



# 7c solarparken

Herzlich Willkommen zur

Hauptversammlung der 7C Solarparken AG

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JULI 21, 2021

VIRTUAL PRESENTATION

*Presented by Koen Boriau, CFO*

# DISCLAIMER



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**1**

**7C Solarparken im Detail**

**2**

**Bericht des Vorstands**

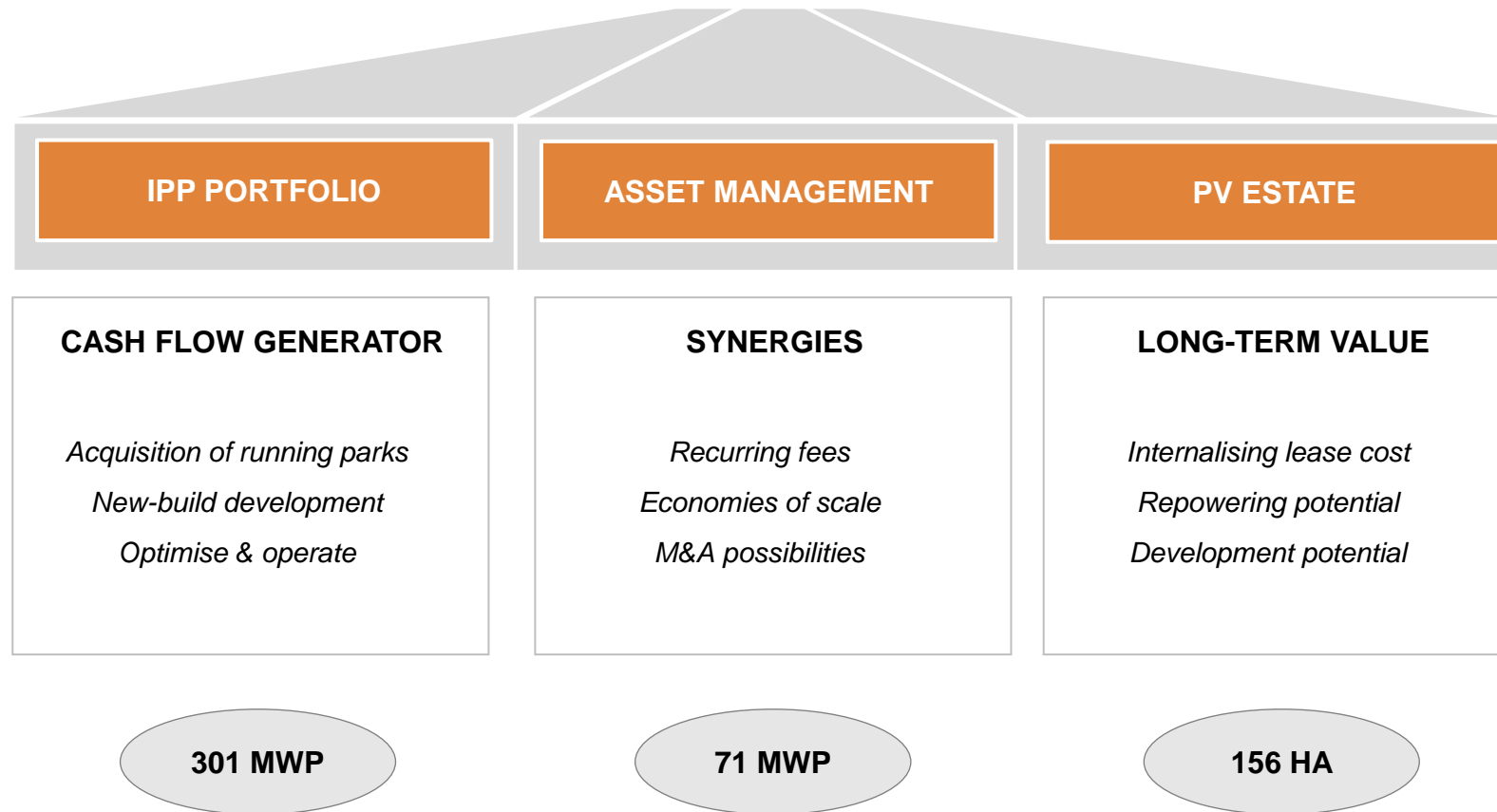
**3**

**Marktentwicklung und Herausforderungen für die 7C Solarparken AG**

**4**

**Tagesordnung**

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

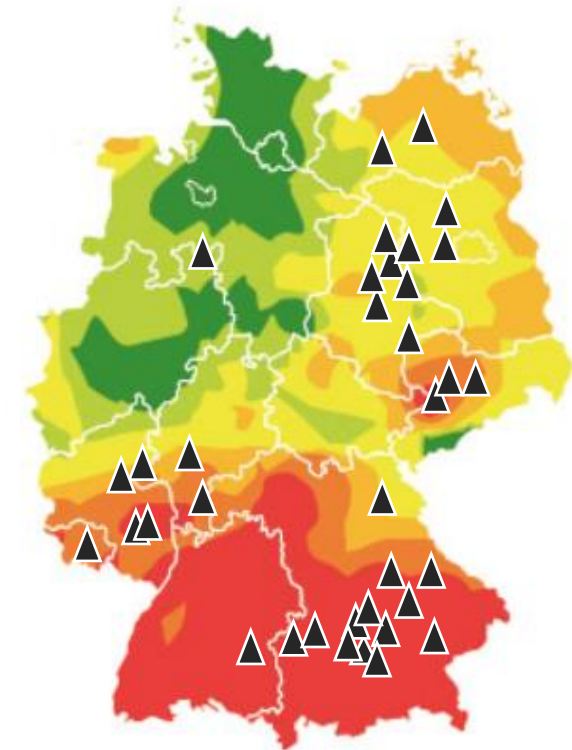


# IPP PORTFOLIO Existing Assets 301 MWp, EBITDA ca. EUR 46 Mio



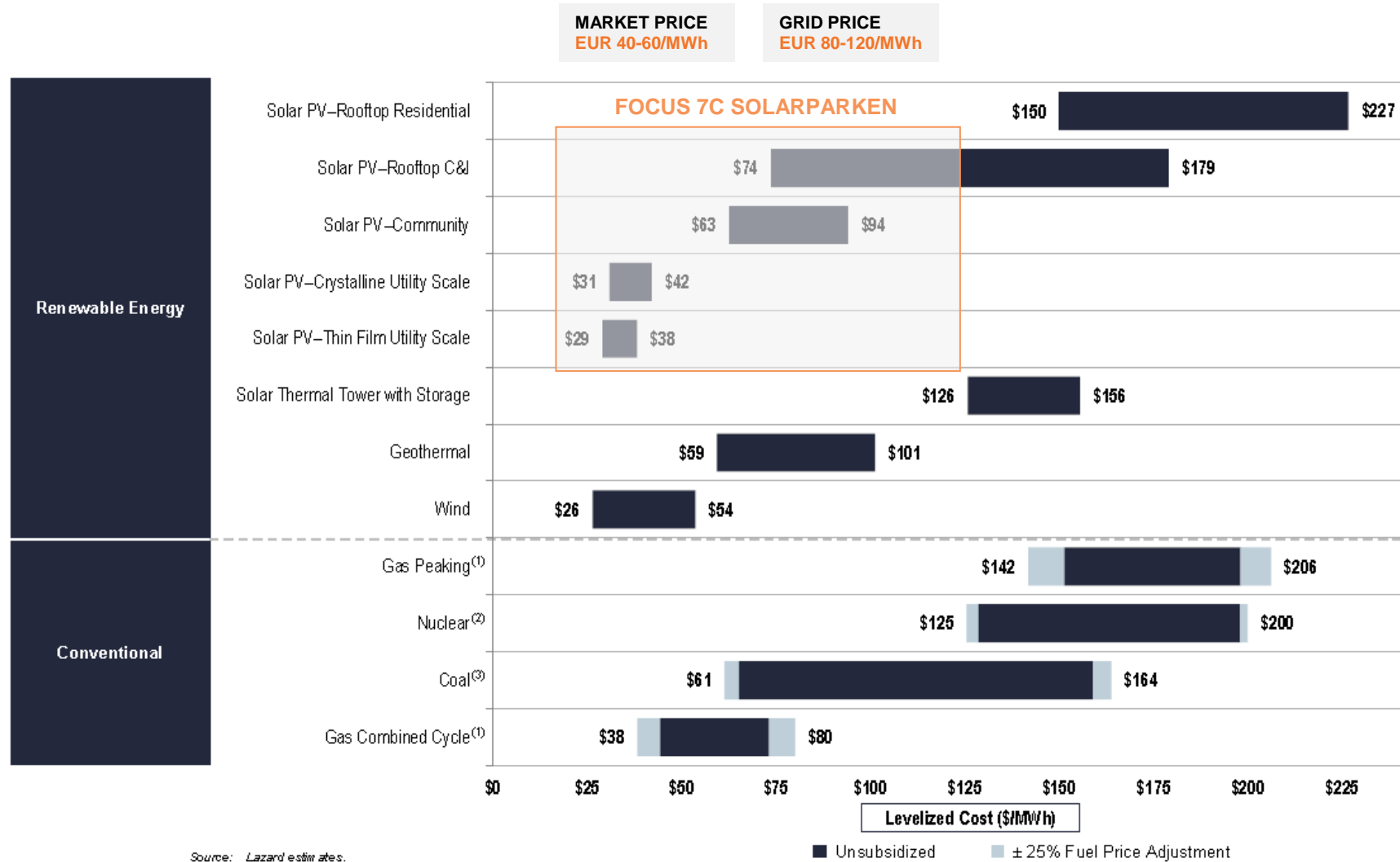
	Capacity MWp	%	FIT EUR/MWh	Production GWh	Yield kWh/kWp	Revenues EUR Mio	EBITDA EUR Mio
I Freefield	187	62%	174	187	1,000	32.5	28.0
III Rooftop	109	36%	208	96	881	19.9	16.9
Germany	94	31%	225	74	789	16.7	14.0
Belgium	15	5%	152	22	1,462	3.3	2.9
III Wind	6	2%	87	14	2,350	1.2	0.9
<b>Portfolio</b>	<b>301</b>	<b>100%</b>	<b>181</b>	<b>296</b>	<b>983</b>	<b>53.7</b>	<b>45.9</b>

LOCATION OF GERMAN PARKS > 2 MWp



- German PV assets concentrated in Bavaria, Eastern Germany, and Rhineland-Palatinate
- Average plant size: 2.1 MWp
- Average year of commissioning: 2015 (weighted capacity), 2011 (weighted revenues)
- Average feed-in-tariff: EUR 181/MWh.
- 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 (up to max. 10% of portfolio)

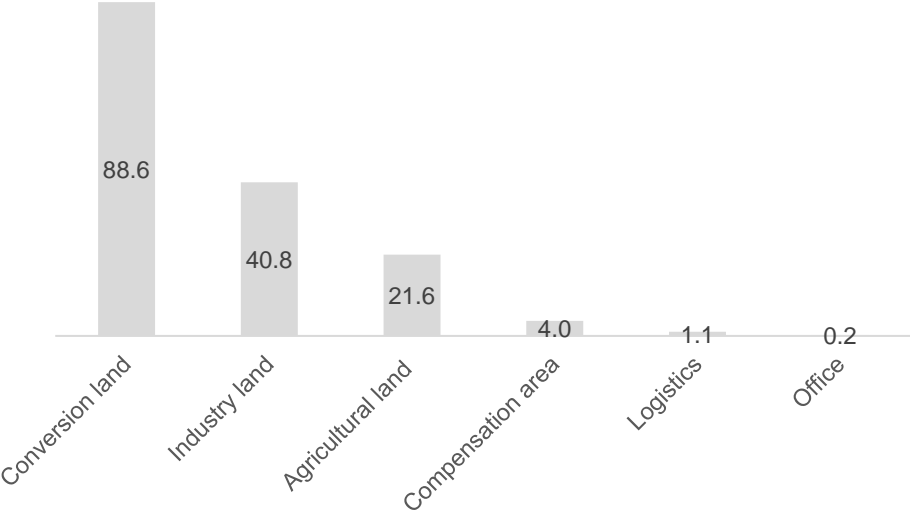
# NEW-BUILD Focus on (grid-) competitive PV Projects



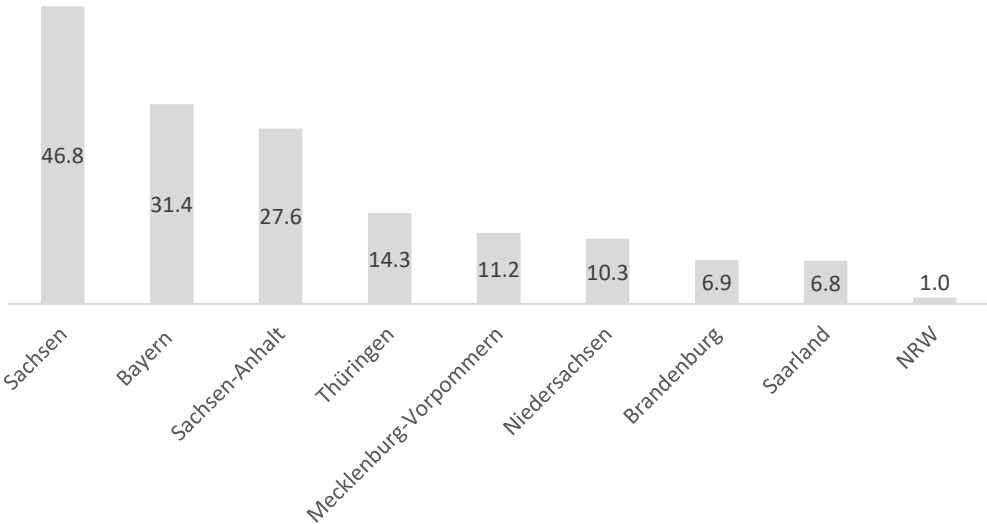
# PV ESTATE 156 ha accommodating 64 MWp, Book Value EUR 11.9 Mio



BREAKDOWN TYPE OF LAND/BUILDING (IN HA)



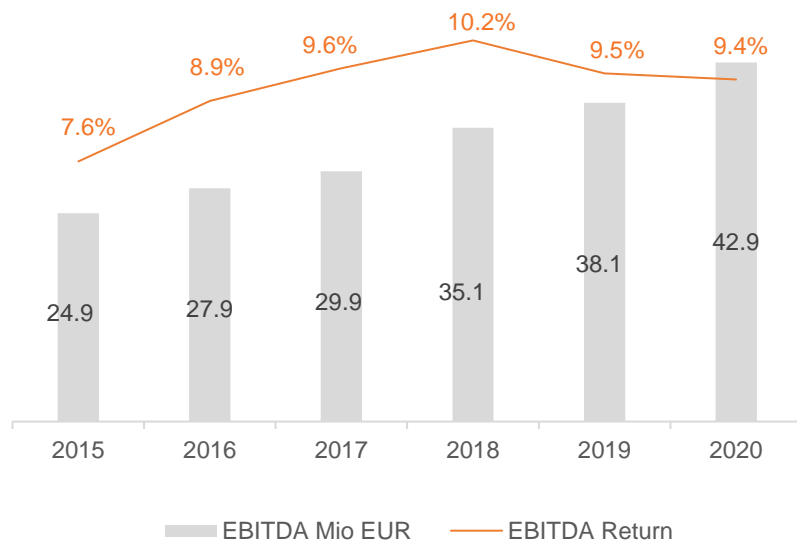
BREAKDOWN GEOGRAPHY (IN HA)



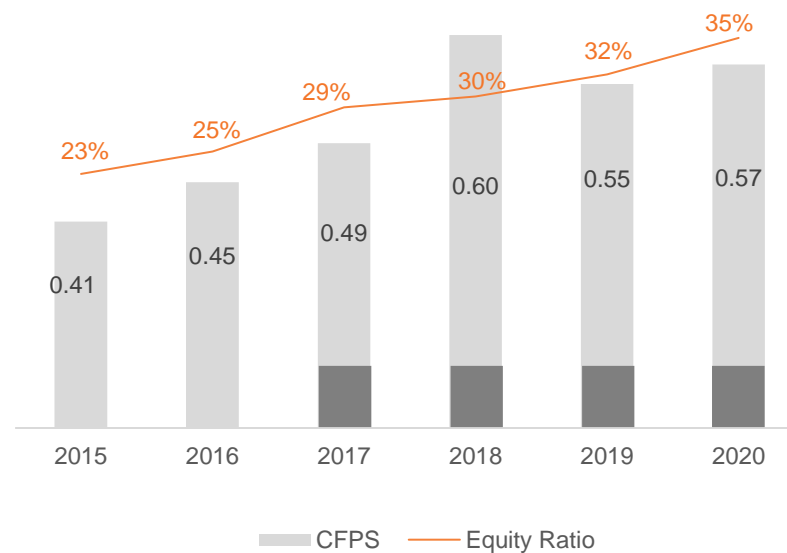
# FINANCIAL PROFILE Steady EBITDA Growth and Equity Ratio > 35%



EBITDA AND EBITDA RETURN (EBITDA/TOTAL ASSETS)



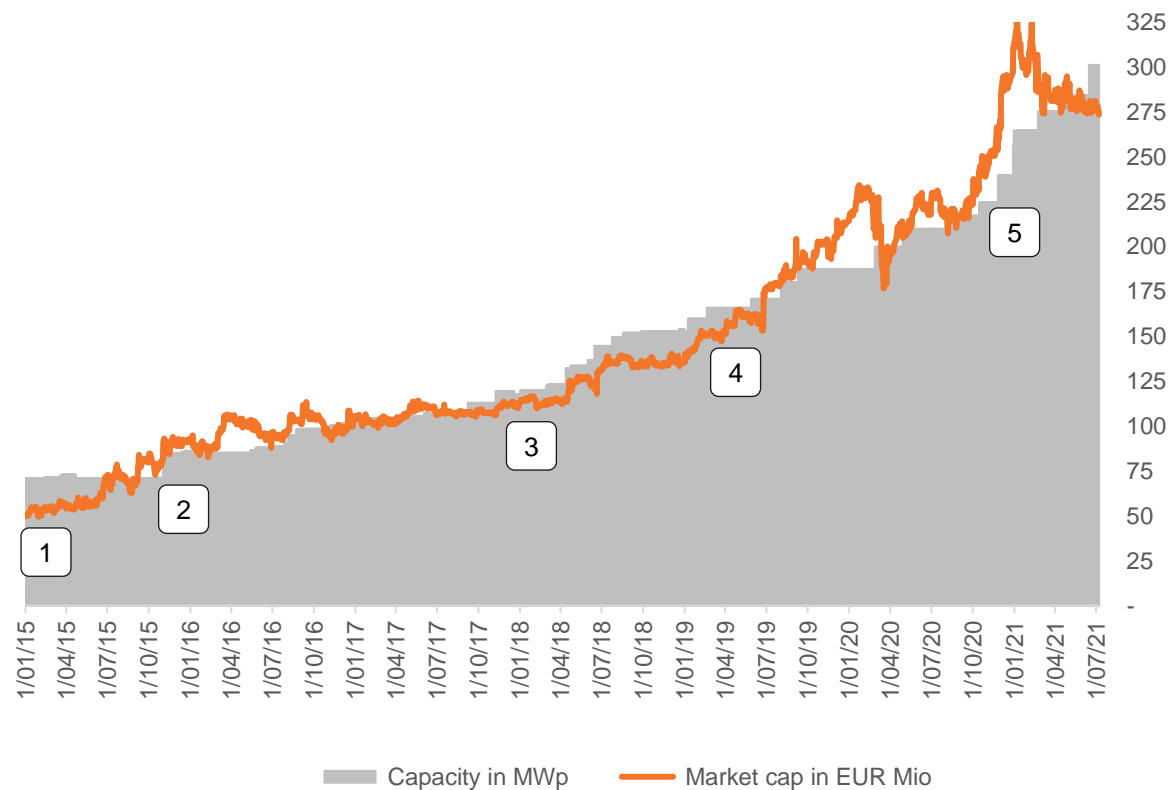
EQUITY RATIO AND CASH FLOW PER SHARE



Dividend flat  
at EUR 0.11



# VALUATION Market Cap versus Installed Capacity



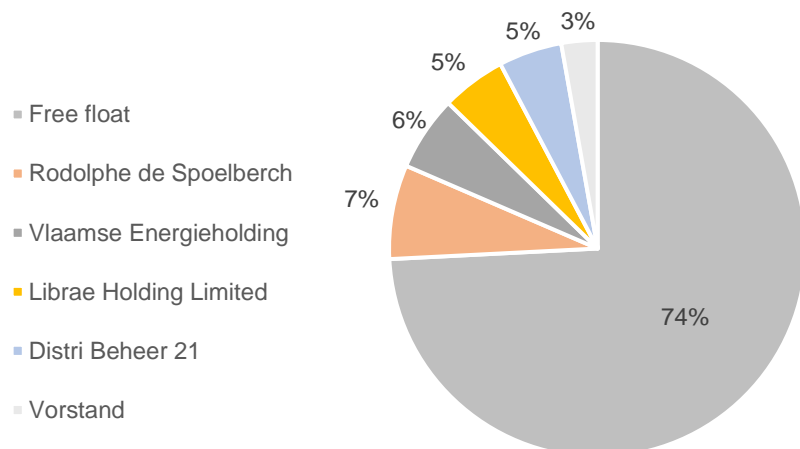
## KEY EVENTS SINCE REVERSE IPO LATE 2014

- 1 Listing of the new group 7C Solarparken after business combination with Colexon Energy AG (26 MWp)
- 2 Business combination with Miskina (14 MWp)
- 3 Entry in Project Development financed by issue of Schuldschein EUR 25 Mio.
- 4 Acquisition of Asset Management business
- 5 Strategic entry in Belgium as second core market

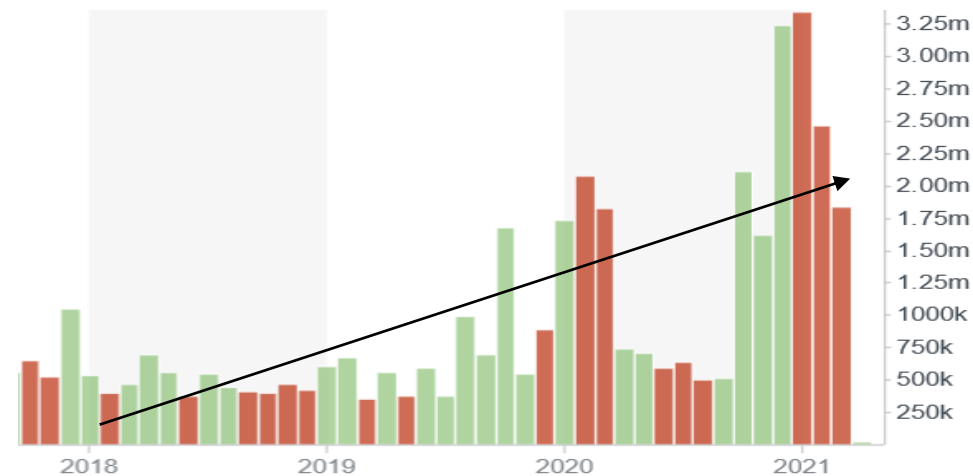
# SHAREHOLDERS Free float 74%, and liquidity rising to 2 Mio shares per month



OWNERSHIP STRUCTURE 31 03 2021



MONTHLY VOLUME IN SHARES



EQUITY ANALYSTS OVERVIEW

	Latest Research / Rating
MM Warburg	26.02.2021 / BUY
Hauck & Aufhauser	01.02.2021 / BUY
Stifel Europe Bank	14.01.2021 / BUY
Kempen	15.06.2021 / NEUTRAL

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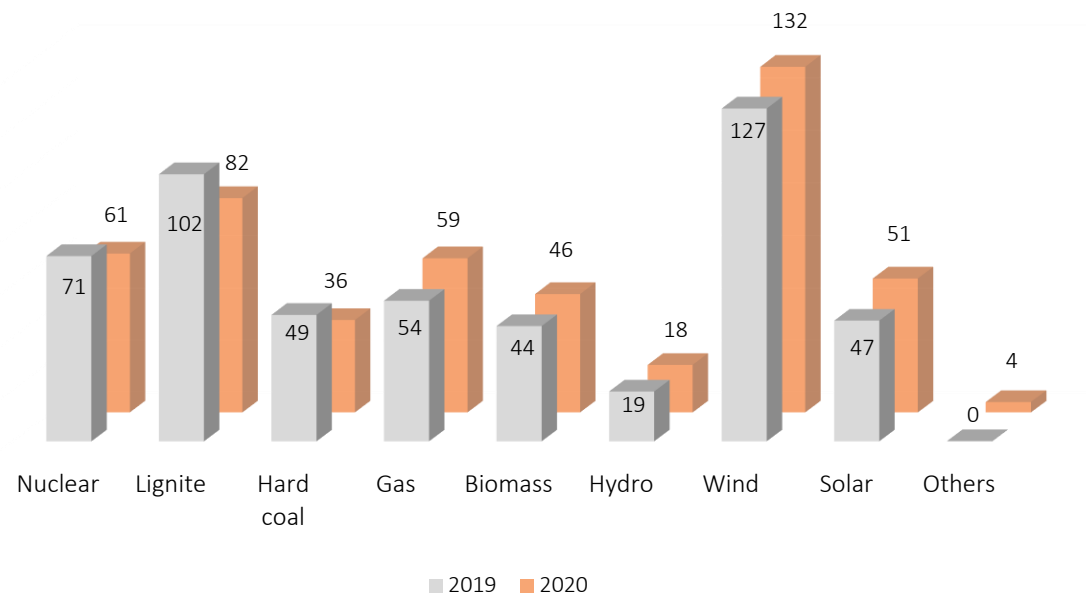
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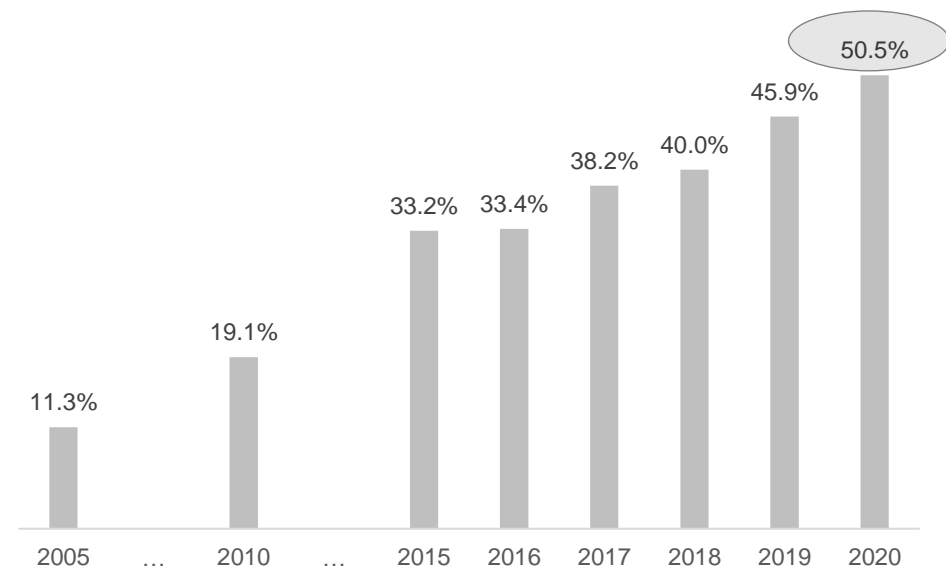
# POWER GENERATION TREND Less coal, less nuclear, renewables > 50%



POWER PRODUCTION TWH IN 2019-20



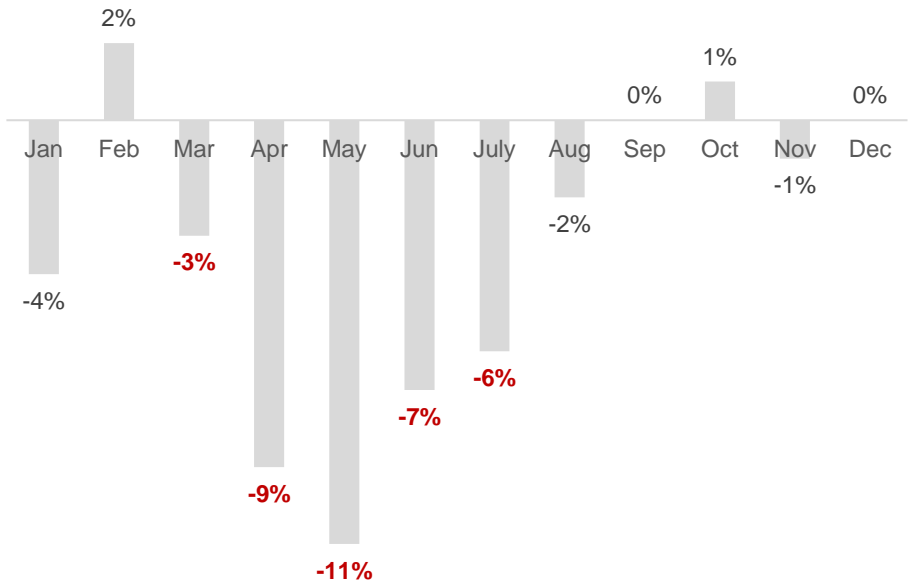
RENEWABLES SHARE IN POWER MIX



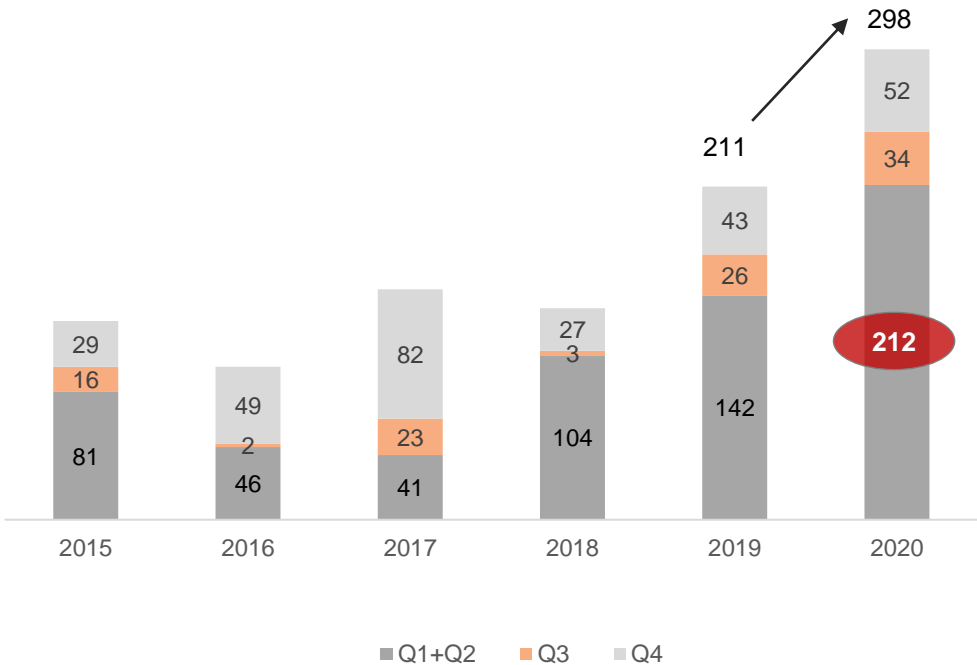
# ELECTRICITY CONSUMPTION Covid-19 Effect mainly Q2`20, but Recovery in Q4`20



POWER DEMAND CHANGE 2019-20



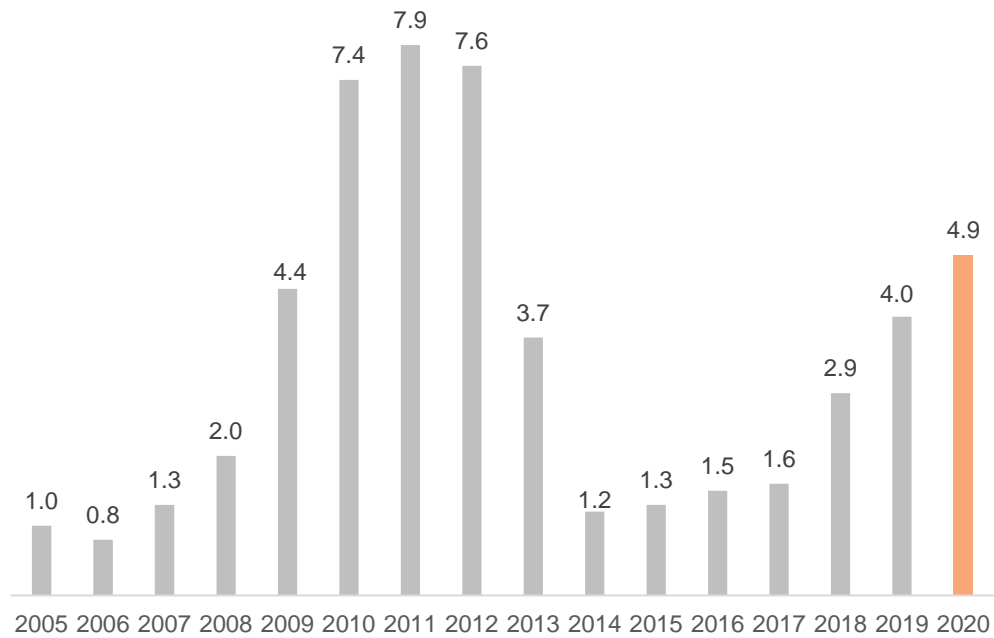
NEGATIVE HOURS IN GERMANY



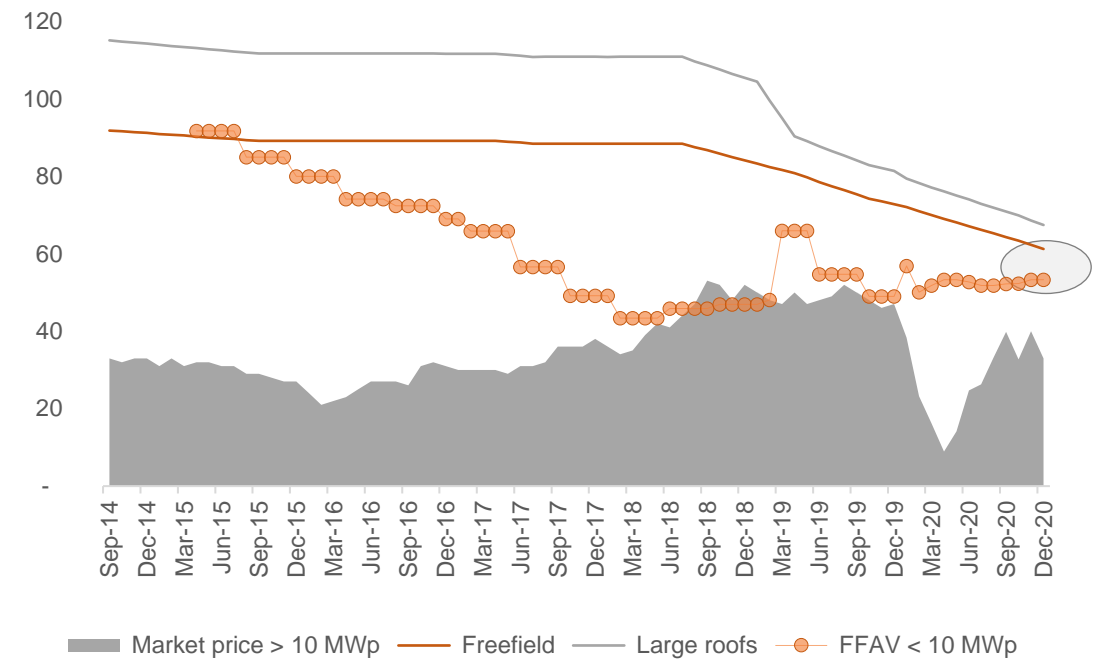
# PV CAPACITY New additions almost 5 GWp, fixed FIT's sinking further to tender level



NEW PV CAPACITY GWP



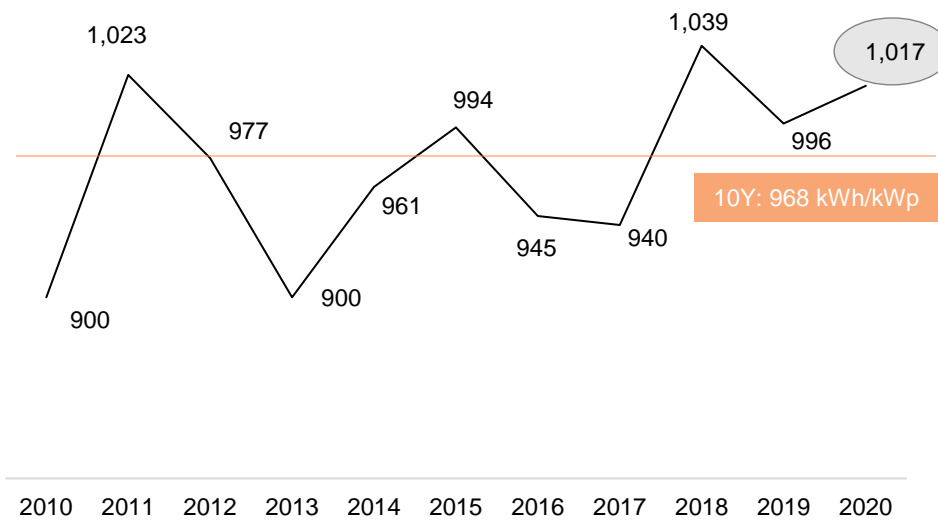
FEED-IN TARIFFS EURO/MWH



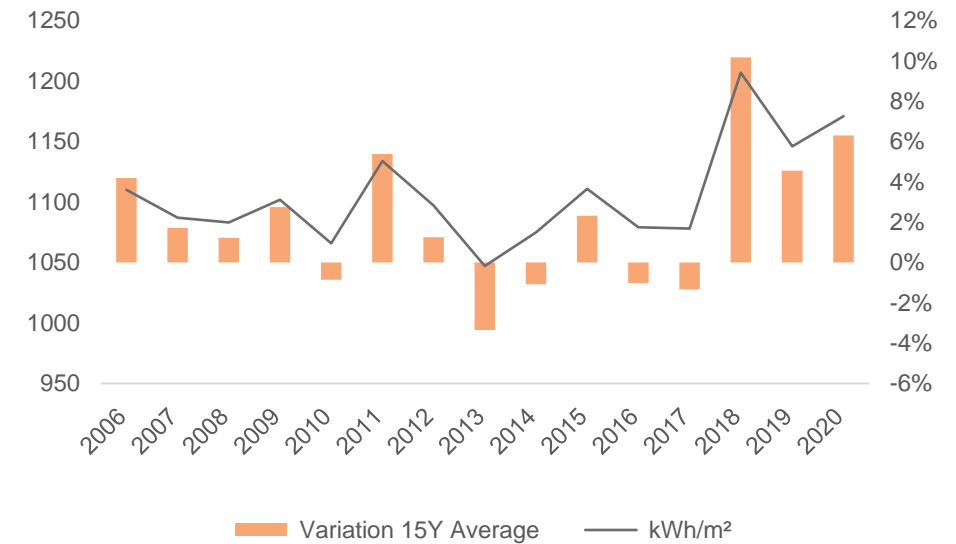
# WEATHER CONDITIONS Favorable Irradiation, again



**KWH/KWP GERMANY NATIONWIDE**



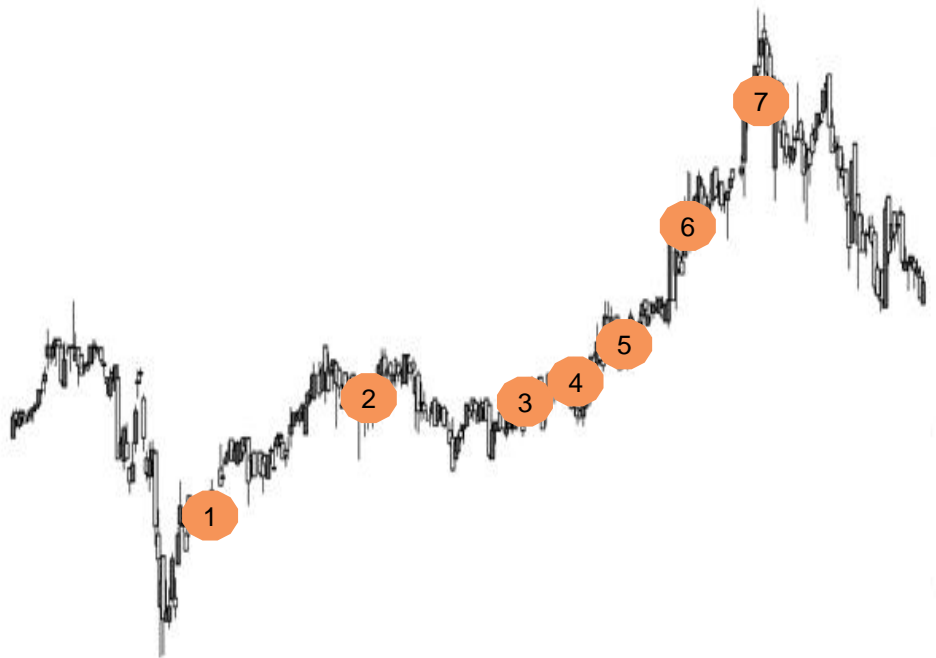
**HORIZONTAL IRRADIATION GERMANY KWH/M²**



# MILESTONES Unchanged Keys to Success: Capacity and Capital



SHARE PRICE EVOLUTION 2020-21



## MILESTONES

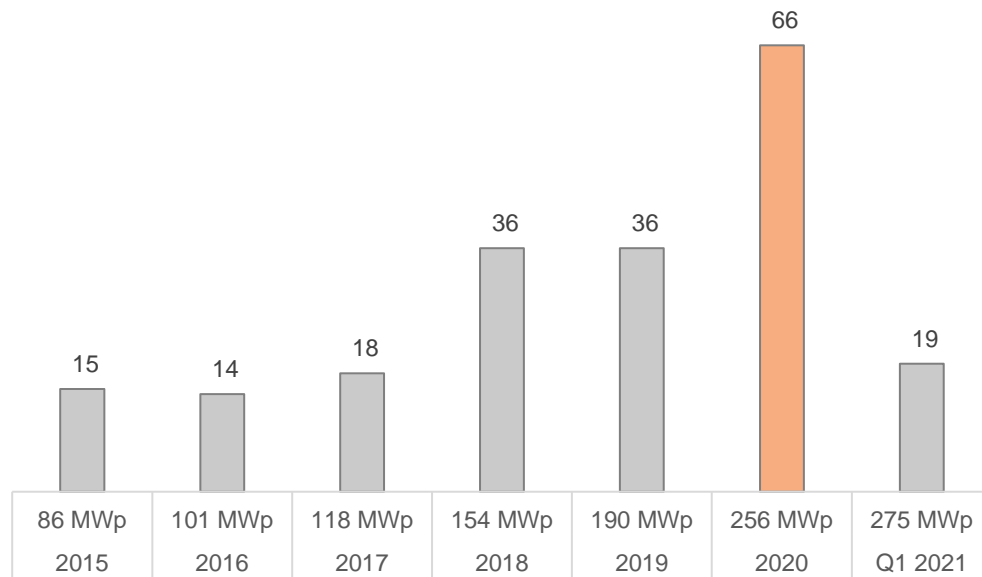
- 1 Publication Annual Results 2019 amid CoVid-19 outbreak
- 2 Consolidation of HCI 1 and HCI 2 (totaling 15 MWp)
- 3 Increased Guidance CFPS from EUR 0.49 to EUR 0.51 after semi-annual Results
- 4 Private Placement #1 EUR 10.3 Mio at EUR 3.54/share
- 5 Reaching the year-end 2020 objective of 220 MWp
- 6 Increased Guidance CFPS to EUR 0.52 after 9-Months Results  
Private Placement #2 EUR 12.9 Mio at EUR 4,00/share
- 7 Entry into Belgian market via acquisition of “EnerVest Belgium”



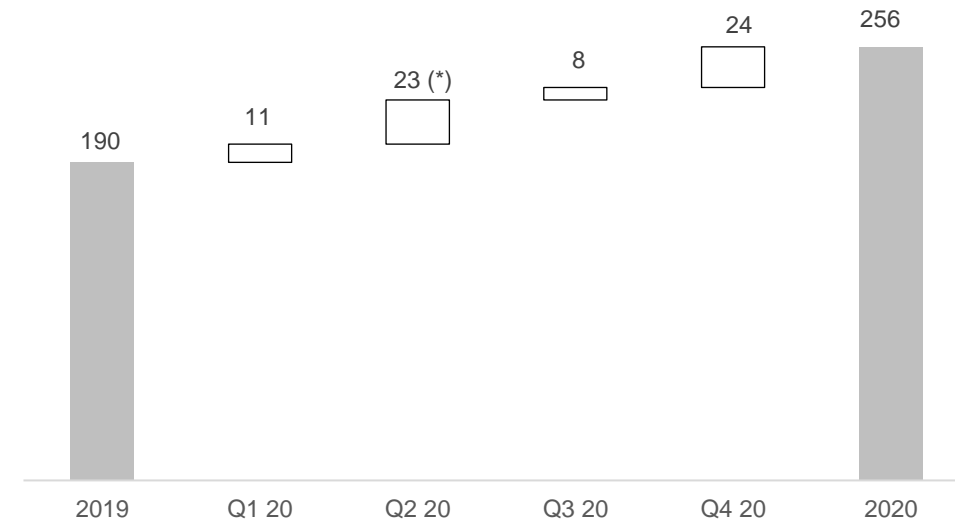
# CAPACITY BUILD-UP From 190 MWp to 256 MWp, versus 220 MWp Plan



ANNUAL IPP GROWTH IN MWP



ACCELERATION PER QUARTER IN 2020

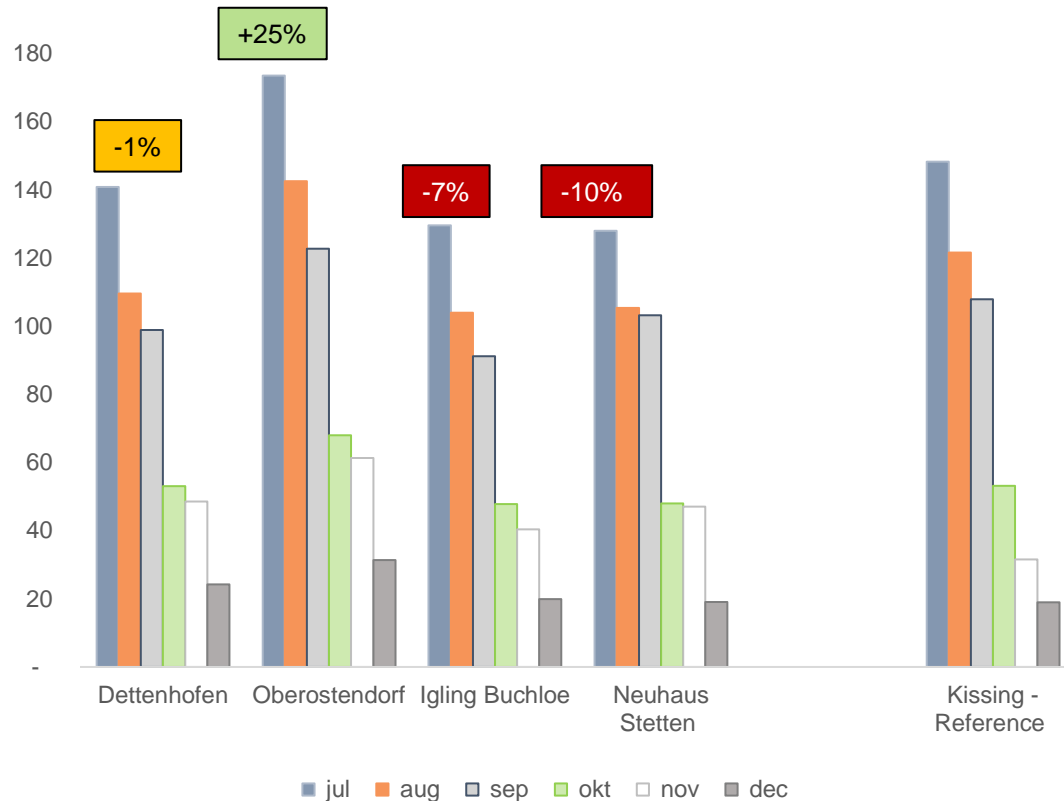


(\*) includes sale of Surya project 2,5 MWp, and transfer of HCI I + II assets into IPP

# TRANSFER OF ASSET MANAGEMENT PARKS Output HCI 1 + HCI 2 since consolidation



MONTHLY KWH/KWP SINCE CONSOLIDATION VERSUS REFERENCE



## COMMENT

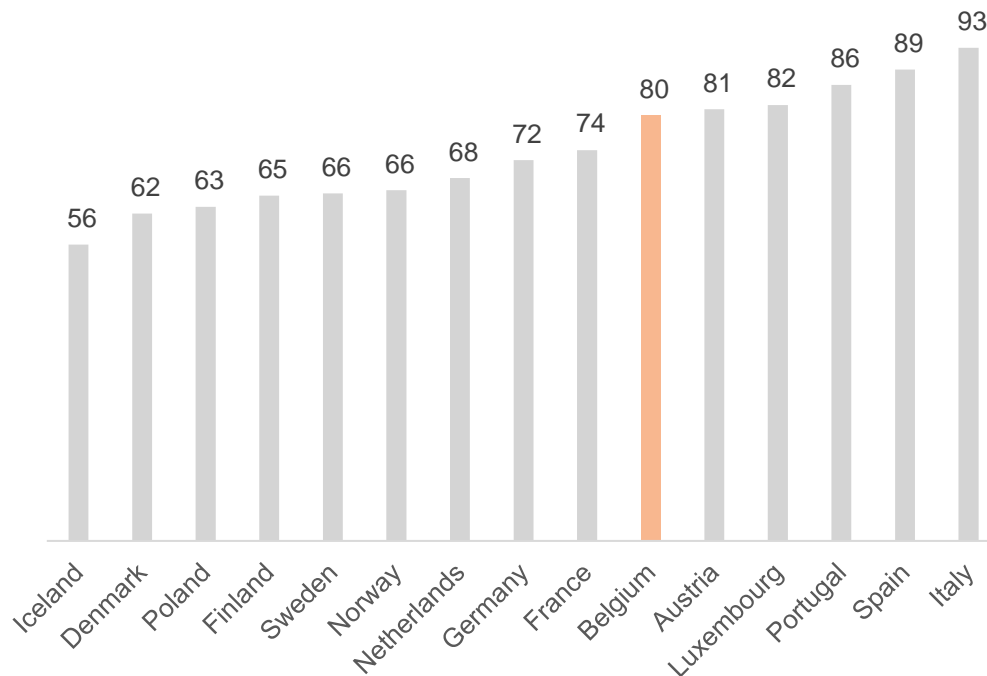
	MWp	EUR/MWh	Comment
<b>HCI 1</b>			
Igling Buchloe	5,8	355	Not optimised
Neuhaus Stetten	3,3	355	Not optimised
<b>HCI 2</b>			
Dettenhofen	3,3	319	Effect of partial improvement
Oberostendorf	2,5	319	Fully optimised Q1'20

- Optimisation in Oberostendorf included a complete overhaul since all panels were considered as "technical defect" and were exchanged in full.
- Given the inclusion of these installations in closed-end funds (in which 7C Solarparken acts as leading and controlling shareholder), injecting additional capital is not allowed so that necessary improvement works within HCI 1 are highly uncertain.

# ENTRY INTO BELGIUM A stable niche Market with corporate PPA Potential



INDUSTRIAL POWER PRICE EUROPE EUR/MWH



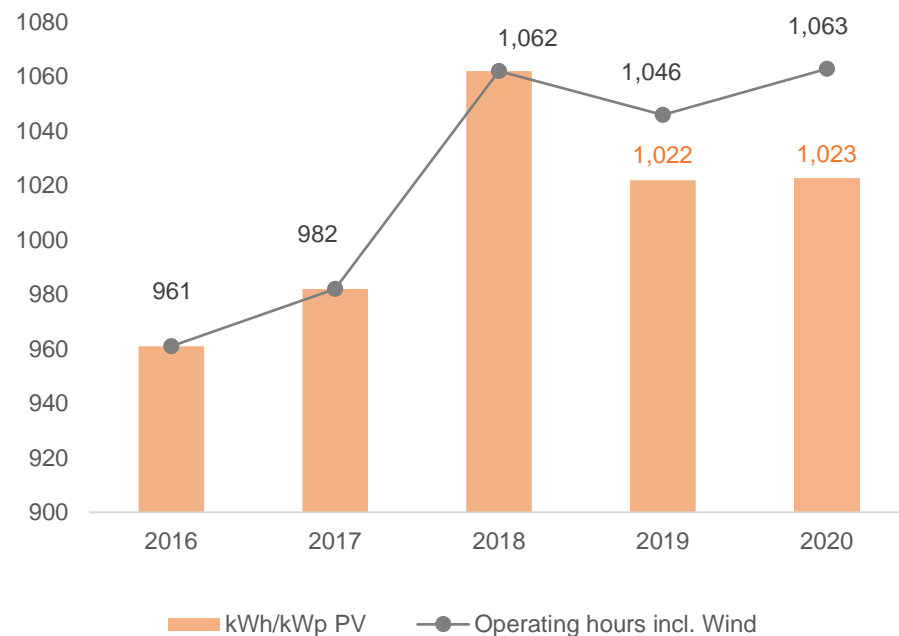
## DESCRIPTION BELGIAN MARKET

- Belgium harbours substantial development on industrial and logistic roofs (< 750 kWp) due to its status as transit country, and presence of transport hubs in Antwerp and Zeebrugge
- Unused potential of marginal land and alongside motorways, since focus has remained on residential roofs (60% of market)
- EU Commission has criticized Belgium for its limited contribution to emission reductions
- PV market characterized by the issuance of green certificates (coming to an end around mid of July 2021 in Flanders) for each MWh generated by PV, next to the sale of physical electricity through on-site PPA's to industrial clients or to the grid
- A new subsidy regime (comparable to the German auctions) will come in place as of mid July 2021 and will create further professionalism among project developers
- Annual growth of > 300 MWp is envisaged in government plans, but will not suffice to meet EU obligations of having 25% renewable energy (now less than 15%)

# OUTPUT Another Record in Output Yield, well above Prognosis 972 kWh/kWp



OPERATING HOURS 2020



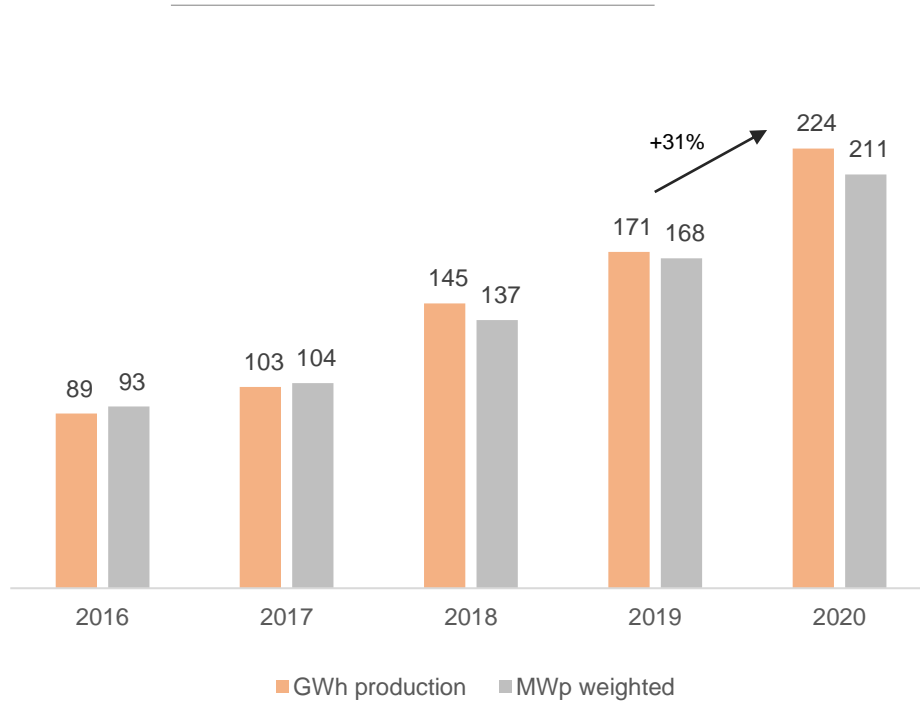
## HIGHLIGHTS

- 1 063 hours including wind, 1 023 kWh/kWp for PV versus 972 kWh/kWp included in guidance
- A record in portfolio operating hours, mainly due to another year of superior irradiation and improved wind conditions (operating hours: 2 431h for 6 MW)
- Irradiation was up by 2% versus last year at national level, but the performance did not fully show in output levels at portfolio level for 4 reasons:
  - (I) Increase in level of rooftop projects within the portfolio mix of 2020
  - (II) The relative percentage of parks in “sunny” Bayern is decreasing at the benefit of installations in Sachsen Anhalt.
  - (III) Inclusion of partly underperforming HCI 1+HCI 2 portfolio installations as from July 1, 2020
  - (IV) The fast-rising number of negative hours resulted in temporary switch-outs of installations that were connected since 2016. Production (and operating hours) were impacted by 1,4%, revenues only by 0,5%

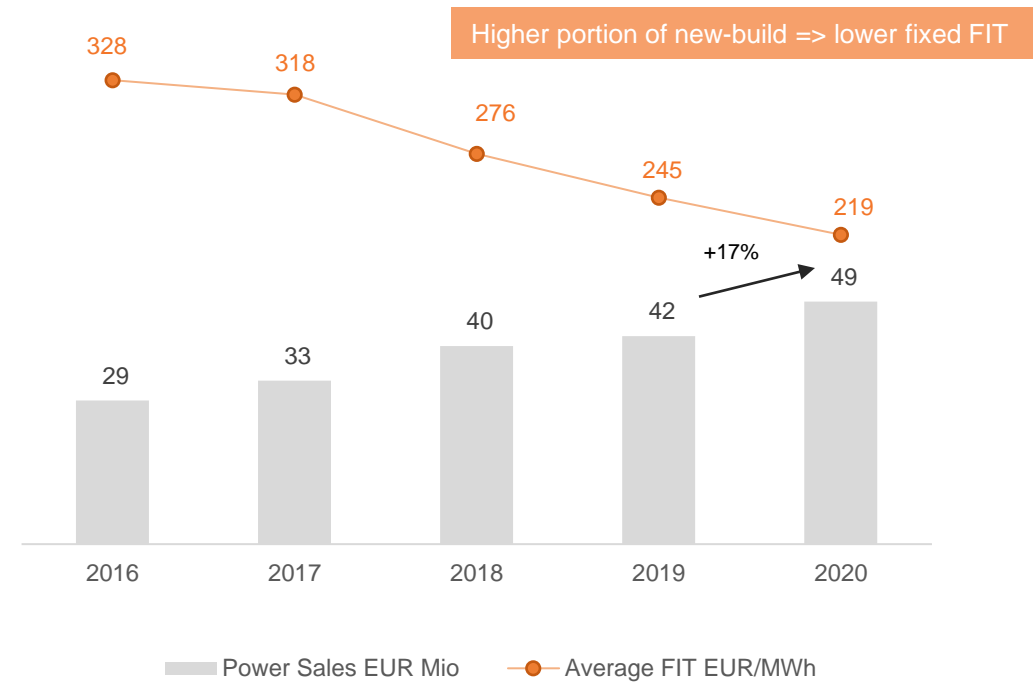
# OUTPUT 31% Increase in Power Production to 224 GWh; Power Sales +17%



PRODUCTION & CAPACITY



POWER SALES & AVERAGE TARIFF



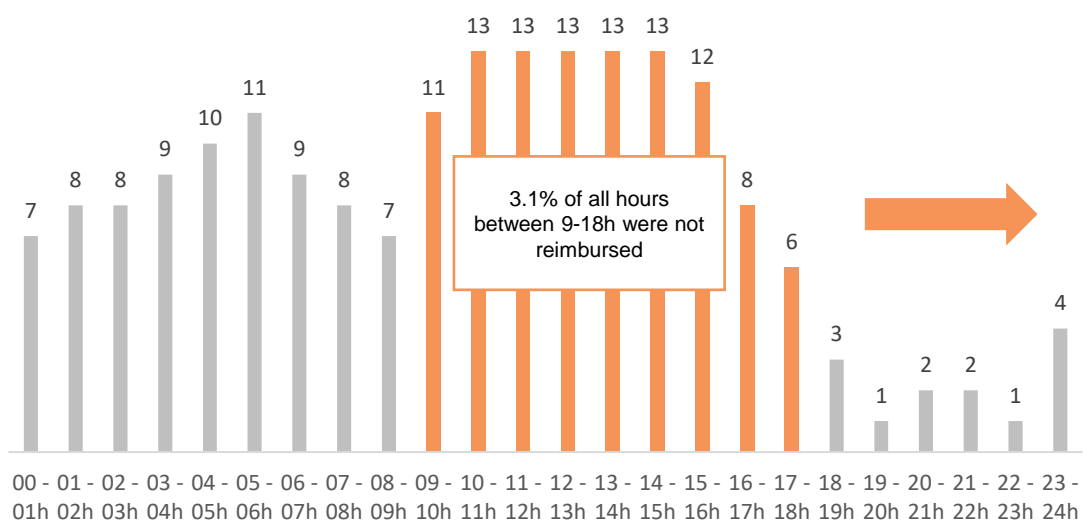
# COVID-19 EFFECT EUR 0.3 Mio. less Revenues resulting from negative Power Price



**6-hours rule for German renewable energy producers has been specified by §51 of the EEG 2017 (valid until 31.12.2020)**

„When there are at least six consecutive hours of negative power prices, then the feed-in tariff for renewables plants > 500 kWp and commissioned (IBN) after 01.01.2016 is reduced to zero during the occurrence of these negative hours.“

## NUMBER OF HOURS WITH ZERO TARIFF FOR EEG 2017 INSTALLATIONS



		% of total
Weighted capacity EEG 2017	97.1 MWp	46.0%
Average tariff EEG 2017	81.8 EUR/MWh	%
Revenues EEG 2017	8.4 EUR Mio	17.2%
<b>MISSED AND/OR LOST REVENUES</b>	<b>0.3 EUR Mio</b>	<b>0.5%</b>

## P&L EBITDA rose to EUR 43 Mio., above raised Guidance of EUR 41 Mio



In Mio EUR	2020	2019	COMMENT
<b>Revenues</b>	<b>50.6</b>	<b>43.1</b>	Includes EUR 49 Mio Power Sales
Other income	1.9	2.9	
o/w compensation for damage	0.8	1.0	Module producer settlement EUR 0.5 Mio (EUR 0.6 Mio in 2019)
o/w gain on bargain purchase	-	1.1	No longer applicable
o/w gain on sale of asset	0.4	0.0	Sale of Surya 1: EUR 0.3 Mio. Gain
o/w others	0.6	0.8	
<b>EBITDA</b>	<b>42.9</b>	<b>38.1</b>	Latest Guidance: EUR 41 Mio
D&A	-29.7	-23.7	
o/w one-time impairment	-3.3		Impairment on project rights and EnerVest Belgium (decision to amortise all goodwill paid)
EBIT	13.2	14.5	
Financial Result	-5.8	-5.8	
o/w financial income	1.0	0.7	Sale of shares in listed companies, and re-funding of EUR 0.3 Mio from tax authorities
o/w financial expenses	-7.0	-6.5	
_ interest on debt	-5.8	-5.6	Real cost of debt fell to 2.5%
_ other	-1.2	-0.9	Mainly IFRS 16 Leasing
Pre-tax profit	7.4	8.6	
Tax	-1.8	-0.7	
o/w current taxes	-1.5	0.0	
Consolidated profit	5.6	8.0	
<b>Net profit, group</b>	<b>5.2</b>	<b>7.9</b>	
Minorities	-0.4	-0.1	

# BALANCE SHEET Equity Ratio up to 35.3%



In Mio EUR	2020	2019	COMMENT
<b>ASSETS</b>	<b>458.5</b>	<b>401.3</b>	
Land & Property	11.9	10.4	PV Estate
Right of use assets	22.0	20.0	IFRS 16
Solar and windparks	337.3	285.8	Reflects expansion of IPP portfolio
Financial Investments	1.6	3.1	HCI 1 + HCI 2 from financial investment to consolidation
Inventory	2.7	3.2	
Cash & cash equivalents	62.2	59.0	EUR 17.9 Mio restricted
<b>LIABILITIES</b>	<b>458.5</b>	<b>401.3</b>	
Shareholders Equity	150.4	129.2	Capital increases EUR 23.2 Mio minus dividend EUR 11ct
Minority interest	11.4	0.6	HCI 1 + HCI 2 in consolidation scope
Financial debt	236.8	221.3	
LT Provisions	17.2	13.2	
Lease liabilities	17.2	15.7	related to IFRS 16
<b>FINANCIAL RATIOS</b>			
Net debt	174.7	162.3	
Net debt/EBITDA	4.1	4.3	
Equity Ratio	35.3%	32.3%	



# CASH FLOW CFPS rises to EUR 0.57 versus EUR 0.52 latest Guidance



In Mio EUR	2020	2019
EBITDA	42.9	38.1
Lease paid	-0.9	-0.8
Cash interest paid	-5.5	-5.7
Cash taxes paid	-1.2	-0.7
<b>Net Cash Flow</b>	<b>35.3</b>	<b>30.9</b>
Number of shares, weighted Mio	62.3	56.5
<b>CFPS</b>	<b>0.57</b>	<b>0.55</b>
<b>Dividend (proposal for 2020)</b>	<b>0.11</b>	<b>0.11</b>

## COMMENTS

- What we wrote last year in Presentation Annual Results 2019 & Outlook 2020 (page 41):
  - CFPS Guidance EUR 0.48 with all exceptional Covid-19 items included, based on EBITDA EUR 36 Mio*
  - The showcase 220 MWp would lead to EBITDA of EUR 42 Mio and CFPS of EUR 0.57*
- We have raised CFPS Guidance twice during the year to finally EUR 0.52/share (November 2020)
- 2020 has presented itself as coincidence of good irradiation, but above all quicker-than-expected realization of the 220 MWp objective

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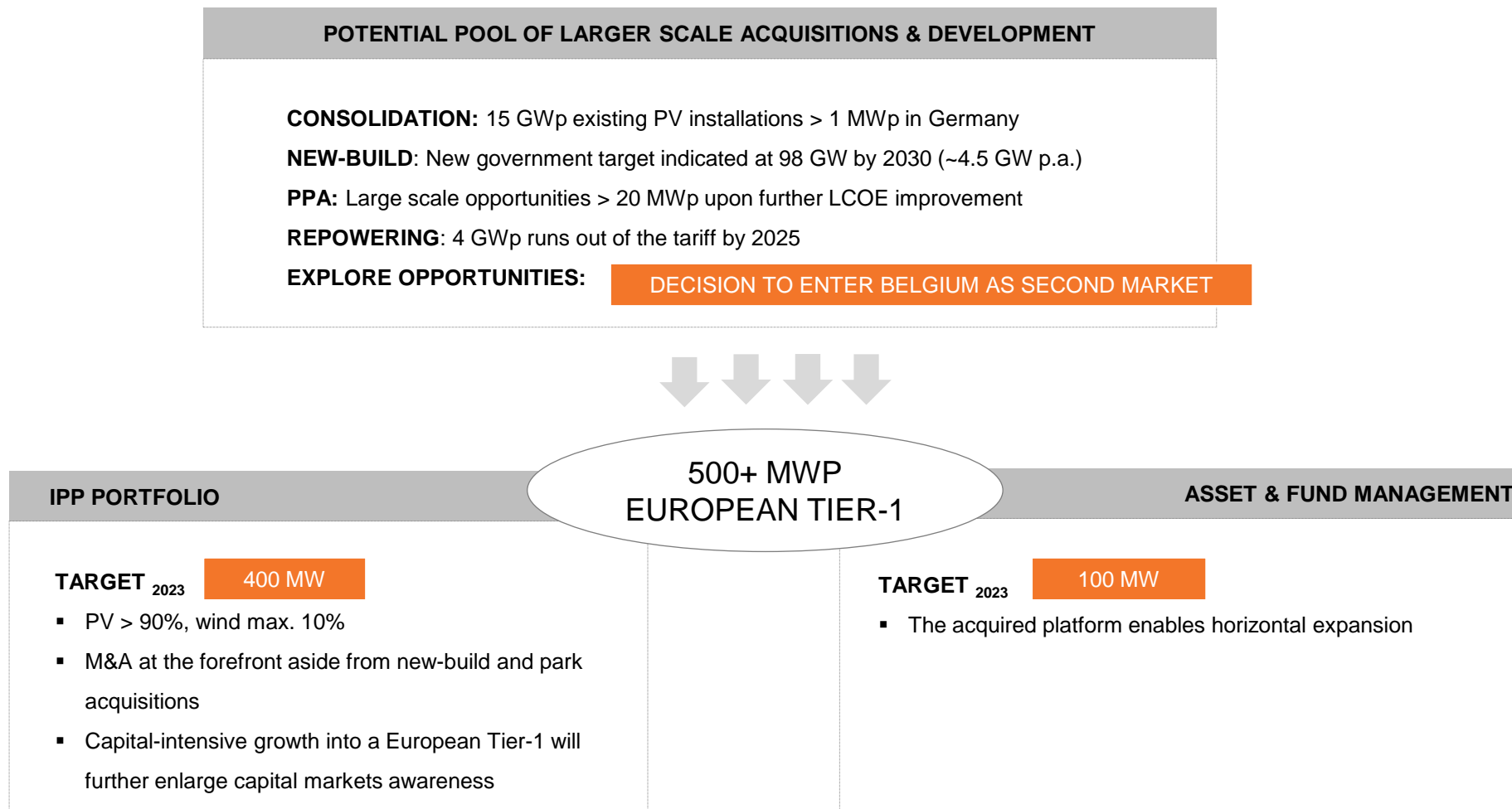
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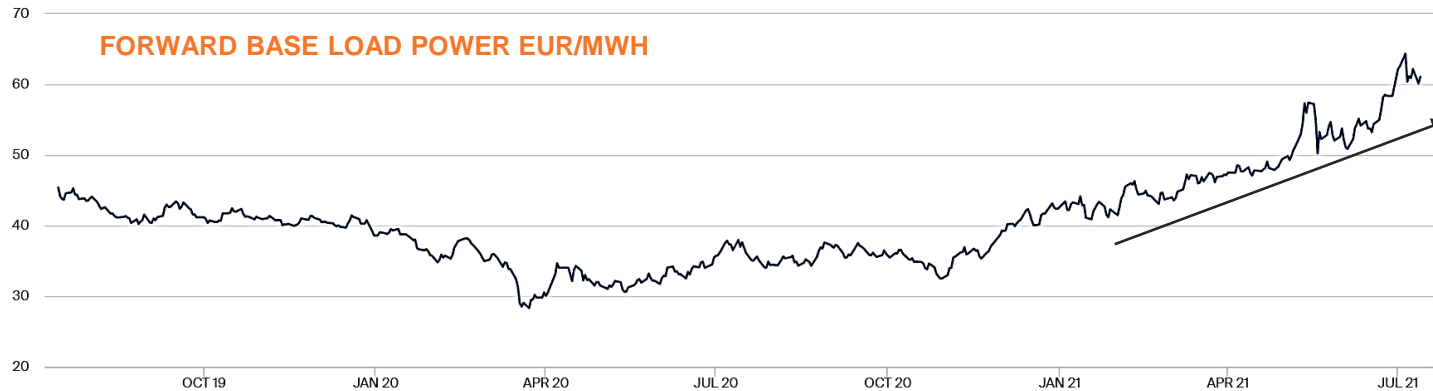
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**Tagesordnung**

# MID TERM OBJECTIVE 400 MWp IPP and > EUR 60ct CFPS by 2023



# COMMODITY CURVE SUPPORTIVE Driven by CO<sub>2</sub> prices



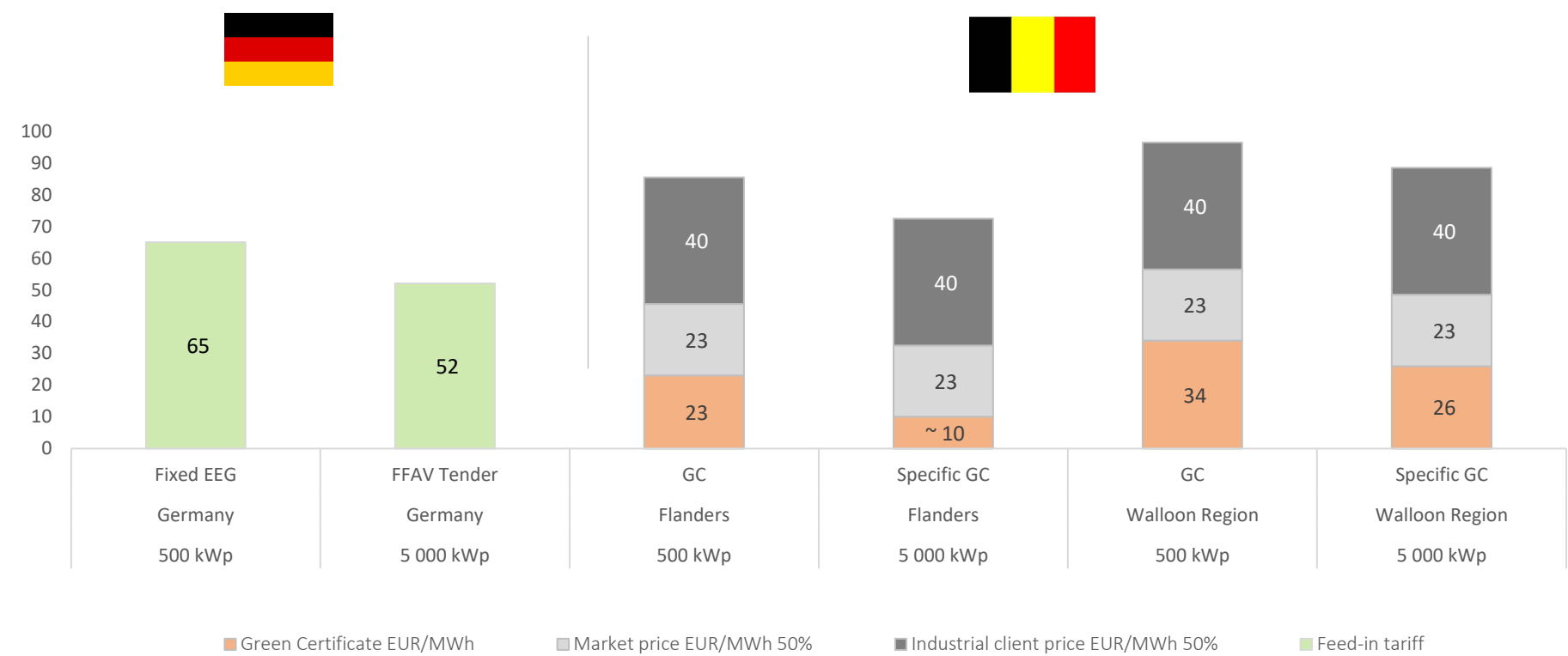
- Base-load price is not the price of solar energy given its different load curve and production in the less energy-intensive months. The monthly market value of PV production has been between 78-105% (weighted average: **87%**) of the electricity price since the start of this year. Gradually the market parity in Germany comes into sight.

- CO<sub>2</sub> price is driven by the European climate objectives to go to zero-carbon by 2050, and by the abolition of free allowances to certain industries. The coal to gas switch has been the first direct factor resulting from the higher carbon price, but much more (switch from fossil-fired to green hydrogen in the industry) is required.

# NEW-BUILD ECONOMICS Germany and Belgium



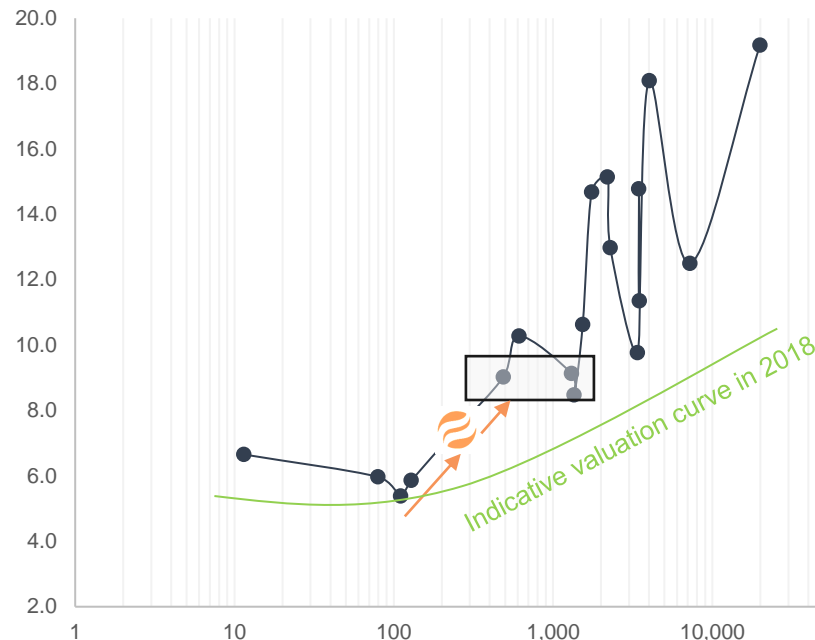
TARIFFS / REVENUES IN EUR/MWH FOR Q2`21



# EQUITY OBJECTIVE Up to EUR 35 Mio fresh Equity to grow to 400 MWp IPP



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

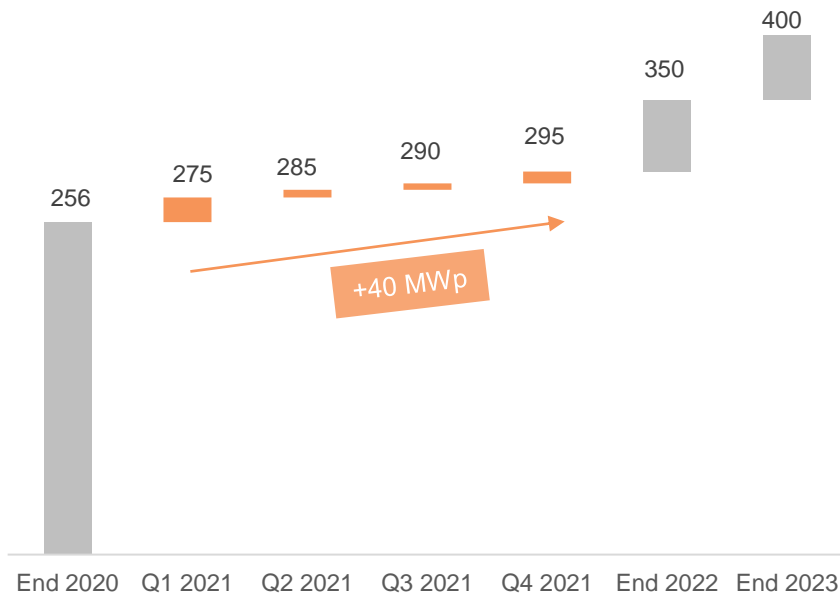


- Further growth until 400 MWp IPP by 2023 will require **investments of approx. EUR 100 Mio** (mix of existing parks and new-build) including EUR 35 Mio fresh equity. This amount could be raised partly in 2021 through a private placement and / or a rights issue, as planned capacity target of 295 MWp has been reached in advance.
- The driving factor behind long-term success of capital-intensive renewable energy investments is related to equity. Valuation of renewable players follows an exponential curve driven by market cap, free float and liquidity/volume. 7C Solarparken already moved from EUR 100 Mio to EUR 250 Mio. (CF multiple expansion 1.5x), and sees possibility to climb another +1,5x but therefore needs capitalisation growth to the zone EUR 500 Mio – EUR 1bn.

## KEY TARGET 2021 IPP Portfolio to grow to at least 295 MWp



### CAPACITY PLAN 2021-23 IN MWp



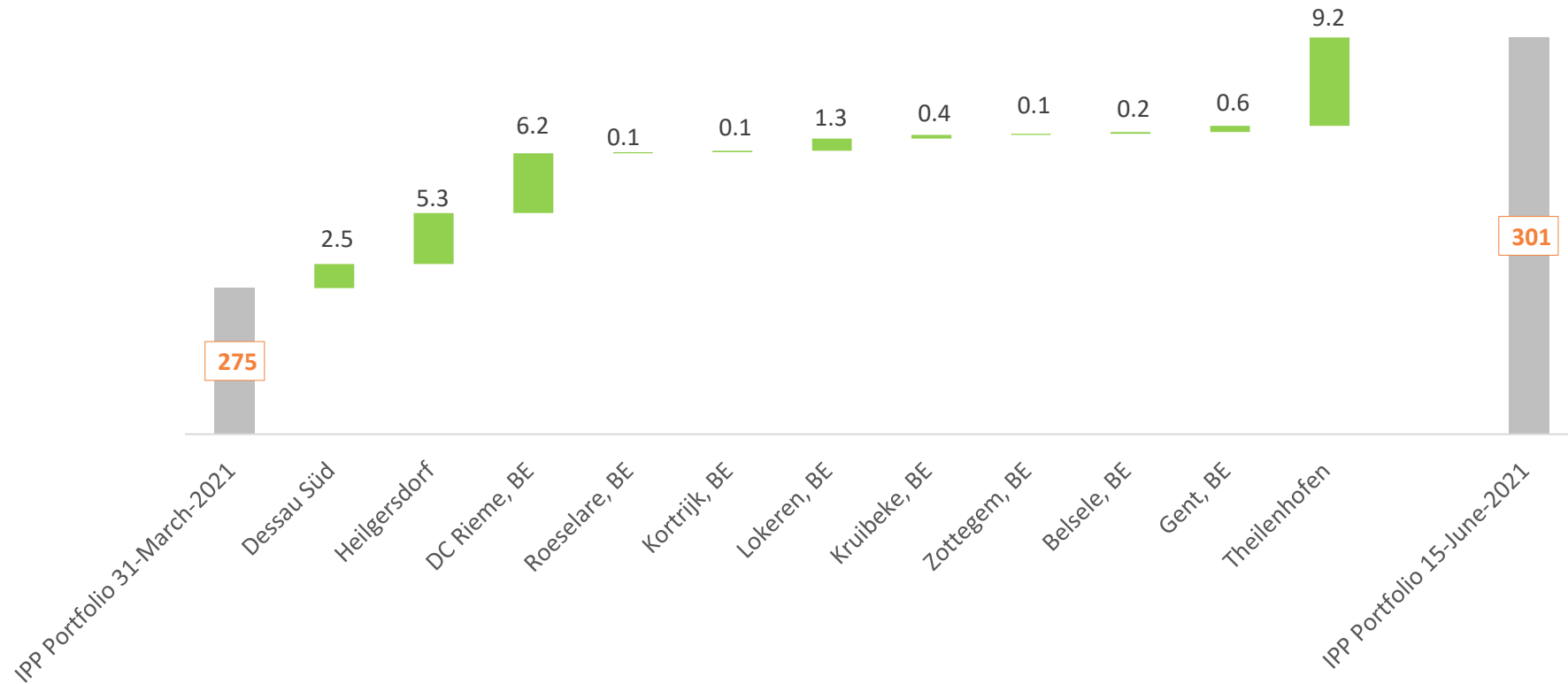
### COMMENTS

- 7C Solarparken plans to grow its IPP Portfolio to 400 MWp by 2023, of which 50 MWp will be located in Belgium.
- For 2021, growth of 40 MWp is targeted to reach 295 MWp at year-end. Almost half of the additions have been achieved in Q1 '21 through the realization of the project Höttingen (turnkey construction by Energiekontor) and the acquisition of a portfolio (Groeni BV) of almost 11 MWp in Belgium.
- At present, different projects across Belgium are under construction of which the largest installation "DC Rieme nearby Ghent Sea Port 6,2 MWp" will be grid-connected at the end of May.
- The company has already secured numerous acquisition and construction rights that will lift the portfolio undoubtedly towards or even above the 295 MWp objective.



*We now count with > 310 MWp in 2021 conditional to further capital increase (TOP)*

# IPP PORTFOLIO Already at 301 MWp





## NEW ASSETS BELGIUM Unfinanced Projects with Certificates of EUR 24-44/MWh



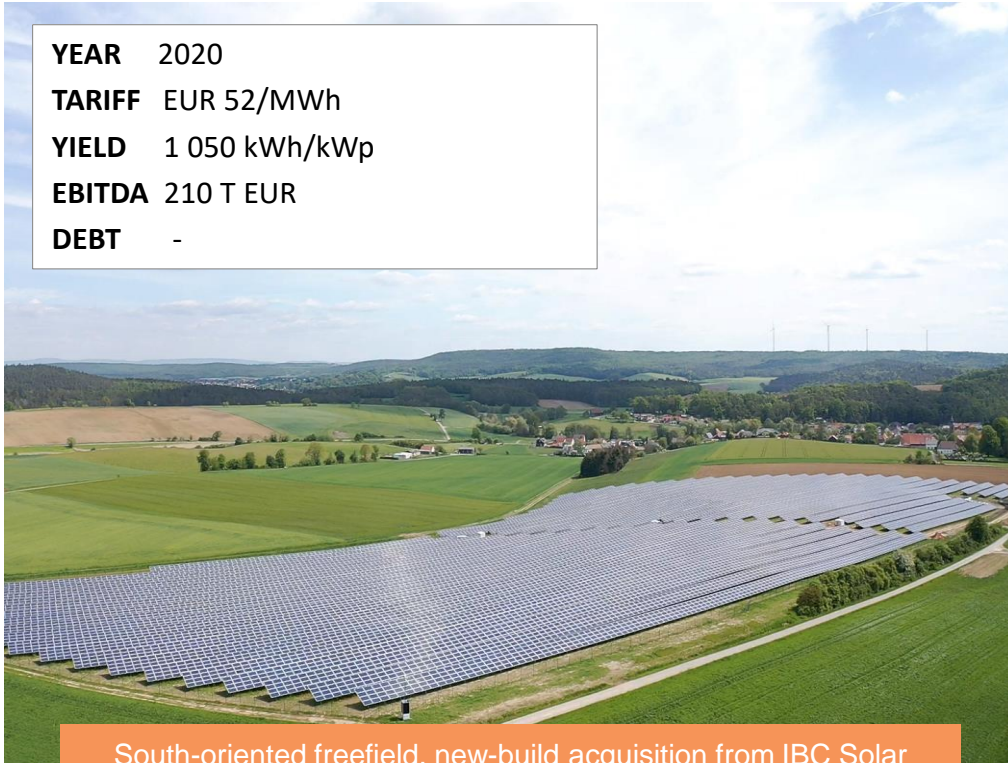


# NEW ASSETS GERMANY Two Acquisitions of Operating Parks



## HEILGERSDORF 5.3 MWP

**YEAR** 2020  
**TARIFF** EUR 52/MWh  
**YIELD** 1 050 kWh/kWp  
**EBITDA** 210 T EUR  
**DEBT** -



South-oriented freefield, new-build acquisition from IBC Solar

## DESSAU 2.5 MWP

**YEAR** 2015  
**TARIFF** EUR 90/MWh  
**YIELD** 800 kWh/kWp  
**EBITDA** 135 T EUR  
**DEBT** EUR 1.1 MIO



Rooftop project design on land due to specific construction permit

# GUIDANCE UNCHANGED Although Production in April-June ca. 10% too low



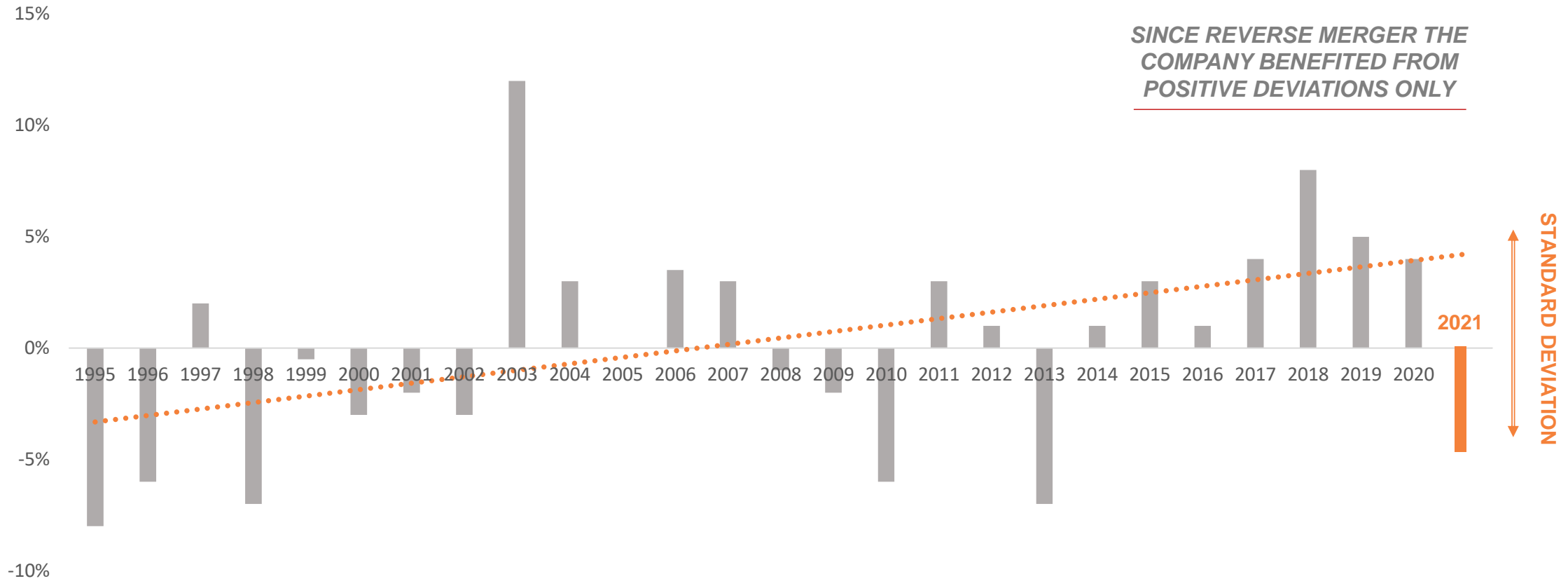
## FOUR EFFECTS ON INITIAL GUIDANCE

1. Underperformance Q1'21 versus Q1'20 was fully accounted already in the full-year guidance
2. Additional investments beyond 275 MWp were not included in guidance. Subsequently, 26 MWp will contribute to EBITDA for the second-half of the year to an extent of approx. **EUR 0.3 – 0.4 Mio.**
3. Production during April-May-June 2021 came in significantly lower than the comparable period in 2020, and 10% below the normal / long-term values due to low sunshine levels. The negative impact can be quantified around **EUR 1 Mio.**
4. Uncertainty (standard deviation) of forecast is progressively reducing throughout the year. Statistically we would now expect a recovery to normal weather; though the first weeks of July came again in 10-15% below normal values



In Mio EUR	Guidance	
	2020	2021
EBITDA	42.9	42.5
Lease paid	-0.9	-1.1
Cash interest paid	-5.5	-5.3
Cash taxes paid	-1.2	-1.4
<b>Net Cash Flow</b>	<b>35.3</b>	<b>34.7</b>
Number of shares, weighted Mio	62.3	69.4
<b>CFPS</b>	<b>0.57</b>	<b>0.50</b>

# ANNUAL IRRADIATION DEVIATIONS



# CONTACT



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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)