

## Annual Results 2016 & Outlook 2017

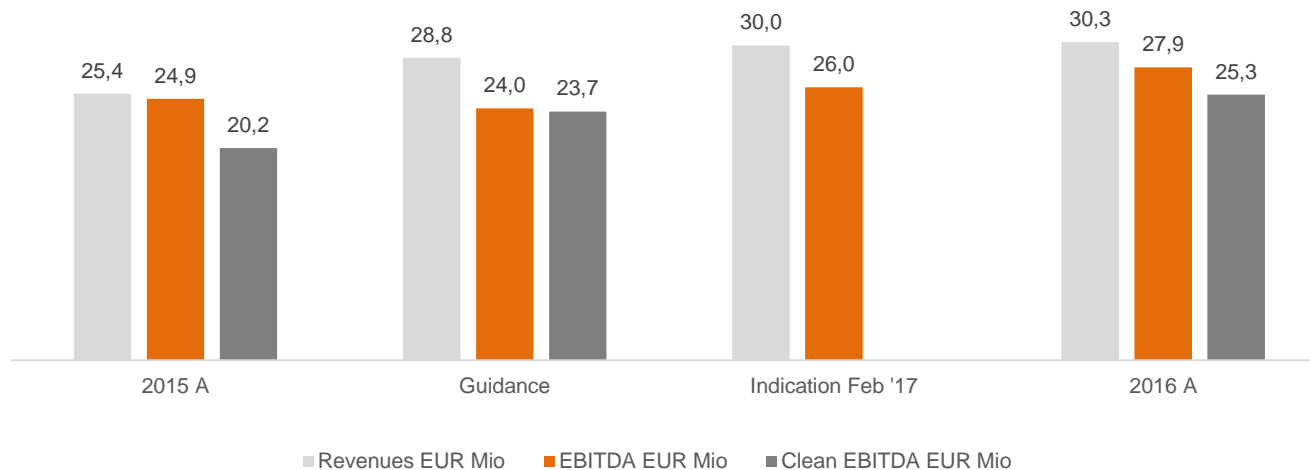


## ANALYST CONFERENCE

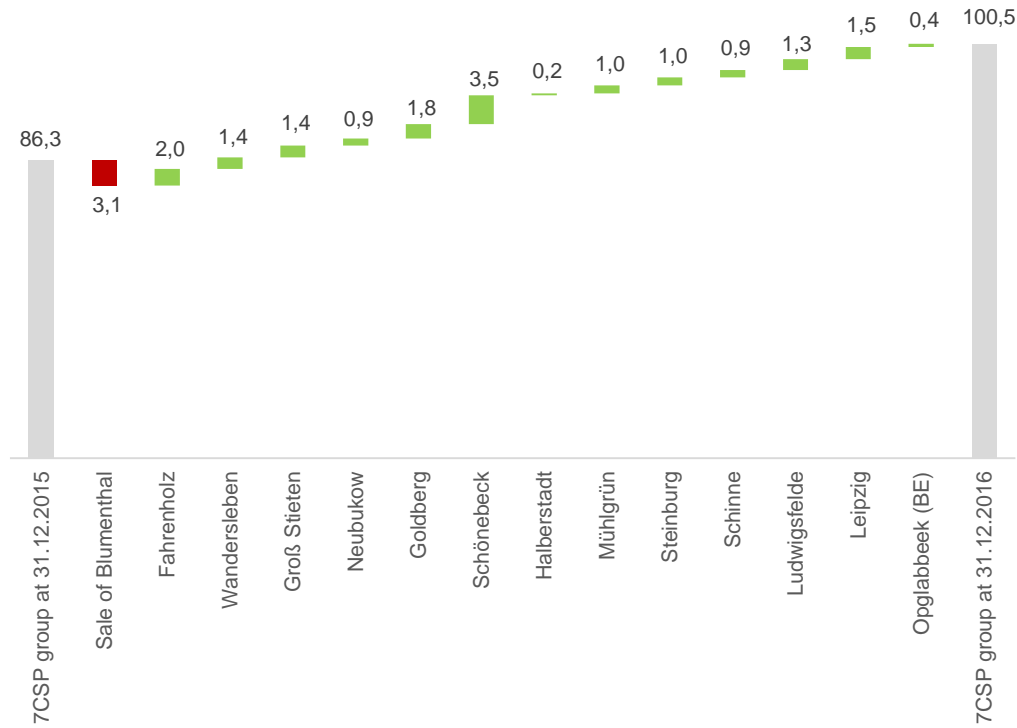
27 April, 2017

## OUTPERFORMANCE OVER FULL-YEAR 2016 TARGETS

- ✓ Capacity rose to 100 MWp at year-end 2016, currently (status April 2017) already at 105,8 MWp
- ✓ Revenues, EBITDA and clean EBITDA above full-year guidance.
- ✓ Cash Flow per share well above full-year guidance even in spite of lower irradiation and a steep increase in number of shares
- ✓ Further improvement of balance sheet: net debt/EBITDA < 6,0x and equity ratio at almost 25%
- ✓ Positive outlook for 2017 confirmed even excluding further capacity expansion



## CAPACITY GROWTH IN 2016



Installed capacity grew by 16,5% to 100 MWp

## FAHRENHOLZ



## LEIPZIG

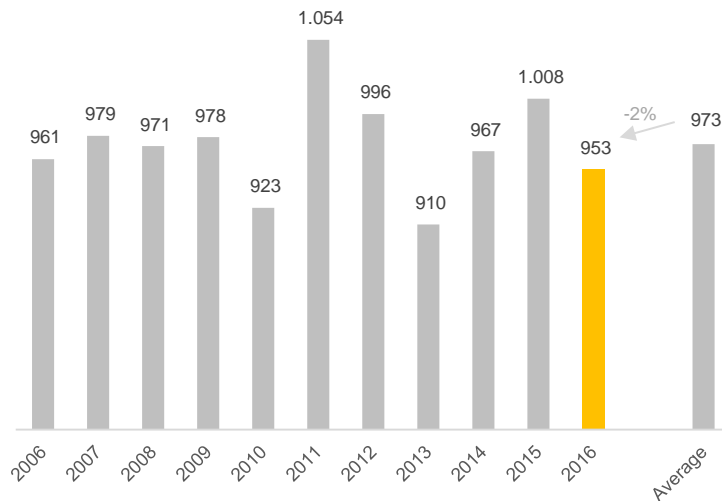


## NEUBUKOW



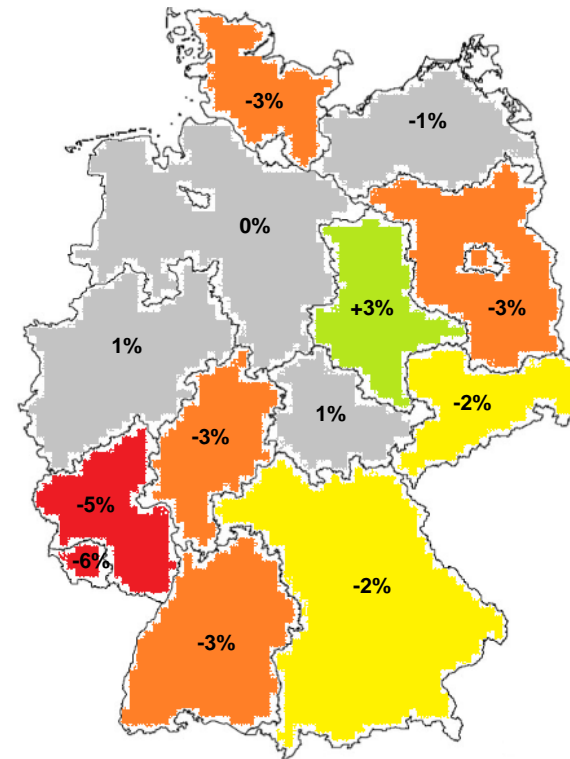
## SOLAR OUTPUT INDEX GERMANY IN 2016

*kWh/kWp 2016 in Germany versus long-term average*



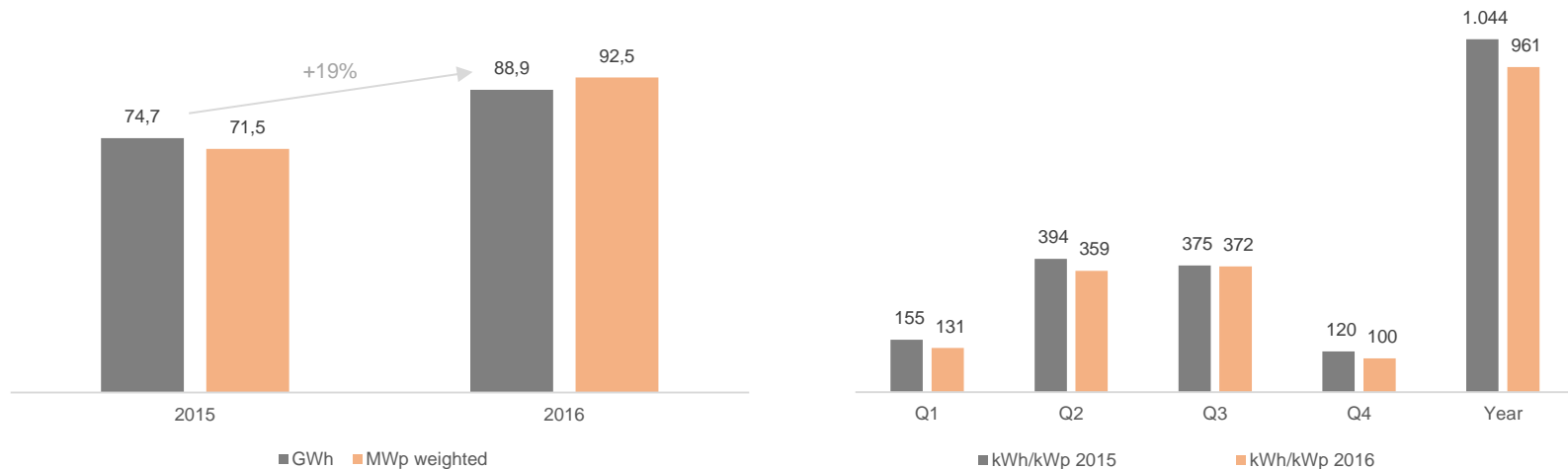
- In spite of adverse weather conditions during the first semester, the year 2016 proved to be a year within the normal deviation range.
- The average performance of installations across Germany was 2% below the long-term average and 5% below 2015

*Deviation in 2016 by region versus long-term average*



**Reference installations across Germany performed 5% below 2015 and 2% below long-term average**

## IPP PORTFOLIO: OPERATIONAL PERFORMANCE 2016



- 7C Solarparken Group produced 88,9 GWh in 2016 based on a weighted average running capacity of 92,5 MWp during the year.
- Specific yield of our portfolio fell by 8% from 1044 kWh/kWp in 2015 to 961,5 kWh/kWp in 2016 due to:
  - 5% less irradiation in our parks
  - 0,5% outages related to planned optimisation works (e.g. Kissing, Wiesenbach)
  - 0,5% from unplanned (but insured) outage in Longuich (car driver hit the mid-voltage cabin causing a 3-months outage)
  - ca. 1% from change in portfolio composition reflecting the disposal of our 1 MWp plant in Sainte-Maxime (1450 kWh/kWp) and the re-investment in new projects in less sunny regions (Niedersachsen, Mecklenburg Vorpommern)
  - Other performance effects: annual degradation, weather conditions (less cooling from wind, more snow, less irradiation-induced efficiency)

## GROUP P&amp;L (IFRS)

In T EUR	2016	2015	Comment
Revenues	30.294	25.362	EUR 29,2 Mio from IPP in 2016 (average tariff: EUR 328,5/MWh)
<b>EBITDA</b>	<b>27.949</b>	<b>24.906</b>	<b>including positive one-time effects</b>
D&A	- 15.956	- 11.752	Reflects increase in underlying assets
Impairment	-	-1.551	Goodwill impairment on Miskina in 2015
<b>EBIT</b>	<b>11.993</b>	<b>11.602</b>	
Financial income	846	691	
Financial expenses	- 6.620	- 5.983	EUR 6,1 Mio interest expenses in 2016
Income from associates	9	75	JV Solar until April 2015
<b>Pre-tax profit</b>	<b>6.228</b>	<b>6.384</b>	
Tax	- 1.522	- 843	of which EUR 0,6 Mio current taxes, remainder is deferred
Consolidated profit	4.706	5.541	
Net profit, group	4.708	5.500	
Minorities	-2	41	

**EBITDA +12% to EUR 27,9 Mio versus guidance EUR > 24 Mio and statement in Feb '17 of > EUR 26 Mio**

## CLEAN EBITDA AND CASH FLOW PER SHARE

In Mio EUR	2016	2015	Comment
<b>EBITDA</b>	<b>27,9</b>	<b>24,9</b>	Including one-time effects
Transaction & restructuring expenses	0,2	0,4	
Compensation for damage	0,0	-1,2	Loss of revenue compensation Longuich incl. in other operating income is accounted as recurring
Gain from sale of assets	-0,4	-0,5	Sale of Blumenthal
Gain on bargain purchase (PPA)	-1,9	-2,9	
Net effect of provisions	-0,6	-0,5	Release of provisions from EPC and O&M
Others	0,0	0,0	
<b>Clean EBITDA</b>	<b>25,3</b>	<b>20,2</b>	
Cash interest paid	-6,2	-6,1	
Cash tax paid	-0,2	-0,0	
<b>Net cash flow</b>	<b>19,0</b>	<b>14,0</b>	
Weighted average # shares (in mio)	42,3	34,1	
<b>Cash Flow Per Share (CFPS)</b>	<b>0,45</b>	<b>0,41</b>	

- Clean EBITDA rose to EUR 25,3 Mio and exceeded the guidance of at least EUR 23,7 Mio
- Cash flow per share improved to EUR 0,45/share, above the guidance of EUR 0,43/share.
- Demonstrating once again that, in spite of capital increases (from 34mio to 42mio weighted shares), value creation per share has been increased

**Clean EBITDA rose to EUR 25,3 Mio versus guidance > EUR 23,7 Mio**



## GROUP BALANCE SHEET (IFRS)

In T EUR	2016	2015	Comment
<b>ASSETS</b>	<b>285.063</b>	<b>264.746</b>	
Land & Property	7.889	6.871	PV Estate
Solarparks	233.937	220.113	Solar installations incl under construction
Financial investment	183	35	
Inventory	408	225	mainly modules
Cash & cash equivalents	29.896	27.336	includes restricted cash of EUR 13,4 Mio
Others	12.750	10.166	
<b>LIABILITIES</b>	<b>285.063</b>	<b>264.746</b>	
Equity	70.628	62.189	
Minority interest	386	114	
Financial debt	186.548	181.504	
Long-term provisions	7.744	7.477	Dismantling, EPC risk, O&M losses, contingent liabilities
Others	19.757	13.462	
Net financial debt	<b>156.652</b>	<b>154.168</b>	
Net debt/EBITDA	<b>5,6</b>	<b>6,2</b>	
Equity ratio	<b>24,8%</b>	<b>23,5%</b>	

Further qualitative improvement of balance sheet: net debt/EBITDA below 6x and equity ratio at 25%



## PROVISIONS AND OLD LEGACY COLEXON

In T EUR	2015	2015	Comment
<b>LONG TERM PROVISIONS</b>	<b>7.744</b>	<b>7.477</b>	
Rückbau	5.443	4.672	Normal dismantling provisions
Technical warranties	1.463	1.163	EPC risks
O&M contracts	98	256	Unprofitable O&M contracts
Contingent liabilities	697	1.231	Mainly litigation and claims outside EPC contracts
Lease	0	113	
Others	44	42	

- Most unprofitable O&M contracts and EPC guarantees have expired at year-end 2016, so that no additional risks can be expected.
- Provisions for technical warranties have risen by EUR 0,3 Mio reflecting the assessment of court experts regarding the EPC warranty cases.
- A drop in contingent liabilities fully offset the increased EPC risk.
- The old legacy risk (EPC, O&M, contingent liabilities) dropped from EUR 2,7 Mio in 2015 to EUR 2,3 Mio in 2016.

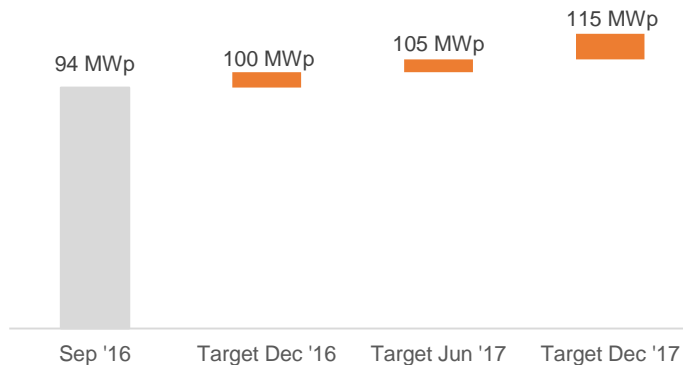
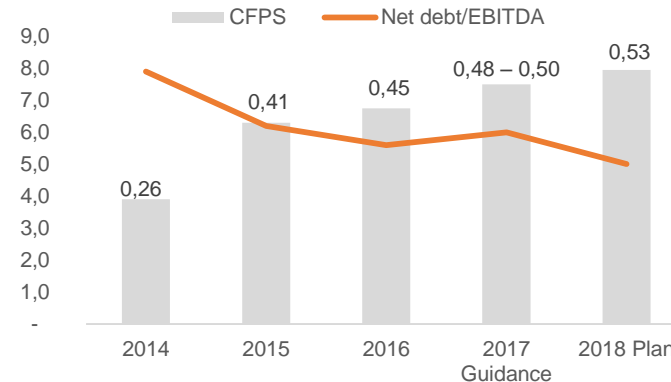
Existing risks related to Colexon's EPC history in the past have further reduced versus last year

**STRATEGIC OBJECTIVES 2016-18**

- ✓ Capacity growth to 115 MWp at year-end 2017
- ✓ Optim 2.0 + EUR 0,4 Mio EBITDA p.a.
- ✓ Strategic Deal in 2018 to lift capacity to 200 MWp

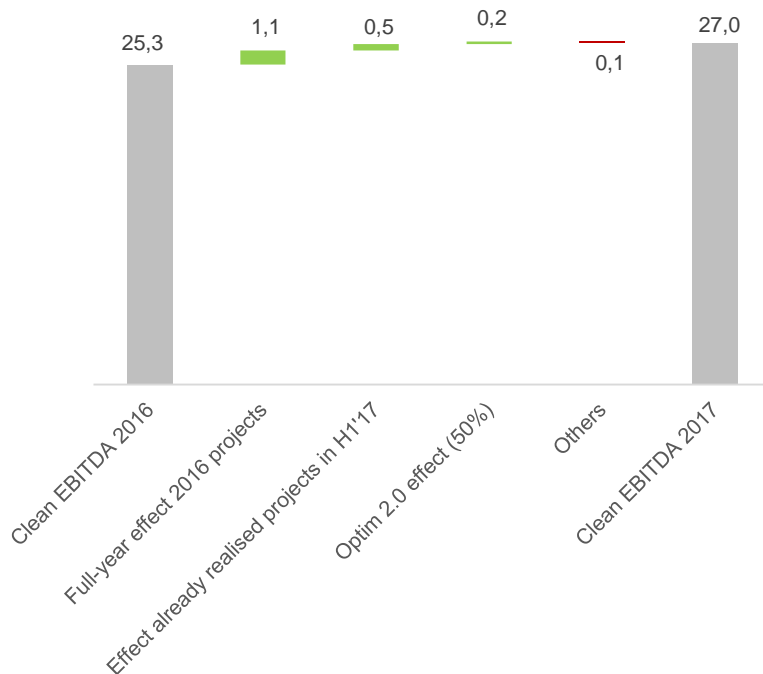
**FINANCIAL OBJECTIVES 2016-18**

- ✓ EUR 28,9 Mio EBITDA based on 115 MWp
- ✓ Net debt/EBITDA < 5,0x
- ✓ Cash Flow Per Share EUR 0,53/share

**BUILD-UP OF CAPACITY****NET DEBT/EBITDA AND CASH FLOW PER SHARE (CFPS)**

**Continued focus on cash flow maximisation while eyeing a transformational deal in 2018**

### CLEAN EBITDA (EUR MIO) BRIDGE 2016-17



#### ASSUMPTIONS:

- IPP Portfolio (status April 2017): 105,8 MWp
- Includes Swan Energy (1,2 MWp) as from April '17
- Weather conditions on par with 2016, reflecting adverse effects in April 2017
- First effects of OPTIM 2.0 included (50%)
- No cash flow impact from growth initiatives towards 115 MWp

Clean EBITDA in 2017 should exceed EUR 27 Mio.

Mio EUR	2014 Actual	2015 Actual	2016 Actual	2017 Plan
Revenues	14.6	25,4	30,3	> 32,0
EBITDA	16.7	24,9	27,9	> 27,0
Clean EBITDA	11.2	20,2	25,3	> 27,0
Net debt	132,1	154,2	156,6	Slightly less
CFPS (EUR/share)	0.26	0,41	0,45	0,48 – 0,50 (*)

(\*) on the basis of the recently increased total number of shares (44,8 mio) following two private placements during 2017 aimed to finance further growth in H2'17

(\*) no cash flow contribution assumed from organic or external growth in H2'17

**We anticipate another year of value-accretive growth in cash flow per share**



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