

7C SOLARPARKEN ANNOUNCES 9M FIGURES 2019

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- RECORD 9M EBITDA OF EUR 35.1M LEADS TO GUIDANCE INCREASE
- 16.9% INCREASE IN ELECTRICITY PRODUCTION COMPARED TO 9M 2018

OPERATIONAL ACTIVITY

POWER PRODUCTION

In the first nine months of 2019 electricity production rose by 16.9% to 149 GWh compared to the same period last year, underpinned by an expansion of the weighted average capacity by 22.0%. The development of the production per installed capacity (i.e. specific yield), however, decreased with 2.7% to 923 kWh/kWp (prior year period: 949 kWh/kWp). This development of the production per installed capacity is attributable to the extraordinary irradiation conditions in the third quarter of 2018.

		2019 9M	2018 9M	Δ
Weighted average capacity	MWp	160	132	22.0%
Production	GWh	149	127	16.9%
Specific yield	kWh/kWp	923	949	-2.7%

Although weather conditions in the first half of 2019 were positive (+2.9% compared to an already very good first half of 2018), weather conditions during the third quarter of 2019 could not keep up with the solar irradiation of the record summer 2018. As a result, the specific yield in the third quarter decreased by 9.9% compared to the same period of the previous year. This led to a decline of 2.7% in specific yield for the first nine months of 2019 compared to the first three quarters of 2018.

		2019Q3	2018Q3	Δ	2019H1	2018H1	Δ
Weighted average capacity	MWp	166	141	17.3%	159	127	25.4%
Production	GWh	59	55	6.0%	91	72	27.1%
Specific yield	kWh/kWp	354	397	-9.9%	568	552	2.9%

ASSET PORTFOLIO

At the reporting date, the capacity of the total portfolio reached 187 MWp (year-end 2018: 154 MWp). Investments during the reporting period are presented in the table below:

INVESTMENTS		2019 9M	INVESTMENTS		2018 9M
Q1	Project	Capacity (kWp)	Q1	Project	Capacity (kWp)
	Oppin	929		Sömmerda	1,200
	Medard 2 (wind farm)	2,780		Umpferstedt	999
	Geesthacht	556		Mühlheim	750
	Wallstawe III	747		Demmin	629
	Umpferstedt II	423		Wallstawe I	748
	Surya (under construction)	2,538		Wallstawe II	442
	Neustadt I & II	853		Dähre	750
	Bünde	749			
	Aerzen	749			
Q2	Glasewitz	1,507	Q2	SunX Portfolio	9,482
	Blankenberg	1,109		Weißer Weg	2,297
	Stephanposching	580			
	Schmidöd	2,000			
	Plötzky (under construction)	551			
	Ludwigsfelde III (under construction)	749			
Q3	Gorgast (in acquisition)	750	Q3	Ludwigsfelde II	749
	Flöha II & III (under construction)	1,500		Bernsdorf	750
	Himmelfürst II (under construction)	750		Calbe	750
	Falkenau II (under construction)	750		Flöha	750
	Bündel 1 (under construction)	1,800		Himmelfürst	750
	Langelsheim (under construction)	750		Falkenau	750
	Stetten (wind farm) (in acquisition)	3,075		Weißenfels	648
	Dieburg (in acquisition)	6,415		Brandholz	1,881
	Gumtow (in acquisition)	750		Tangerhütte	6,249
				Zschornowitz	2,641
				Flieth-Stegelitz	564
				Friedrichsholm	750
				Derching	1,109
				Säritz	630
Total		33,360	Total		36,268

In the first two quarters 2019 the group acquired new solar/wind assets with a capacity of 16.8 MWp. (2018: 17.3 MWp). In the third quarter assets with a capacity of 16.5 MWp (Q3 2018: 19.0 MWp) were acquired, of which projects with a total capacity of 5.6 MWp were still under construction, whereas projects with a size of 11.0 MWp were still in acquisition at the end of the third quarter 2019. Among the acquired assets is also a wind farm with a capacity of 3.1 MW. Overall, the Group has wind farms with a total capacity of 5.9 MW (about 3% of the total portfolio).

OPERATIONAL RESULTS

7C Solarparken had revenues of EUR 37.6m over the first nine months of 2019, which is a 5.3% increase compared to the same period in 2018 (EUR 35.7m). The revenues consist for 98.4% of sale of electricity (99.3% comparative period). The acquisition of the asset management activity of operating solar power plants with a total output of 77 MWp, contributed significantly to sales of services. As a result, these revenues increased to EUR 0.5m (comparative period: EUR 0.2m) and amounted to 1.4% of revenues.

in EURm	2019 9M	2018 9M	Δ
Revenues	37.6	35.7	5.3%
EBITDA	35.1	31.7	10.7%

The increase in revenues is therefore due primarily to the increase in electricity production, in addition to the first-time revenues from the acquisition of the Asset Management for operating solar power plants.

Sale of electricity amounted to EUR 37.0m after the first three quarters of 2019 (2018 9M: EUR 35.5m). The increase in electricity generation is mainly attributable to the full inclusion of the solar plants acquired in the previous year (+ EUR 0.9m), the sales of all plants still under construction in the comparative period (+ EUR 0.7m) and the revenue contributions of the newly acquired and newly built solar and wind plants (+ EUR 1.1m) during the reporting period. The normalization of weather conditions in the third quarter compared with the record summer of 2018 had a negative effect of approx. EUR 1.1m on electricity sales.

The earnings before Interest, taxes, depreciation and amortization (EBITDA) for the reporting period came in at EUR 35.1m, which is a 10.7% increase compared to the first nine months of 2018.

The group EBITDA includes several one-time effects in the reporting period as it did in the comparative period. In particular, one-off gains from bargain purchases ("badwill") in the amount of EUR 1.0m are reported, compared to an amount of EUR 1.1m of such gains in the first nine months of the previous year. Furthermore, 7C Solarparken reached a settlement with a module manufacturer resulting in a one-off operational income of EUR 0.6m.

Finally, the group EBITDA was positively impacted by the first adoption of IFRS 16 in the amount of EUR 0.7m, due to the first adoption of IFRS16, as the payment of rental fees is recognized as redemption of lease liabilities as from January 1, 2019.

FINANCIAL POSITION

Cash and cash equivalents amounted to EUR 62.5m (of which restricted cash: EUR 15.1m) at the closing date which represents an increase of 26.1% compared to the end of the financial year 2018. The increase mainly results from the capital increase in the second quarter, resulting in a cash inflow of EUR 15.2m, whereas the dividend distribution in June of 2019 amounted to EUR 5.9m.

NET DEBT (in EUR m)	30.09.19	31.12.18
Financial Debt and Lease Liabilities	229.8	211.3
Minus Cash & Cash Equivalents*	-62.5	-49.5
Minus Lease Liabilities according to IFRS 16	-12.8	0
Net Debt	154.5	161.8

*of which restricted cash of TEUR 15,067 (2018: TEUR 16,775)

Financial Debt and Lease Liabilities of the Group increased by 8.8% to EUR 229.8m compared to the end of 2018 (EUR 211.3m).

The increase resulted from the initial accounting of lease liabilities in accordance with IFRS 16 as from January, 1st 2019 in the amount of EUR 11.8m. These lease liabilities are offset by the recognition of rights of use assets. During the reporting period, the lease liabilities increased on the one hand by EUR 1.7m due to business combinations, on the other hand they were redeemed by lease payments of EUR 0.7m.

Moreover, financial debt was also increased by EUR 30.5m as a result of new loans and acquiring existing loans as a result of various business combinations. By contrast, redemption of existing bank loans totalled EUR 24.9m.

In its presentation, the Group deducts lease liabilities in accordance with IFRS 16 from Net Debt. As a result, Net Debt decreased by 4.5% to EUR 154.5m on the balance sheet date compared to year-end 2018.

OTHER MAJOR EVENTS AFTER THE THIRD QUARTER 2019**ACQUISITION OF SOLAR ASSETS**

By the date of publication, the Group has acquired a 2.3 MWp roof-mounted system in Güstrow (Mecklenburg-West Pomerania) from E.ON, increasing the total capacity to 190 MWp. The asset, which was erected in 2016, is equipped with Risen modules and Delta inverters. In a 12-month period, the rooftop installation is expected to generate revenues of TEUR 187 and an EBITDA of TEUR 140 under normal weather conditions.

CAPITAL INCREASE OF EUR 8.0M

In November 2019, the Management Board of 7C Solarparken AG decided to increase the Company's share capital by granting subscription rights for existing shareholders from EUR 58,733,491 to up to EUR 61,356,441 by issuing up to 2,622,950 new no-par-value bearer shares against cash contributions. The placement price per share was put at EUR 3.05 by the Management Board with the approval of the Supervisory Board. The Company's proposed proceeds of up to EUR 8.0m will enable the company to go beyond the existing strategic plan (i) to expand the PV Estate portfolio, (ii) to optimize various solar installations, and (iii) to invest in the asset management business. The capital increase was not yet completed on the day of publication of this report.

OUTLOOK

The management board continues to expect a positive development of the Group and increases its full-year guidance to "revenues of at least EUR 42.0m" and "an EBITDA of at least EUR 37.5m" and changes its cash flow per share guidance to EUR 0.52 per share for 2019.

Full year guidance (in EUR m)	New guidance	Guidance as per annual report 2018
Revenues	>42.0m	41.0m
EBITDA	>37.5m	>35.0m
CFPS (in EUR)	0.52	>0.50

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

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