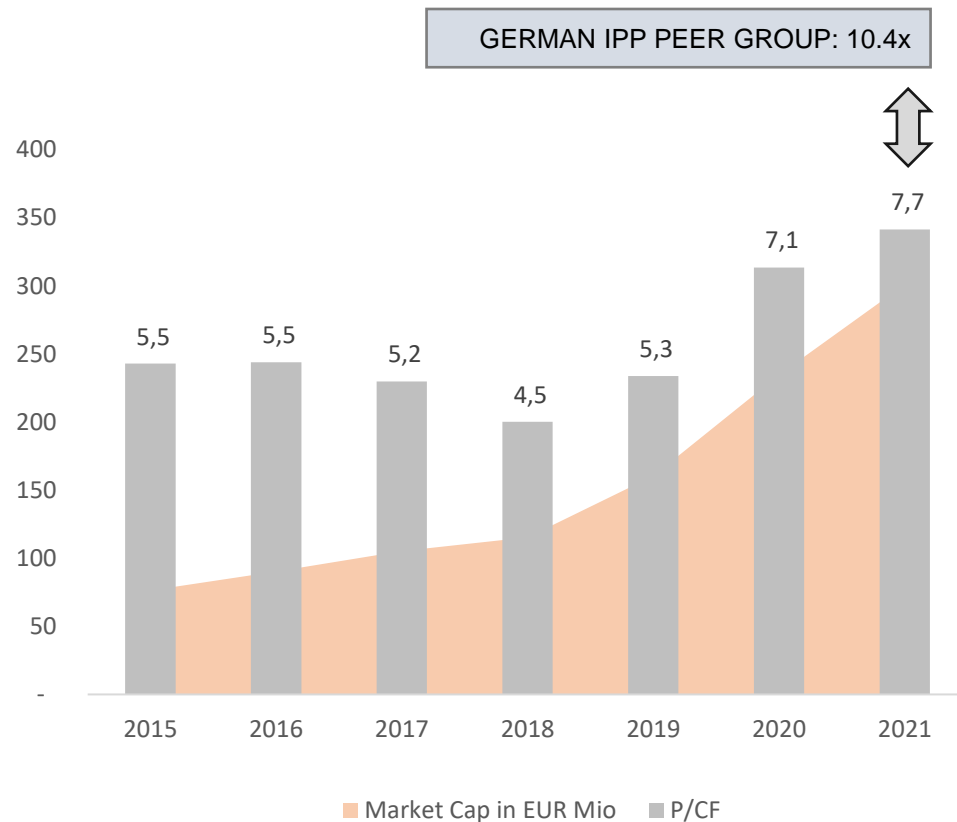
### P/CF VERSUS MARKET CAP EUR MIO. (LOGARITHMIC SCALE)



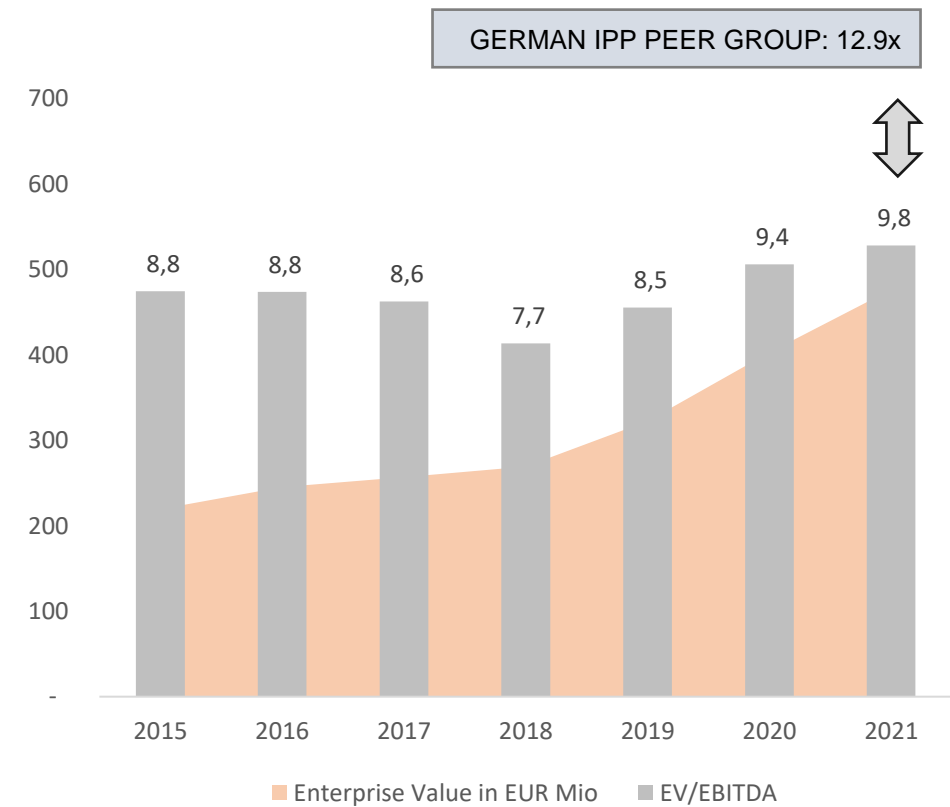
# VALUATION Multiples in Comparison



HISTORICAL P/CF MULTIPLE BASED ON ACTUALS



HISTORICAL EV/EBITDA MULTIPLE BASED ON ACTUALS



German IPP's: Clearvise, Pacifico Renewables Yield, Eenergiekontor, Encavis

# AGENDA



COMPANY

**2021 MARKETS**

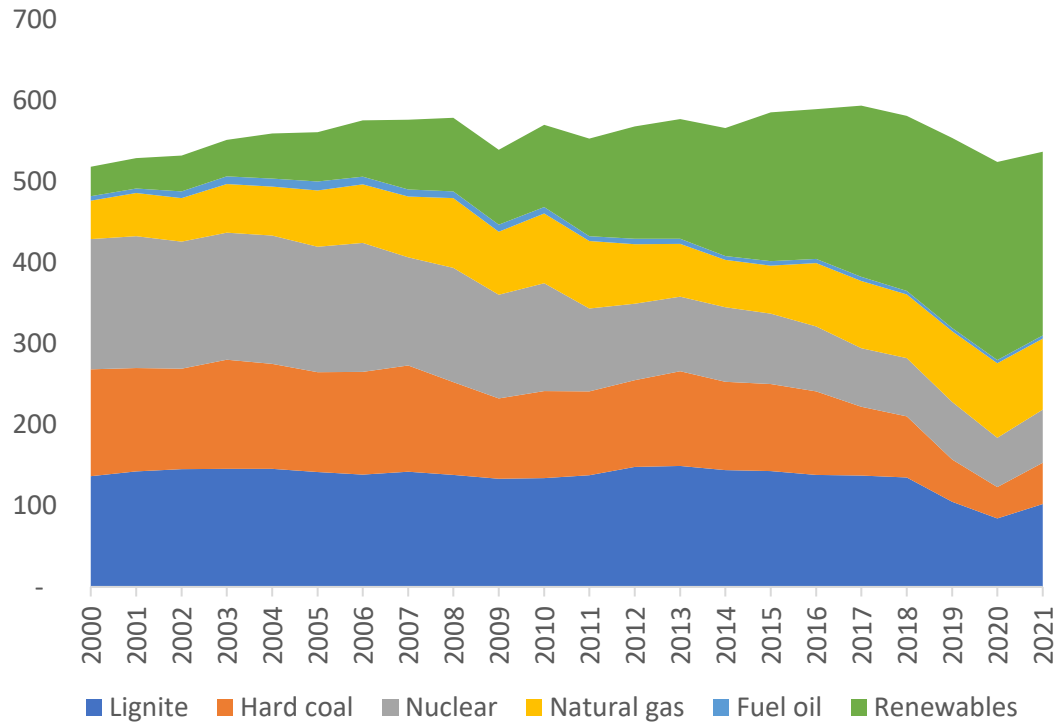
ANNUAL RESULTS

OUTLOOK & RISKS

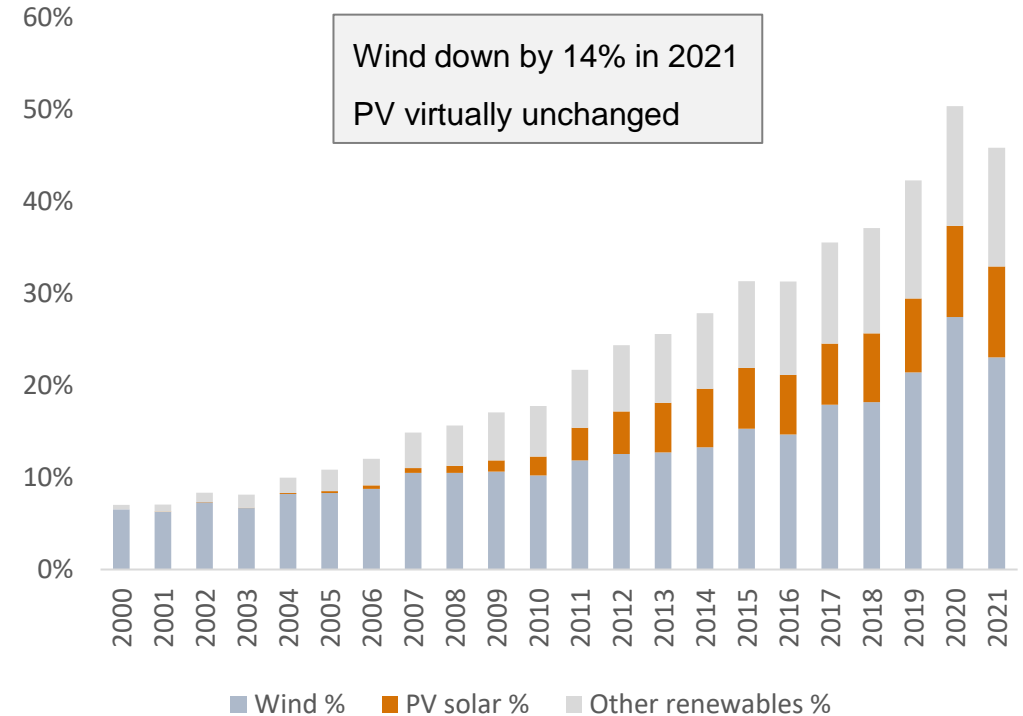
# POWER GENERATION TREND *Weather-driven Anomaly in 2021 with less Renewables*



**POWER PRODUCTION GERMANY TWH**



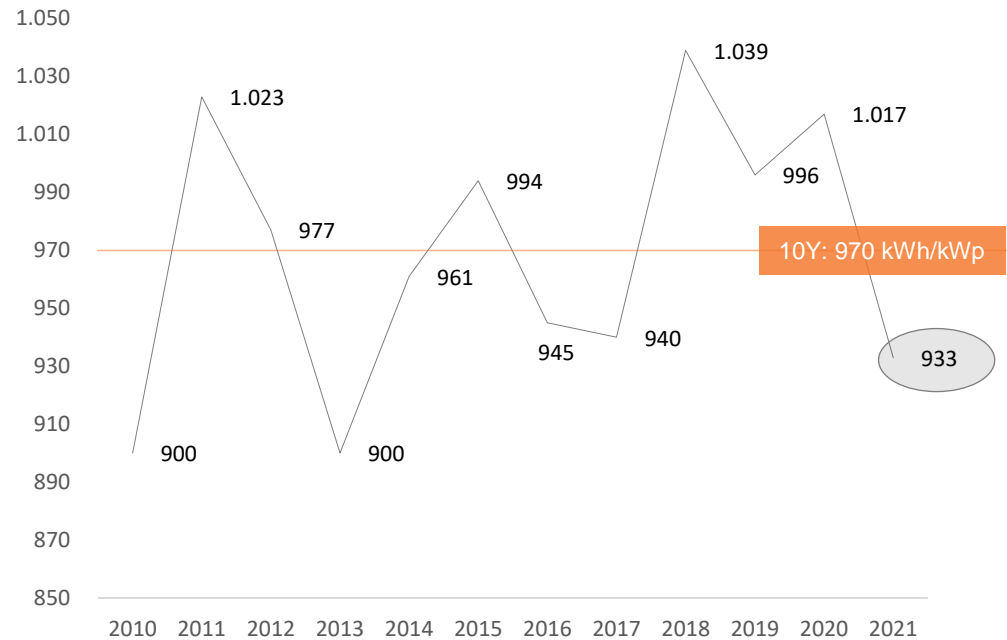
**RENEWABLES SHARE IN POWER MIX**



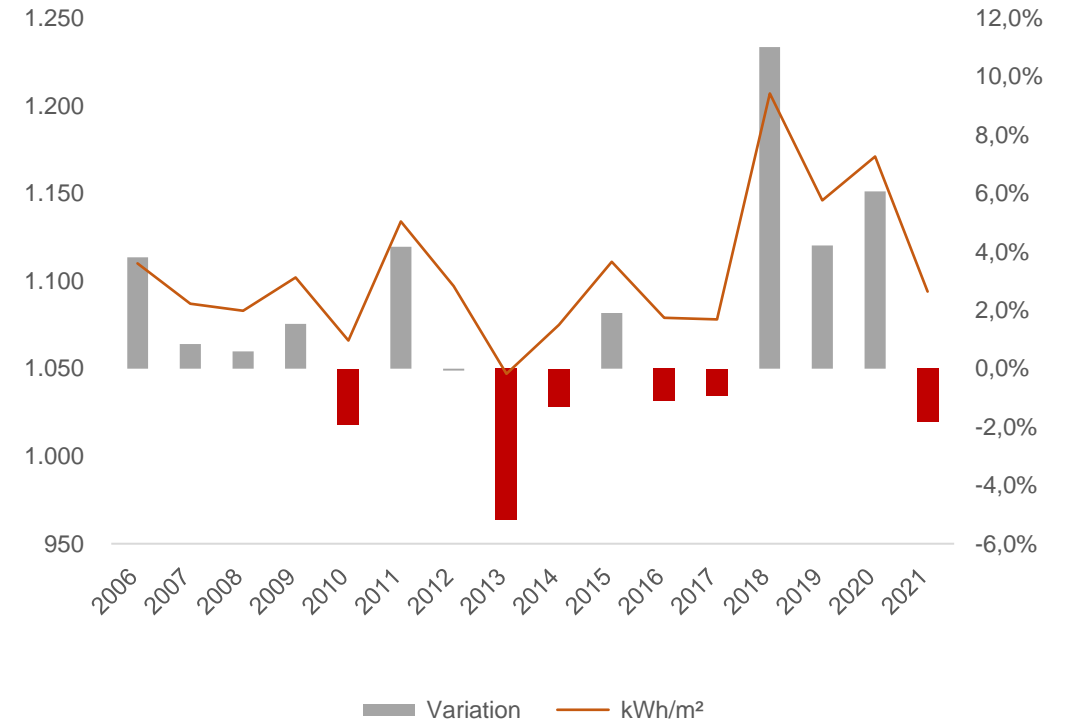
# WEATHER CONDITIONS Irradiation -2% / Specific Output -4% vs. long-term Average



**KWH/KWP GERMANY NATIONWIDE**



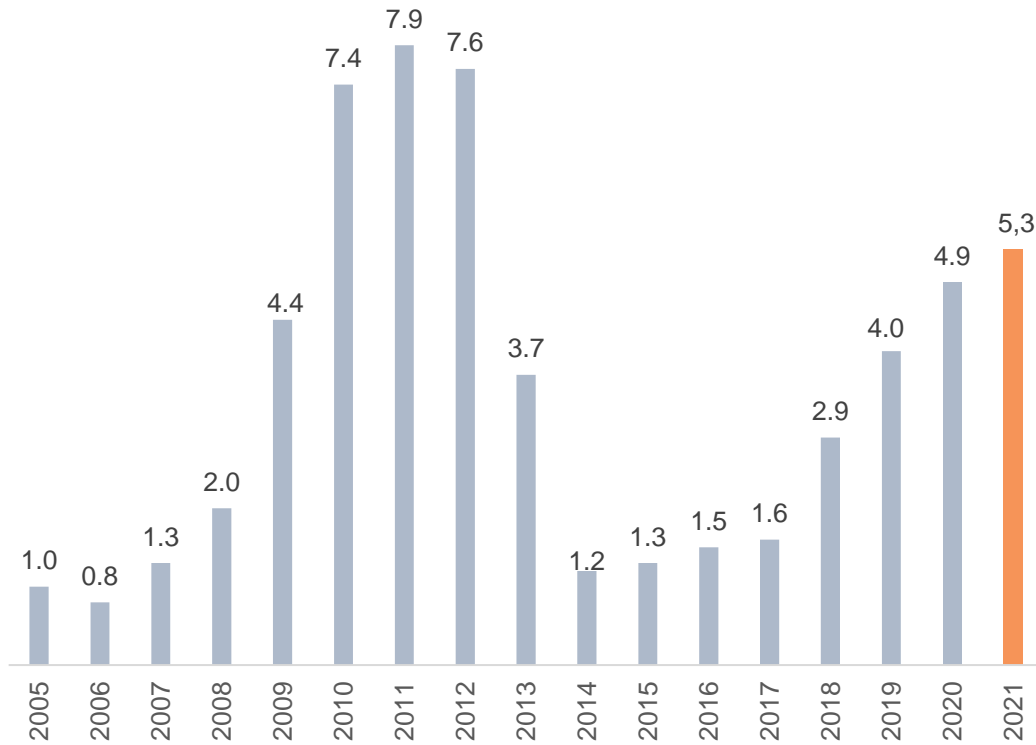
**HORIZONTAL IRRADIATION GERMANY KWH/M<sup>2</sup>**



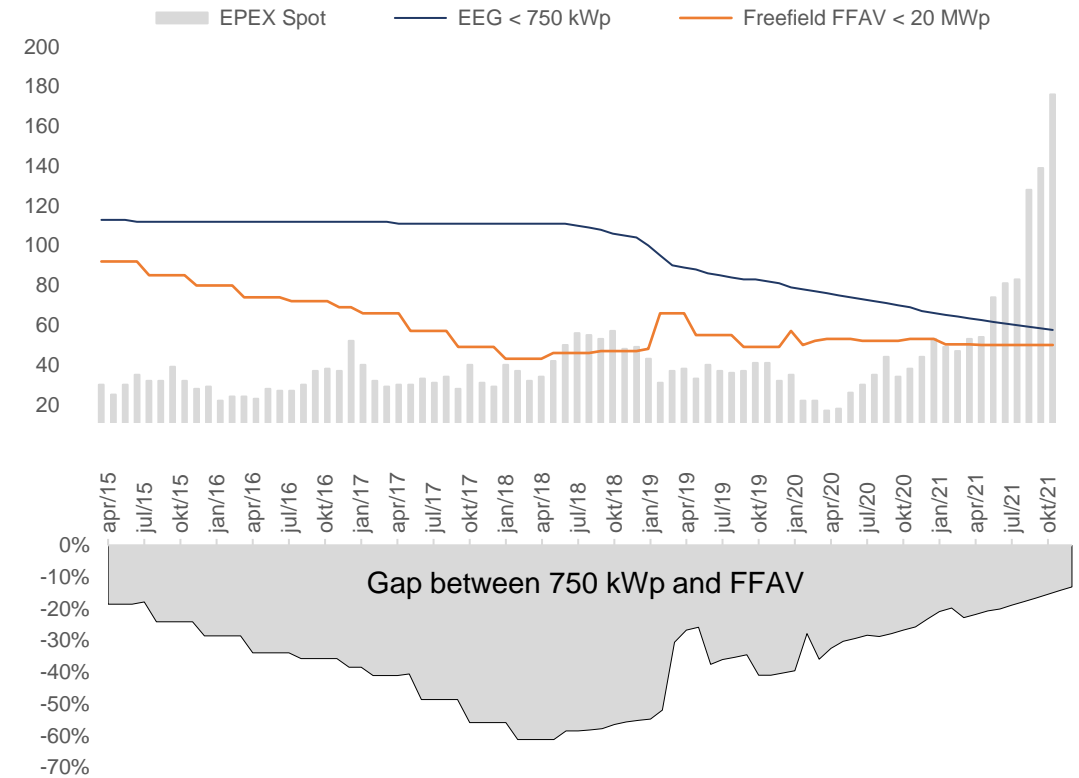
# PV CAPACITY New Additions > 5 GWp: Fixed FIT (<750 kWp) drops to Tender Level



**NEW PV CAPACITY GWP IN GERMANY**



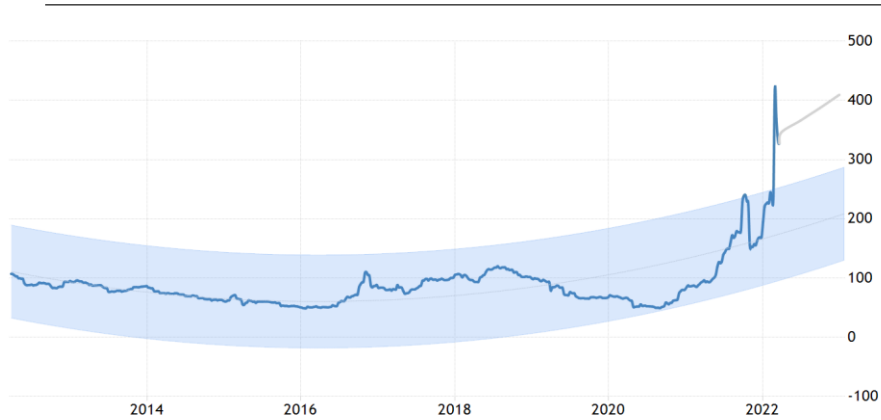
**GERMAN FEED-IN TARIFFS EURO/MWH**



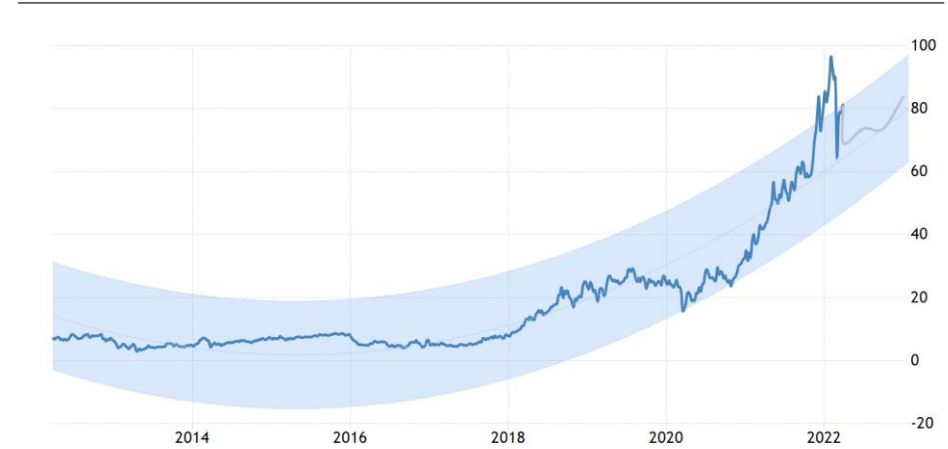
# COMMODITY PRICES RALLY based on low Gas Reserves and Start of Ukraine Crisis



### COAL PRICE US\$/TONNE



### CO2 PRICE EUR/TONNE



### NATURAL GAS PRICE TTF EUR/MWH



### OIL IN US\$/BARREL

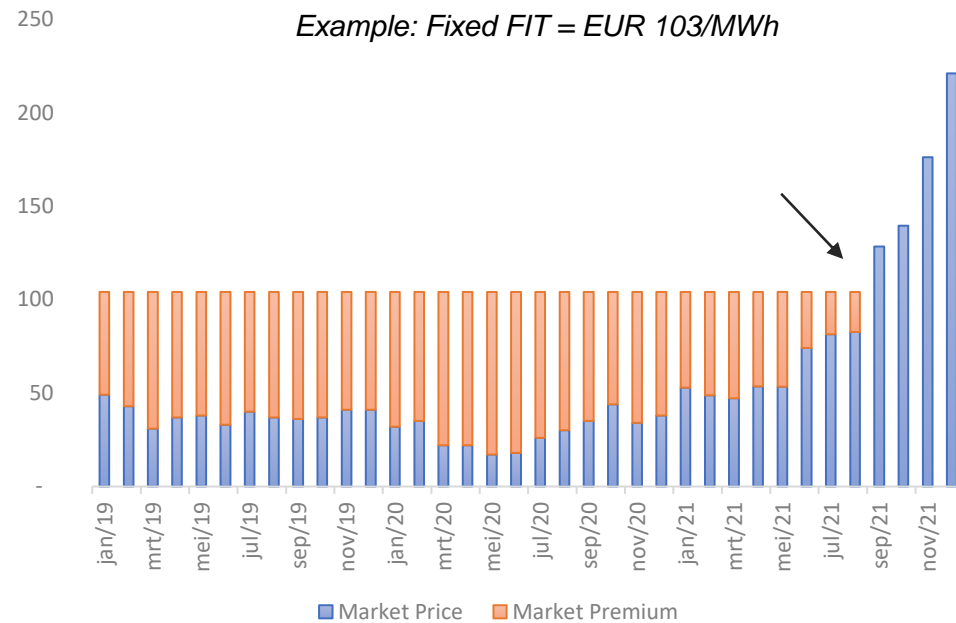




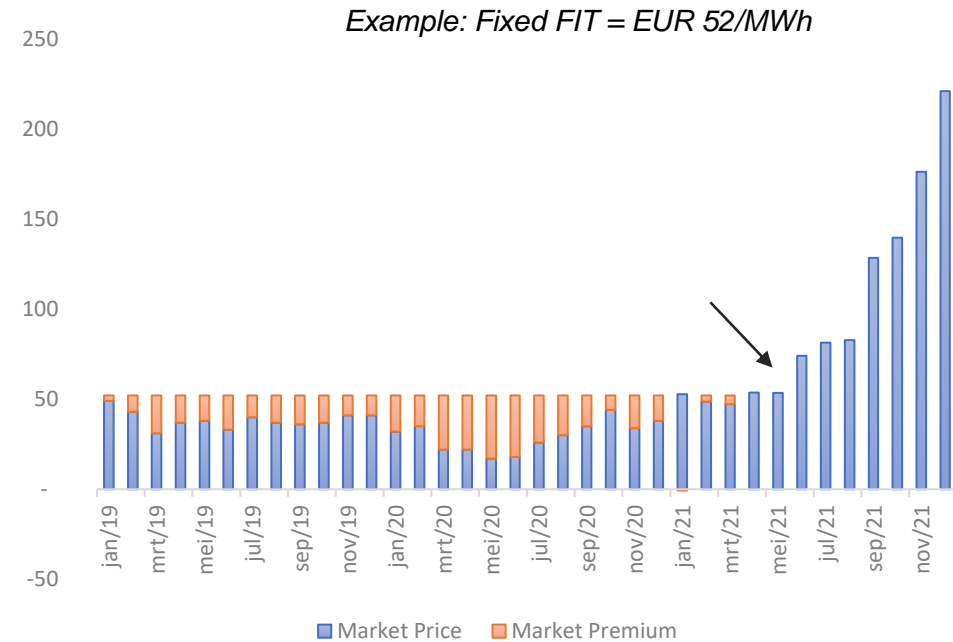
# MARKET PRICE BRINGS UPSIDE **Fixed EEG Tariff = Market Price + Market Premium**



**FEED IN TARIFF EUR/MWH: 2019 ROOFTOP**



**FEED IN TARIFF EUR/MWH: 2019 FFAV FREEFIELD**



**Direct impact of a higher power price on 2021 P&L as from Q3'21**

# AGENDA



COMPANY

2021 MARKETS

**ANNUAL RESULTS**

OUTLOOK & RISKS

# MILESTONES Unchanged Keys to Success: Capacity and Capital clearly reduce Risk



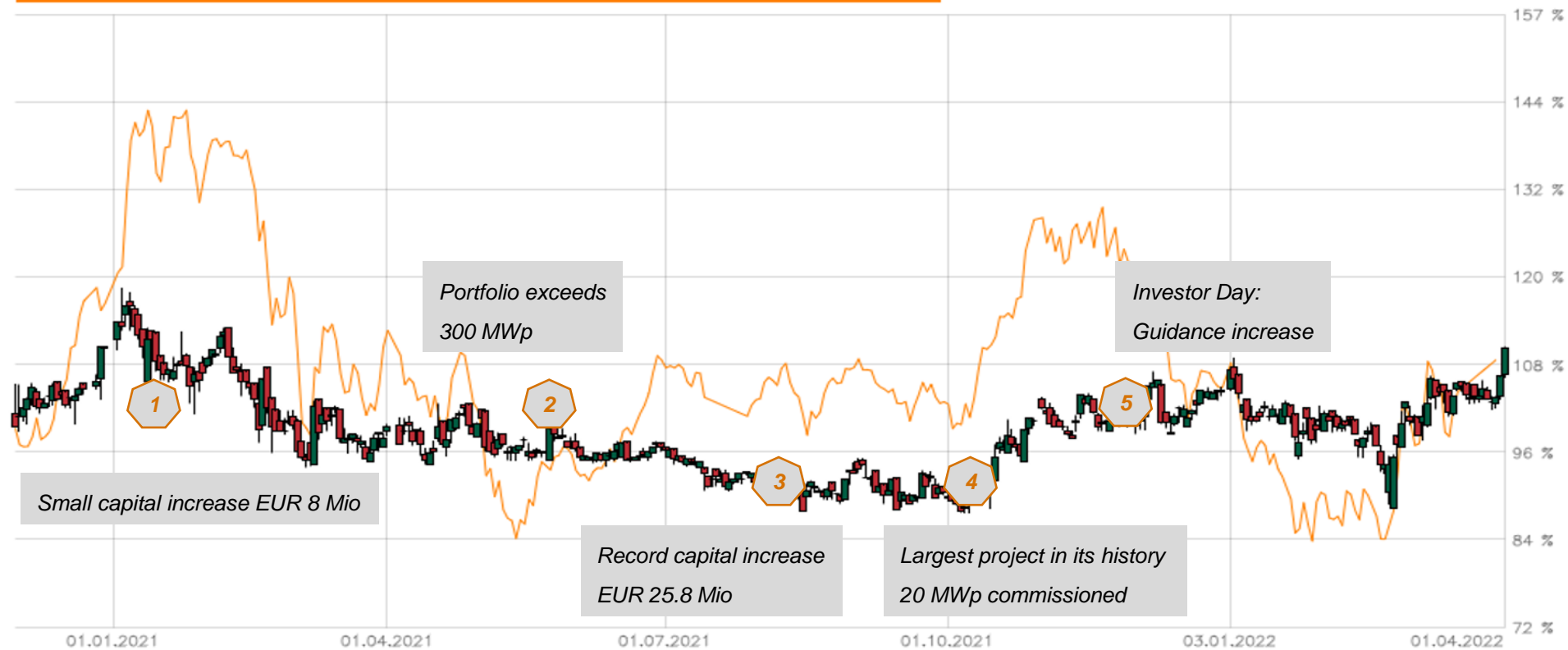
SHARE PRICE EVOLUTION 2021-22 (SOURCE: WALLSTREET ONLINE)

## 7C Solarparken

ISIN: DE000A11QW68 | WKN: A11QW6

Benchmark (RENX01 | RENIXX -Renewable Energy Industrial Index -World (Index))

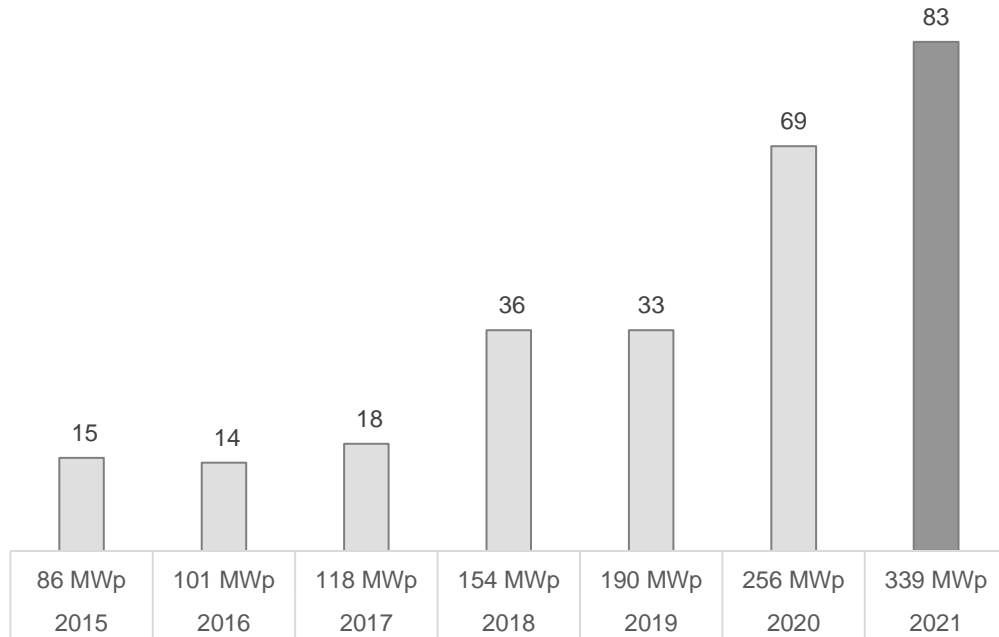
wallstreet:online



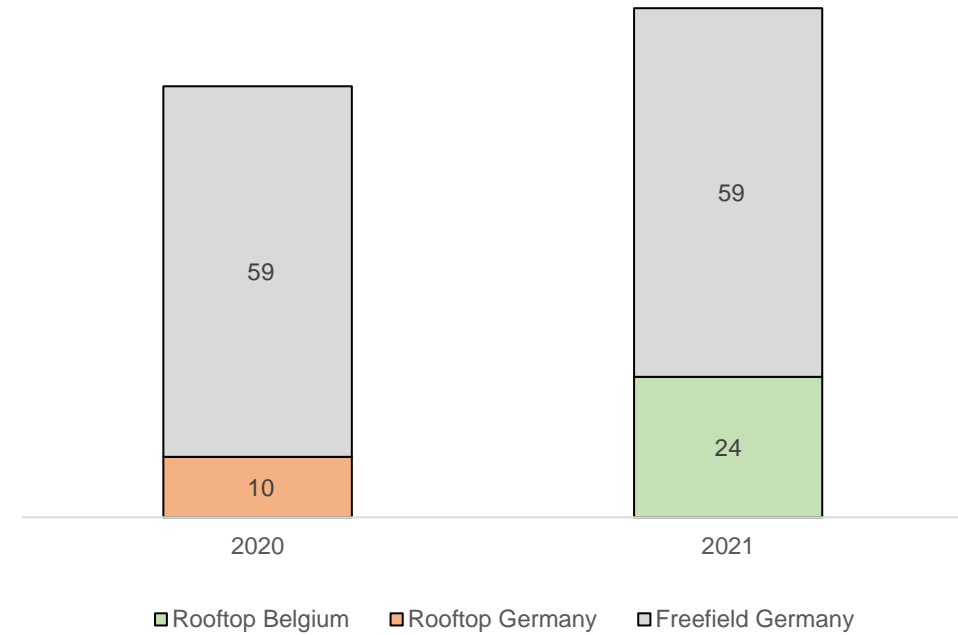
# CAPACITY BUILD-UP From 256 MWp to 339 MWp, versus 295 MWp Plan



ANNUAL IPP GROWTH IN MWp



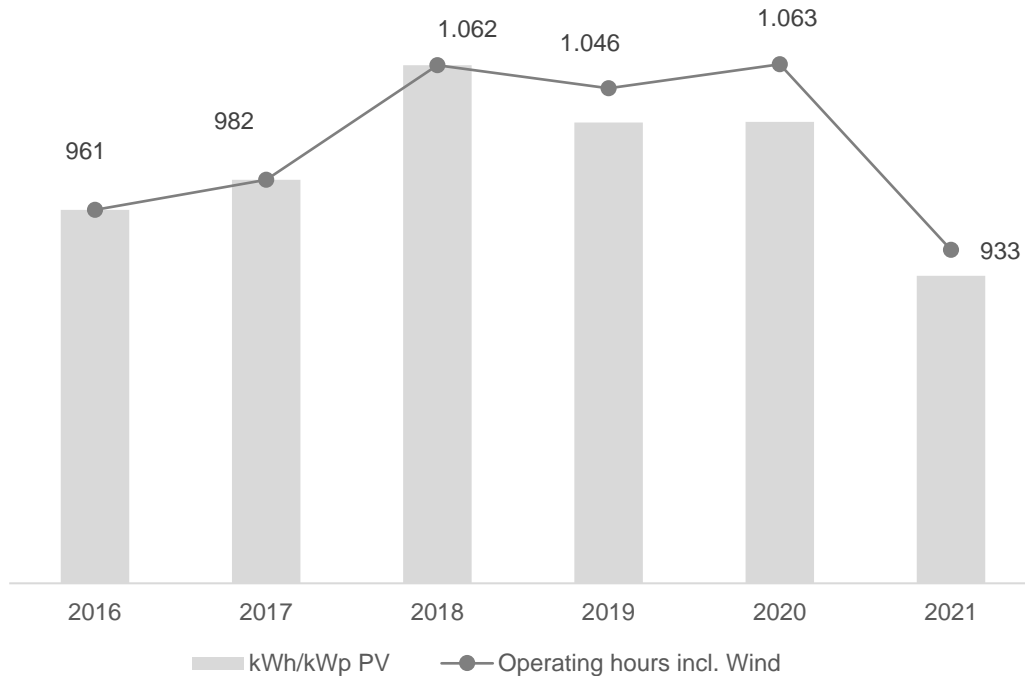
ROOFTOP SWITCH FROM GERMANY TO BELGIUM



# SPECIFIC OUTPUT 11% less Specific Yield PV mainly due to irradiation



OPERATING HOURS AND SPECIFIC YIELD



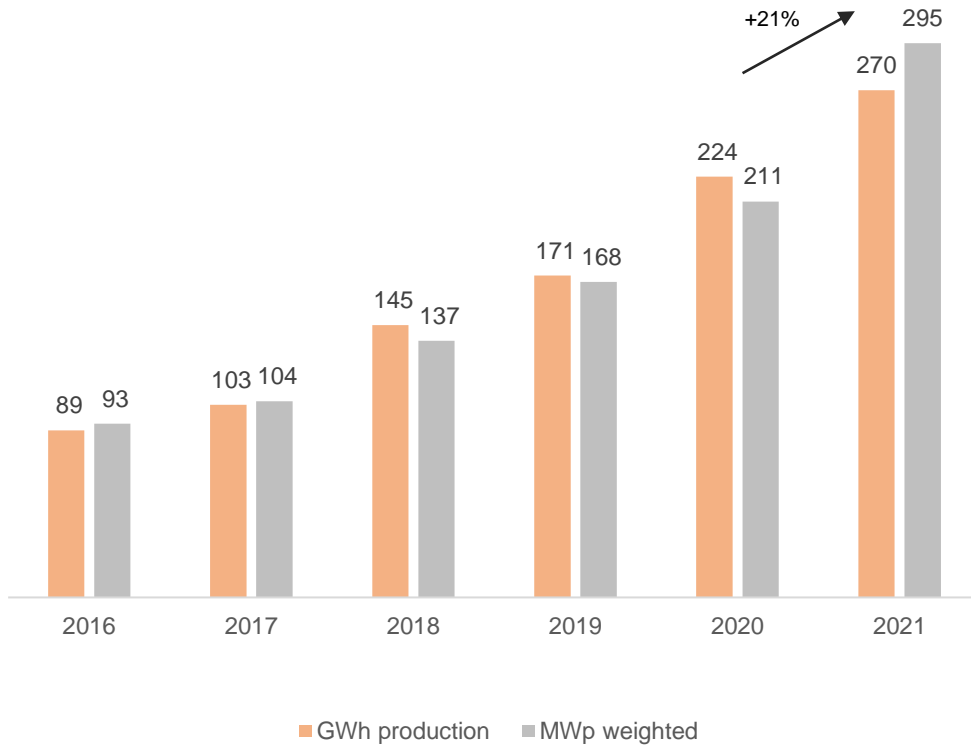
## COMMENTS

- Whereas nationwide kWh/kWp fell by 8%, 7C Solarparken observed a drop of 11% in specific output compared to 2020. This difference of 3% can be explained by two main factors:
  - ~ 2% effect via the portfolio & regional effect:** more weight on lower irradiation areas in 2021 versus 2020 (i.e. rooftop projects in Belgium and Saxony Anhalt)
  - ~ 1% effect via unforeseen outages:**
    - For reasons of safety, a dismantlement of 2 MWp has been initiated (Kaiserslautern) in summer of 2021.
    - The company faced a three-months outage in Bunde (750 kWp) due to low-power panels of Eging which needed to be replaced.
    - The project in Gumtow (6 MWp) suffered from an EPC failure and has been out for over several sunny months.

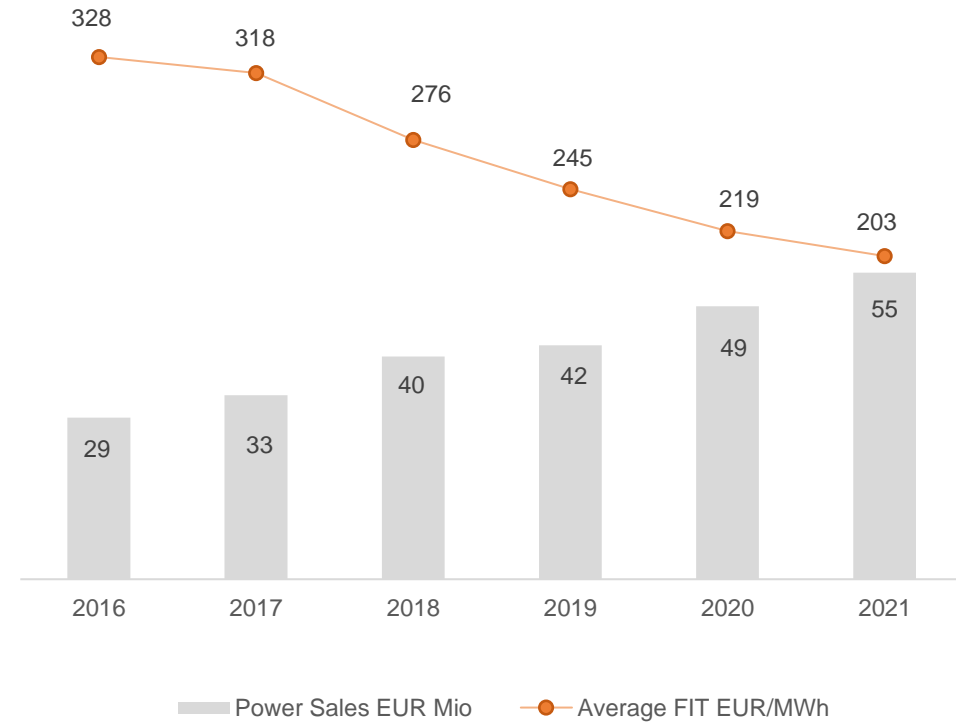
# OUTPUT 21% Increase in Power Production to 270 GWh



### PRODUCTION & CAPACITY



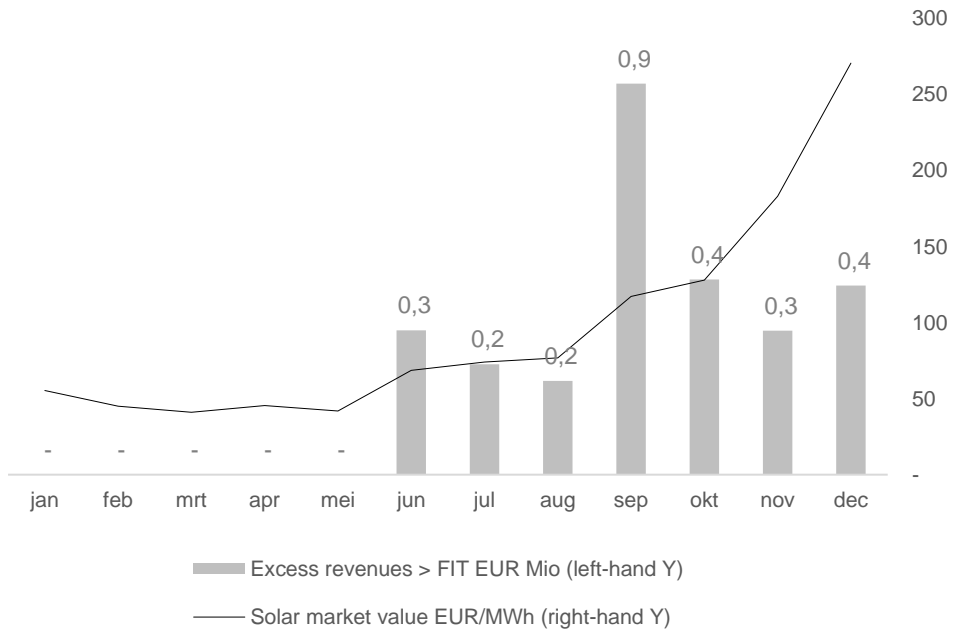
### POWER SALES AND AVERAGE TARIFF



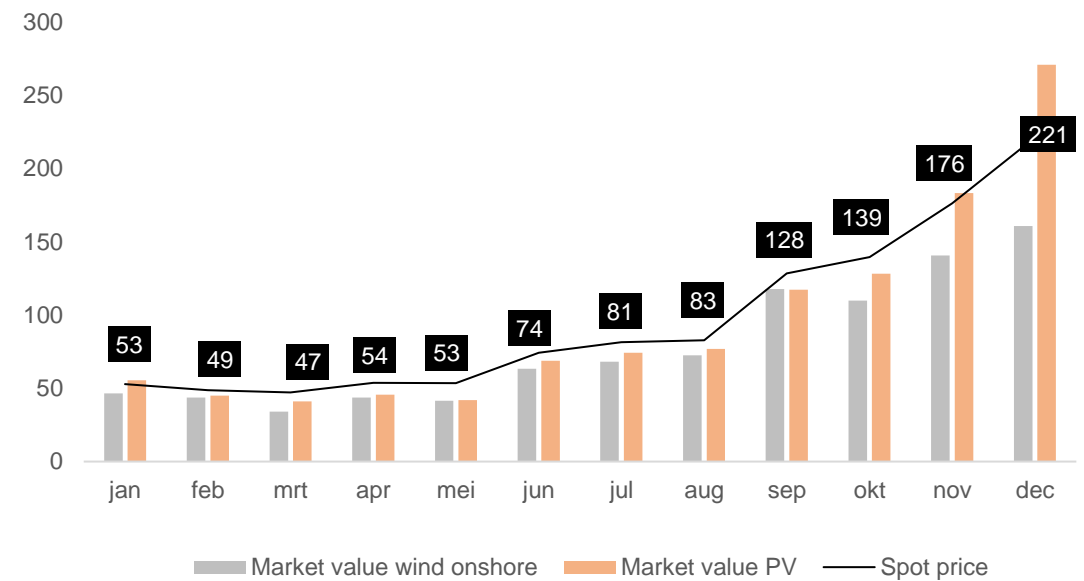
# OUTPUT Positive Impact of higher Power Price EUR 2.8 Mio. in 2021



EXCESS REVENUES ON MONTHLY BASIS : POWER PRICE > FIT (EUR MIO)



SOLAR MARKET VALUE VERSUS BASE-LOAD EPEX SPOT EUR/MWH



# SUMMARY OF KPI'S versus Consensus Estimates



## RESULTS SUMMARY 2021

	#1	#2	#3	#4	Consensus	Realised
Revenues EUR Mio	54,3	55,6	56,7	55,7	55,6	56,2
EBITDA EUR mio	45,5	45,5	47,3	45,6	46,0	48,6
CFPS	0,52	0,50	0,54	0,52	0,52	0,56



# P&L EBITDA rose to EUR 48.6 Mio., above raised Guidance of EUR 45.5 Mio



In Mio EUR	2021	2020	COMMENT
<b>Revenues</b>	<b>56.2</b>	<b>50.6</b>	Includes EUR 54.9 Mio Power Sales of which EUR 2.8 Mio from increased power price
Other income	2.5	1.9	
o/w compensation for damage	0.5	0.8	Compensation for outfall from EPC and insurance company
o/w transfer of costs	0.5	-	
o/w gain on sale of asset	0.1	0.4	
o/w others	1.4	0.7	Includes cancellation of payables EUR 0.7 Mio, cancellation of warranty provisions EUR 0.3 Mio
<b>EBITDA</b>	<b>48.6</b>	<b>42.9</b>	Latest Guidance: EUR 45.5 Mio (Nov 2021)
D&A	-31.1	-29.7	
EBIT	17.5	13.2	
Financial Result	-6.3	-5.8	
o/w financial income	0.5	1.0	
o/w financial expenses	-6.8	-7.0	
_ interest on debt	-5.4	-5.8	Real cost of debt fell to 2.3%
_ other	-1.4	-1.2	Mainly unwinding of discount (provisions and IFRS 16 lease liabilities)
Pre-tax profit	11.2	7.4	
Tax	-0.6	-1.8	Net deferred tax income
o/w current taxes	-1.5	-1.5	
Consolidated profit	10.6	5.6	
<b>Net profit, group</b>	<b>9.9</b>	<b>5.2</b>	
Minorities	-0.7	-0.4	

# BALANCE SHEET Equity Ratio up to 39%, Net Debt/EBITDA falls to 3.6x



In Mio EUR	2021	2020	COMMENT
<b>ASSETS</b>	<b>507.9</b>	<b>458.5</b>	
Land & Property	12.9	11.9	PV Estate
Right of use assets	26.3	22.0	IFRS 16
Solar and windparks	377.6	337.3	Reflects expansion of IPP portfolio
Financial Investments	1.1	1.6	
Inventory	2.0	2.7	
Cash & cash equivalents	69.3	62.2	EUR 18.7 Mio restricted
<b>LIABILITIES</b>	<b>507.9</b>	<b>458.5</b>	
Shareholders Equity	185.9	150.4	8.9 Mio new shares issued during 2021
Minority interest	11.4	11.4	
Financial debt	241.1	236.8	
LT Provisions	21.0	17.2	
Lease liabilities	26.3	17.2	IFRS 16 (related to solarparks EUR 4.7m)
<b>FINANCIAL RATIOS</b>			
Net debt	176.5	174.7	
Net debt/EBITDA	3.6	4.1	
Equity Ratio	38.8%	35.3%	

# CASH FLOW CFPS exceeds Guidance and almost flat at EUR 0.56/share



In Mio EUR	2021	2020
EBITDA	48.6	42.9
Lease paid	-1.5	-0.9
Cash interest paid	-5.0	-5.5
Cash taxes paid	-1.6	-1.2
<b>Net Cash Flow</b>	<b>40.5</b>	<b>35.3</b>
Number of shares, weighted Mio	71.9	62.3
<b>CFPS</b>	<b>0.56</b>	<b>0.57</b>
<b>Dividend (proposal for 2021)</b>	<b>0.11</b>	<b>0.11</b>

## COMMENTS

- What we wrote in our Presentation “Annual Results 2020 & Outlook 2021”  
*“7C Solarparken targets CFPS of at least EUR 0.50/share based on the current portfolio of 275 MWp. An early realization of capacity target of 295 MWp would on a pro-forma basis raise CFPS to EUR 0.52/share.”*
- 2021 has presented itself as a consequence of poor irradiation, fast growth and rising commodity prices. On that basis, management rose guidance to EUR 0.51/share in November ‘21.

The merits of a high Equity Ratio (low leverage) have paid off through CFPS stability in a low-irradiation year.

# AGENDA



COMPANY

2021 MARKETS

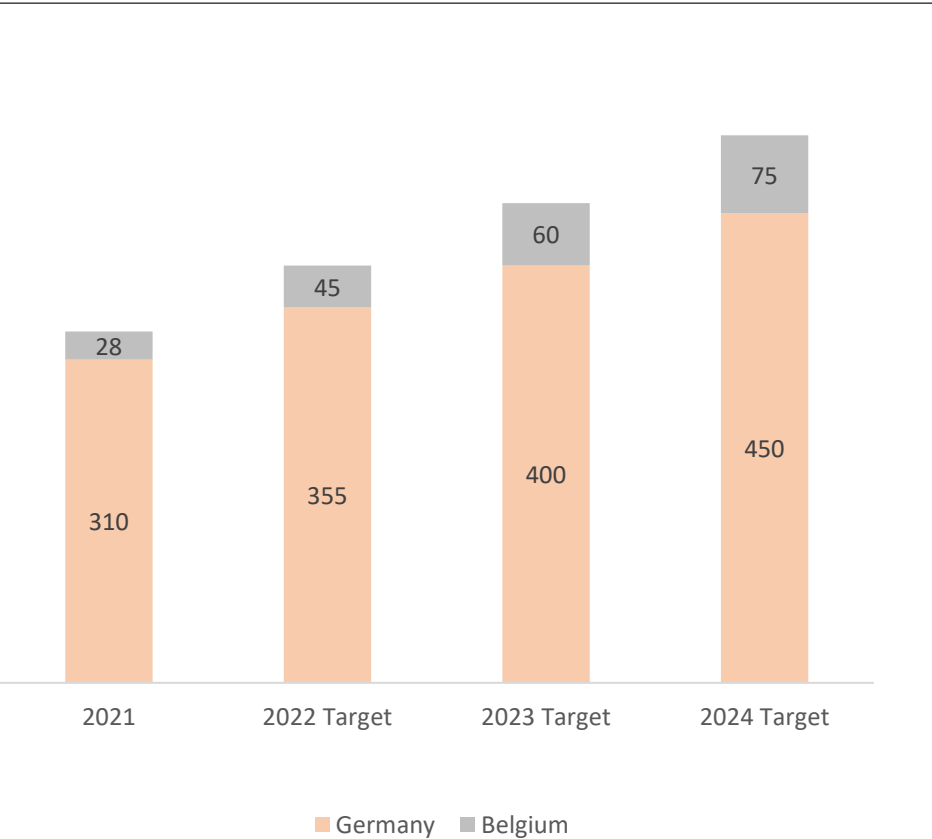
ANNUAL RESULTS

**OUTLOOK & RISKS**

# CAPACITY TARGET 2022 IPP Portfolio to grow to 400 MW during 2022, back-end loaded



IPP TARGET IN MWP



**GROWTH FROM 339 MWP (2021) TO 525 MWP (2024)**

- OWN DEVELOPMENT > 25 MWP** Numerous projects are in various phases of permitting (50 rooftop & freefield sites in Belgium of which 8 have obtained a subsidized tariff already through the tenders). 7C Solarparken announced recently the construction status on three new Belgian projects: 1.1 MWp in Deinze, 2.6 MWp in Meer and 2.3 MWp in Oudenaarde.
- ACQUISITION OF PROJECT RIGHTS:** 7C Solarparken is involved in the purchase of project rights for up to 100 MWp
- EXTENSION OF EXISTING PARKS** Three projects are in negotiation for extension. Potential up to 10 MWp in total
- TURNKEY ACQUISITION** through the normal EPC channels
- EXISTING PLANTS** Acquisition of parks > 25 MWp

# GUIDANCE SCENARIOS depend on Power Price and attached Risks



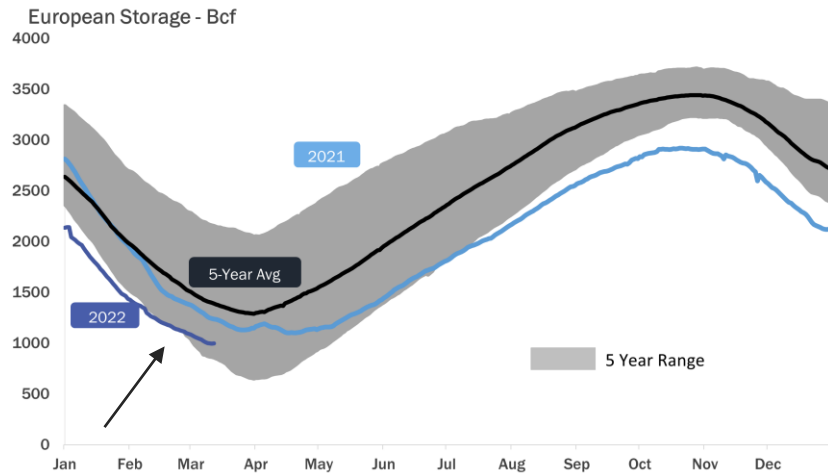
## MARKET OBSERVATIONS: CAUTION IS AT ITS PLACE RATHER THAN GROWTH AT ALL PRICE

- High power prices on the SPOT market have led to the perception that land and permits should be valued 2 or 3 times the historical / normal value. As a result, competition to develop successfully is increasing fast and can come at the expense of future profitability of a projects. The forward market price in 2025 is less than half the price for 2022.
- Cost of components has been further exacerbated following the Ukraine crisis. Delivery times of electronic components up to 6 months.
- Real risk for regulatory intervention by governments:
  - A. European Commission has authorized national governments to tax windfall profits** from renewable operators to mitigate the pain for households. As a result, as from May '22, each individual Member State can intervene and cap the wholesale price through levies until the end of 2022. In the meantime, Italy has already introduced a cap (< EUR 60/MWh). Discussions in France and Spain have also started. In Germany, the situation looks more complicated due to the legal context. Nonetheless, we have assumed a back-up scenario with a cap on power prices of EUR 70/MWh for PV installations.
  - B. In Belgium, the Flemish Energy Minister has indicated to stop paying green certificates** on installations commissioned between 2008-2012 as from 01-01-2023. This retro-active intervention may cost EUR 1.9 Mio in annual revenues for 7C Solarparken as from 2023 onwards. However, this legislation is formerly not yet proposed neither voted. 7C Solarparken is watching closely and is already examining option of legal recourse should this action be taken

# GUIDANCE SCENARIOS Power Price Assumption

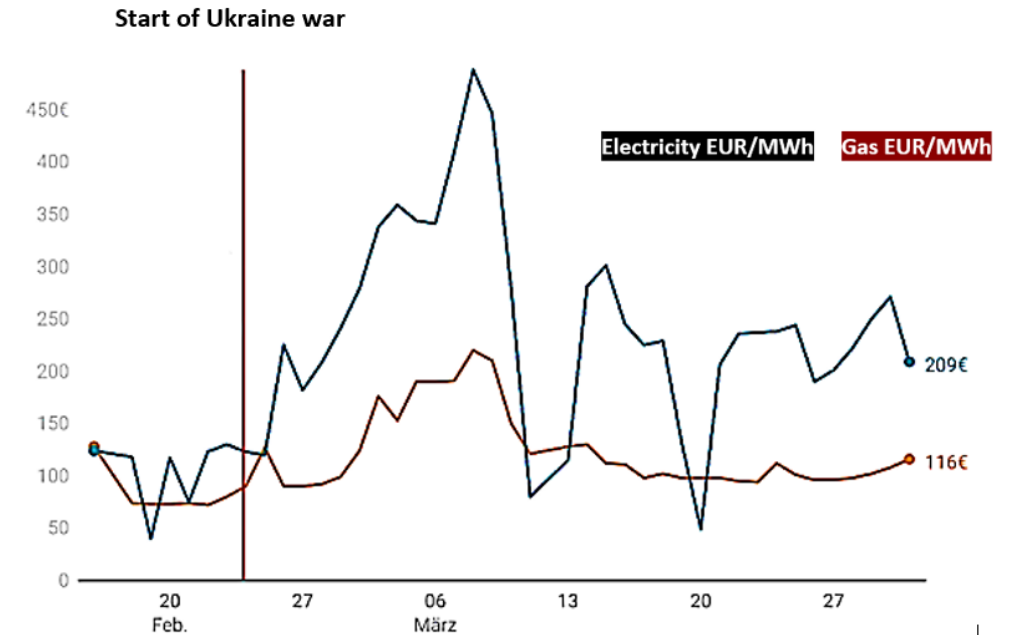


## THE GAS RESERVE SITUATION



Fundamentally, the gas reserves are no longer endangered as we also notice substantial LNG arrivals from the US into Europe. Furthermore, governments have taken numerous new initiatives to increase capacity & reserves (e.g. Groningen gasfield, Rotterdam LNG capacity) which should lead to a relaxation of the market.

## OVERPROPORTIONAL ELECTRICITY PRICE INCREASE



Prior to Ukraine war, the electricity price was around EUR 150/MWh. A risk premium (compared to gas) of ca EUR 60/MWh is now included in the price

# GUIDANCE SCENARIOS Power Price Assumption



## SCENARIO RISK-ADJUSTED MARKET PRICE EUR 126/MWH

EUR/MWh	Q1	Q2	Q3	Q4	2022
Base-load forward	183	215	215	206	205
Risk premium Ukraine		-60	-60	-60	
Imbalance cost		-12	-12	-12	
PV conversion		88%	88%	94%	
PV market price	185	126	126	126	134
Breakdown in year	13%	40%	36%	11%	100%

## SCENARIO PRICE CAP EUR 70/MWH

EUR/MWh	Q1	Q2	Q3	Q4	2022
Base-load forward	183	92	92	86	113
Risk premium Ukraine					
Imbalance cost		-12	-12	-12	
PV conversion		88%	88%	94%	
PV market price	185	70	70	70	85
Breakdown in year	13%	40%	36%	11%	100%

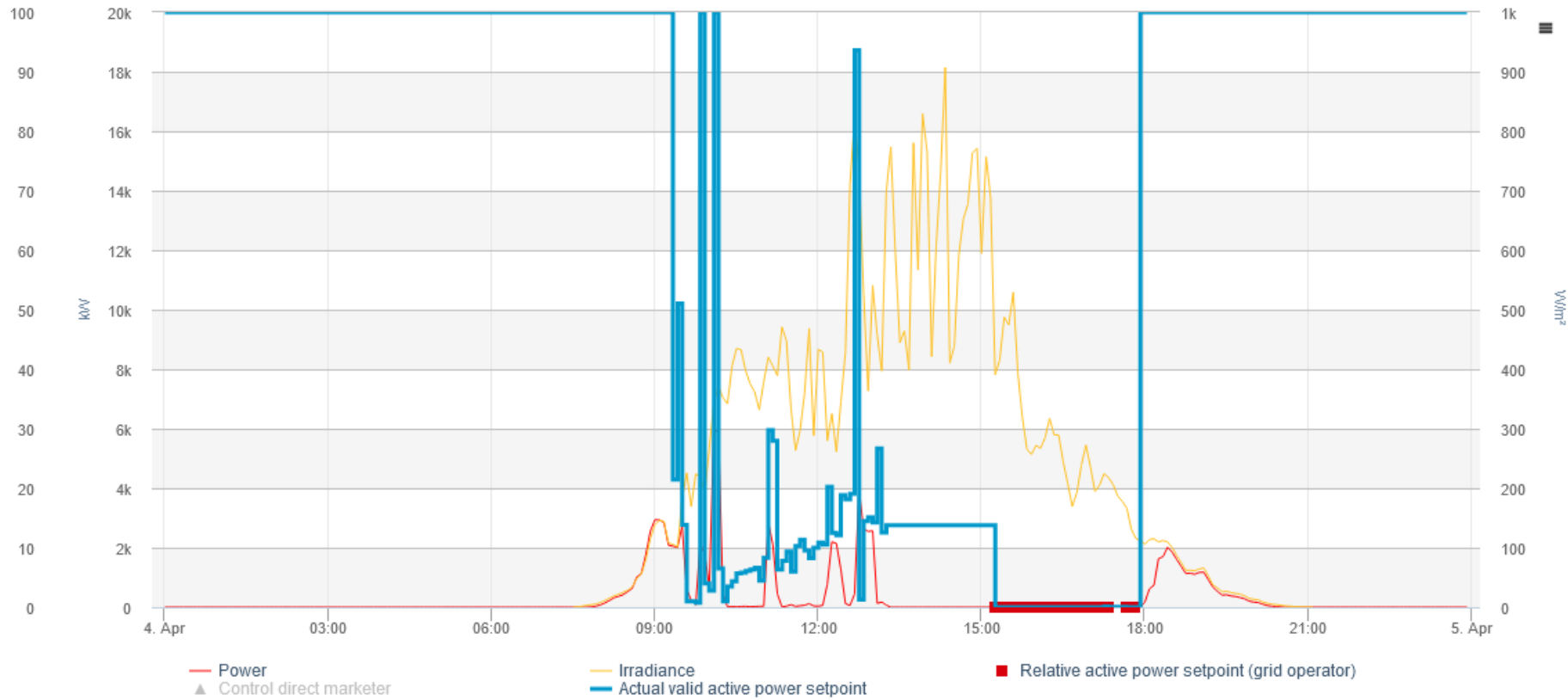


# EFFECT OF RE-DISPATCH 2.0 Unforeseen Switch-Offs in Power Production



## EXAMPLE APRIL 4, 2022 LARGEST PV PARK

In March 2022, ca. 4.0% of all power of the group has undergone a forced power control by the grid operator leading to unforeseen outage of 1.3 GWh.



# GUIDANCE 2022 EBITDA IN CONSERVATIVE RANGE EUR 49.1 – 55.4 MIO



## GUIDANCE TABLE

	Guidance		Illustrative
	RISK ADJUSTED		
	MARKET PRICE	CAP EUR 70/MWH	+++
Weighted average capacity	339	339	339
GWh production	330	330	330
kWh/kWp	973	973	973
Power Price EUR/MWh as from Q2	126	70	235
Power price EUR/MWh full-year	134	85	229
Capture price EUR/MWh	206	187	240
Revenues EUR Mio	68.0	61.8	79.3
EBITDA EUR Mio	55.4	49.1	64.6
CFPS	0.61	0.53	0.73

## MANAGEMENT INPUT

- EBITDA 2022 is assumed - under the risk-adjusted market price scenario - on an investible and manageable planning stance with realistic base-load pricing from which the Ukraine war risk premium is deducted (in line with oil price premium during Gulf War). EBITDA of EUR 55.4 Mio and CFPS of 0.61/share are set forward.
- The second scenario is a conservative variant with a price-cap of EUR 70/MWh.
- Management principally does not assume an overly optimistic (+++) scenario. However, under continuation of the geopolitical conflict and the delay/lack of implementation of a price cap, the capture price (final selling price under the combination of feed-in and market price) could go as high as EUR 240/MWh and create substantial EBITDA upside towards EUR 64.6 Mio and CFPS of EUR 0.73. Such scenario is only shown for illustrative purposes.
- Guidance assumes an unchanged number of shares (76.4 Mio)**

# LONG TERM OUTLOOK Will be boosted by the new Government Initiatives



INITIATIVES PRESENTED ON 06 APRIL 2022 BY MINISTER HABECK

	OBJECTIVE	INSTRUMENTS
Renewable Energy	From <50% in 2021 to 80% by 2030	Grid expansion
Wind offshore	From 7.8 GW to 30 GW by 2030	Less administrative hurdles
Wind onshore	From 56 GW to 115 GW by 2030	Less administrative hurdles
PV	From 59 GW to 215 GW by 2030	Increase of FIT to EUR 73/MWh for <750 kWp

# CONTACT



## CONTACT

7C SOLARPARKEN AG

An der Feuerwache 15

95445 Bayreuth / Germany

+49 (0) 921 23 05 57 77

[www.solarparken.com](http://www.solarparken.com)

[ir@solarparken.com](mailto:ir@solarparken.com)