

7C SOLARPARKEN ANNOUNCES Q1 FIGURES 2018

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- 10% INCREASE IN ELECTRICITY PRODUCTION COMPARED TO Q1 2017
- REPORTED EBITDA OVER Q1 2018 OF EUR 4.3M
- EBITDA GUIDANCE 2018 OF EUR 29.6M CONFIRMED
- ASSET PORTFOLIO REACHED 137 MW (MAY, 31st 2018)

OPERATIONAL ACTIVITY

POWER PRODUCTION

In the first quarter of 2018 electricity production rose by 10% to 17 GWh underpinned by expansion of the weighted average capacity base by 19%. Adverse weather conditions in the first quarter of 2018, in comparison to Q1 2017 however, lead to a decrease of the production per unit of installed capacity (i.e. specific yield) by 8%. These adverse weather conditions in Q1 2018 were already fully reflected in the production and earnings guidance for 2018.

		2018 Q1	2017 Q1	Change
Weighted average capacity base	MWp	120	101	19%
Production	GWh	17	16	10%
Specific Yield	kWh/kWp	145	157	- 8%
Average FIT tariff	EUR / MWh	289	326	- 11%

The average feed-in tariff of the portfolio declined by 11% to EUR 289 / MWh, reflecting both the fact that weather conditions were especially adverse in Bavaria, where the portfolio yields the highest feed-in tariffs, and the continuing rejuvenation of the asset base, resulting in lower average feed-in tariffs.

The negative weather conditions however did not persist in April and May 2018, as a result the group was able to fully recover the shortfall in production during the first three months of the year 2018.

ASSET PORTFOLIO

At the time of publication of this trading update, the capacity of the solar asset portfolio has reached 137 MWp (year-end 2017: 118 MWp). Out of these 18.8 MWp capacity additions year to date, only 5.5 MWp were reflected in the Q1 figures.

INVESTMENTS		2018	2017	
	Project Name	Capacity (kWp)	Project Name	Capacity (kWp)
Q1	Umpferstedt	999	Q1 Großfurra	4,082
	Sömmerda	1,200		
	Mühlheim	750		
	Demmin	629		
	Pinta Portfolio	1,939		
		5,516		4,082

INVESTMENTS		2018			2017
	Project Name	Capacity (kWp)		Project Name	Capacity (kWp)
Q2*	Ludwigsfelde II	749	Q2	Swan Energy	1,236
	SunX Portfolio	8,854			
	Calbe	749			
	Möckern	632			
	Weißer Weg	2,297			
		13,281			1,236

* as of the date of publication (May, 31st 2018)

The group has not made any divestment during Q1 2018 nor during the previous period last year.

7C Solarparken plans to expand the asset portfolio to 150 MWp by the end of the year 2018. As further project acquisitions are currently being discussed, the management board is confident the group can reach this target.

OPERATIONAL RESULTS

Revenues of the first three months of 2018 reached EUR 5.1m, which is a 2% decrease compared to the same period in 2017 (EUR 5.2m). The slight decline is entirely due to the adverse weather conditions.

in TEUR	2018 Q1	2017 Q1	Change
Revenues	5,097	5,226	- 2%
Of which sale of electricity	5,036	5,168	- 3%
EBITDA	4,323	4,668	- 7%

Earnings before Interest, taxes, depreciation and amortization (EBITDA) for the reporting period reached EUR 4.3m, which represents a decrease of 7% increase compared to the first three months of 2017.

Reported EBITDA contains a one-off gain on a bargain purchase of EUR 0.6m as well as one-off expenses of EUR 0.1m. In the previous year, EBITDA had been positively impacted by a gain related to a settlement with a module supplier in the context of the Optimisation 2.0 program (EUR 0.7m). As a result, when comparing the first quarter 2018 to the comparative period in the previous year, EBITDA of Q1 2018 was negatively impacted by a net amount of EUR 0.2m due to these one-off items.

FINANCIAL POSITION

Compared to December, 31st 2017, the gross financial debt position of the group increased by 12.0% to EUR 202m. This increase was mainly due to the issue of a promissory note instrument of EUR 25m in the first quarter of 2018. This new debt instrument has maturities between 5-7 years and an average interest rate of 2.78%. The proceeds were immediately used to fully redeem the project finance loans of Säugling Solar GmbH & Co. KG as well as a corporate loan, which had a combined carrying amount of EUR 10m. The remaining promissory note proceeds (EUR 15m) will be used to pay for the equity portion of new solar projects, which constitutes between 25-30% of a project's total investment cost, the remainder (ca. EUR 35m) will be financed by attracting new project financing. During the first quarter of 2018, project finance loans in the amount of EUR 13m were contracted or acquired, whilst EUR 6m in scheduled project financing repayments were made.

NET DEBT (in TEUR)	31.03.18	31.12.17	Change
Financial debt	202,430	180,713	12.0%
Cash & Cash Equivalents	42,034	34,068	23.4%
Net debt	160,396	146,645	9.4%

The liquidity position went up in spite some heavy investment activity by 23.4% to EUR 42m at the end of the first quarter 2018, of which ca. EUR 15m is restricted cash & cash equivalents.

The net financial debt of the group increased by 9.4% to EUR 160m.

OTHER MAJOR EVENTS IN THE FIRST QUARTER 2017

ACQUISITION OF THE “AMATEC” BUSINESS

In February 2018, 7C Solarparken acquired the “Amatec” business. It consists of a development business, driven by a team of 4 employees and its managing director, as well as various project companies, in which solar projects are being developed. In addition, an existing installation “Mühlheim” (see asset portfolio) was acquired as well.

The Amatec development pipeline consists of various projects in different development stages of a further 15 MWp, of which the Calbe project (see asset portfolio) was successfully executed in the second quarter, as well as a portfolio of over 40 MWp in an early stage of development.

Finally, the group has acquired the rights of first refusal on three operational solar installations with a total size of 4 MWp. The project “Weißer Weg” is the first one, which was purchased exercising those pre-emption rights. The installation has a capacity of 2.3 MWp, and was commissioned in 2016 with a feed-in tariff of EUR 89 / MWh. The asset was acquired after the reporting date.

OTHER MAJOR EVENTS AFTER THE FIRST QUARTER 2018

PROPOSAL FIRST TIME DIVIDEND

The management and supervisory board of 7C Solarparken AG have proposed a dividend of EUR 0.10 per share to the Annual Shareholders’ Meeting, which will be held on June, 1st 2018 in Cologne.

OUTLOOK

The management board continues to see a positive development of the group and therefore confirms its guidance set for 2018.

	2018
Revenues	EUR 35.1m
EBITDA	EUR 29.6m
Cashflow per share	EUR 0.49

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

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