



2020 H1 Results & Business Update

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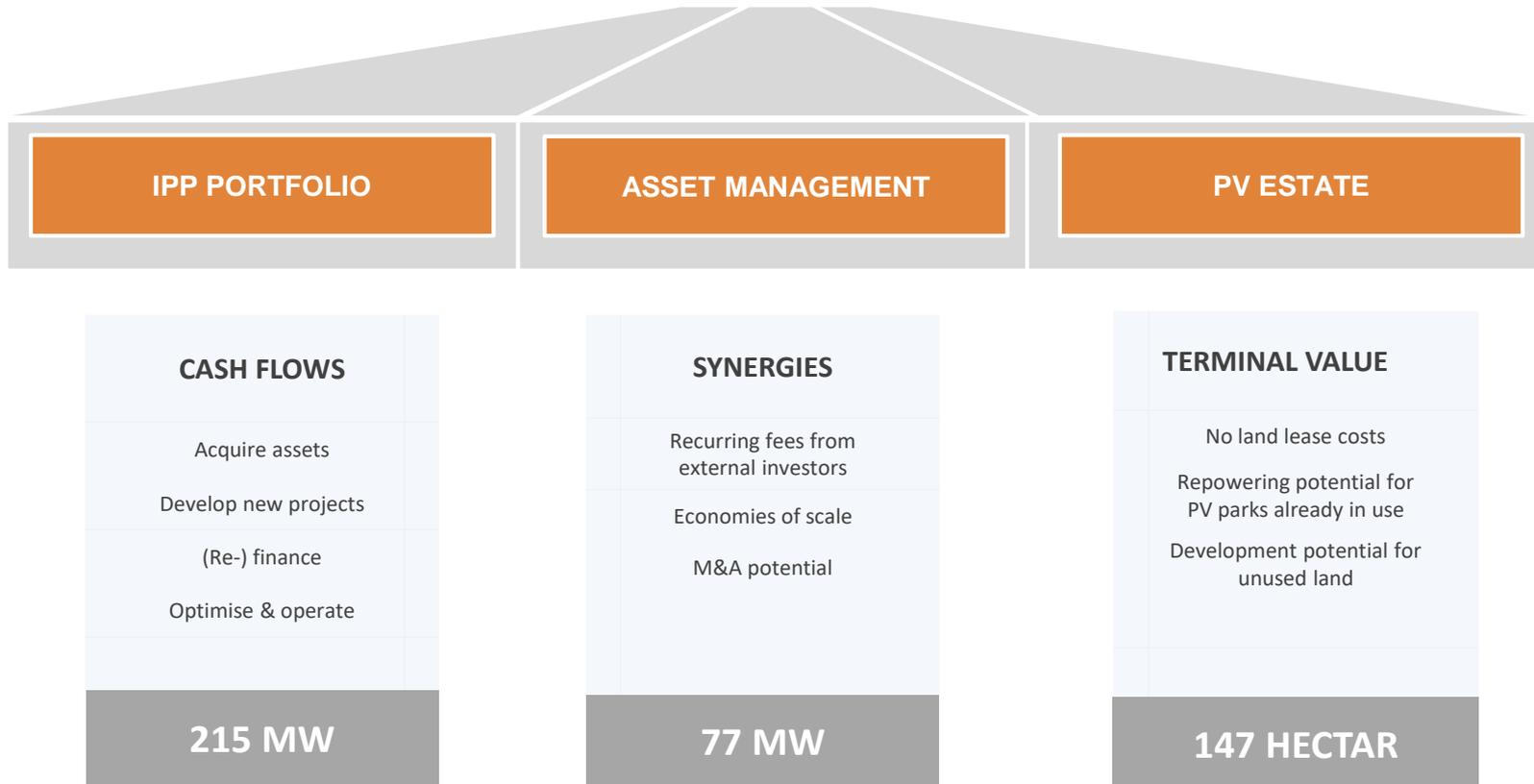
TODAY'S AGENDA

- 1 **COMPANY OVERVIEW**
- 2 2020 Journey so far
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Business Model & Portfolio

Pure-play German PV operator with 215 MW own assets, and 77 MW external management contracts



Business Model & Portfolio

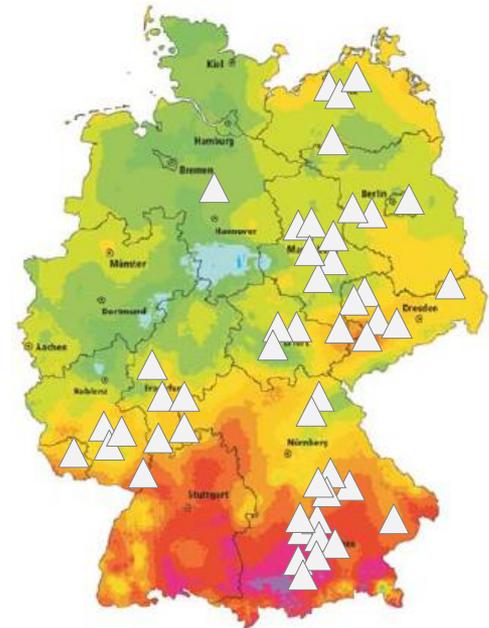
Current IPP portfolio generates annual EBITDA (IFRS) of > EUR 39 Mio.

Portfolio characteristics

	CAPACITY <i>MWp</i>	TARIFF <i>EUR/MWh</i>	YIELD <i>kWh/kWp</i>	REVENUES <i>EUR Mio</i>	EBITDA IFRS <i>EUR Mio</i>
Freefield PV	120	201	1,024	24.7	22.3
Rooftop PV	89	232	900	18.6	16.1
Onshore wind	6	86	2,350	1.2	0.9
IPP PORTFOLIO	215	205	999	44.5	39.3

- PV assets concentrated in Bavaria, Eastern Germany, and Rhineland-Palatinate
- Average plant size: 1.6 MWp
- Average year of commissioning: 2013
- Average feed-in-tariff: EUR 205/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 & opportunity-driven diversification into onshore wind

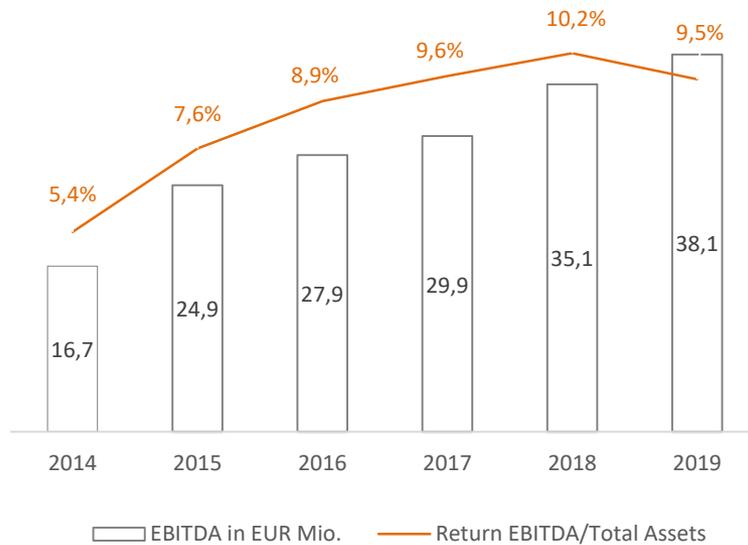
LOCATIONS > 1 MW



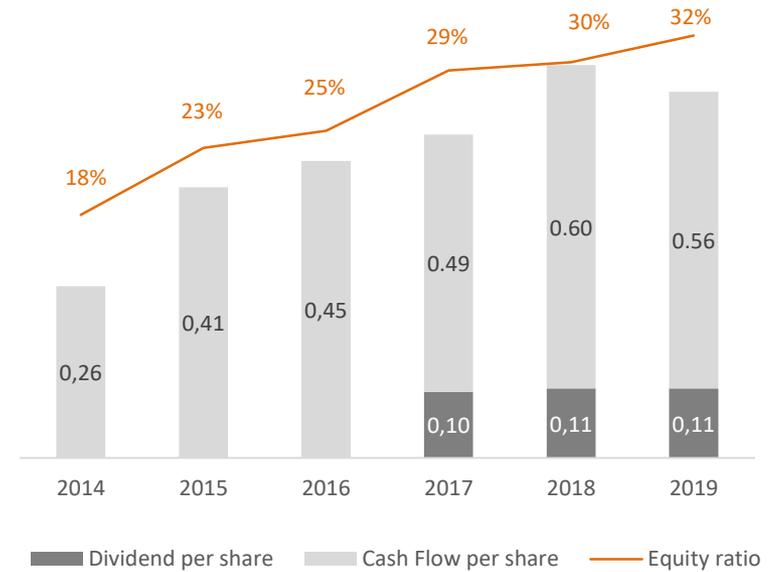
Financial Position

Robust Financials: Equity Ratio > 30% and latest dividend EUR 0.11/share

EBITDA EVOLUTION AND RETURN

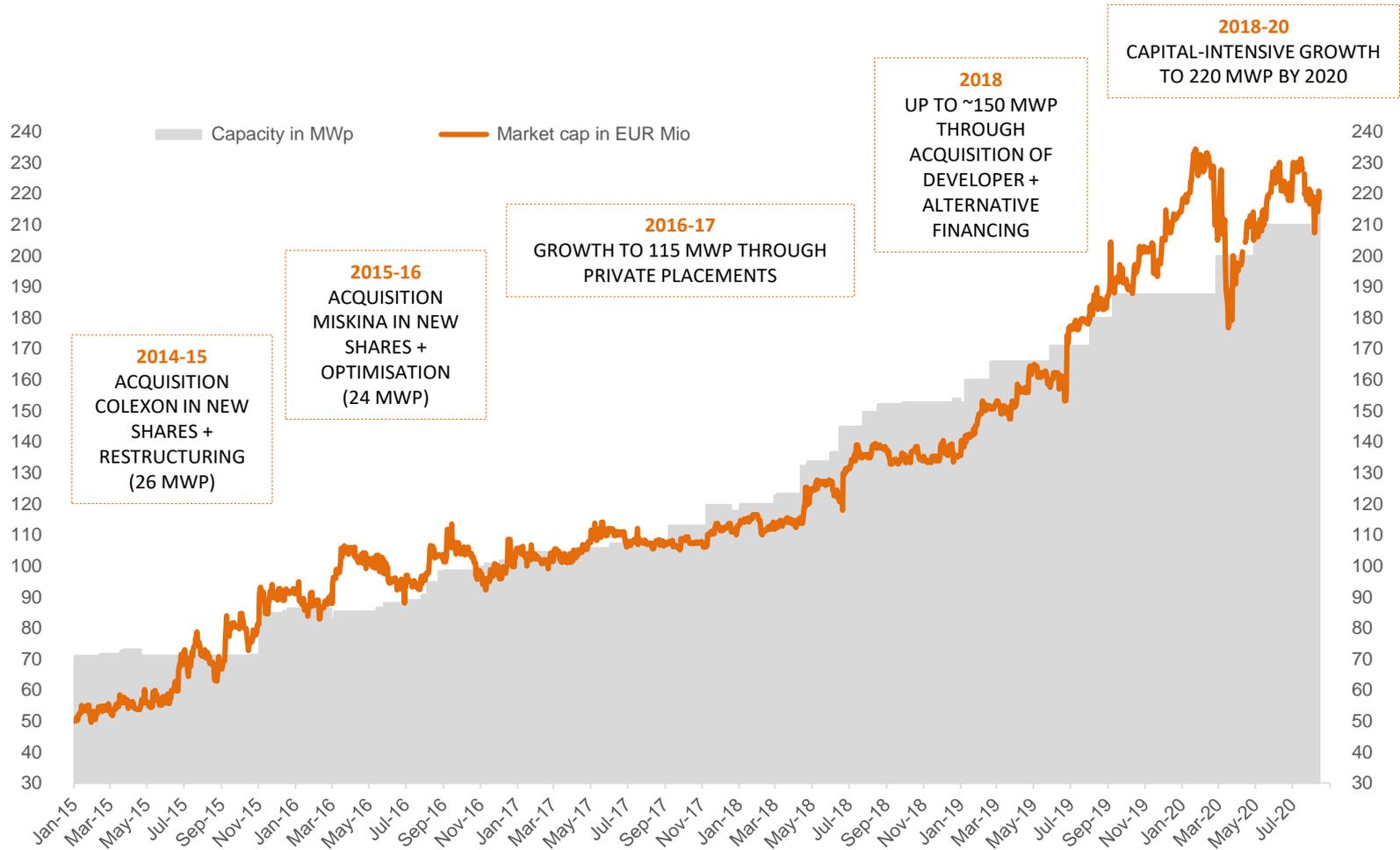


CASH FLOW PER SHARE AND EQUITY RATIO



Capacity and Market Cap

Track record of growth and capital appreciation



TODAY'S AGENDA

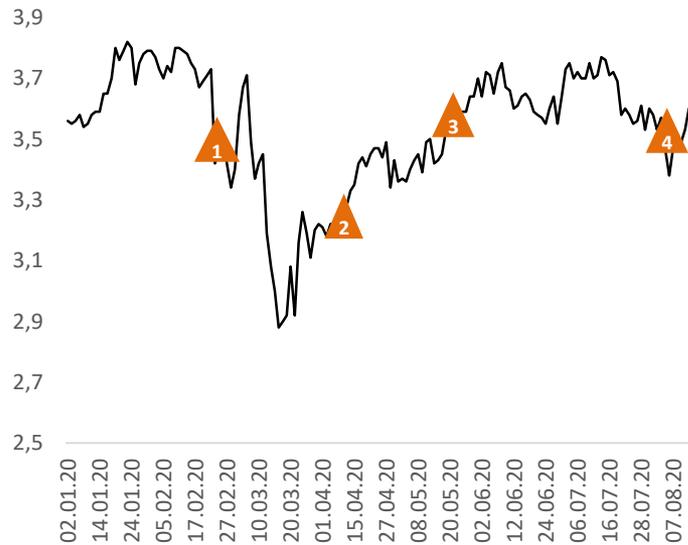
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2020 Journey so far

Capacity Objective of 220 MW by year-end 2020 within reach

SHARE PRICE 2020



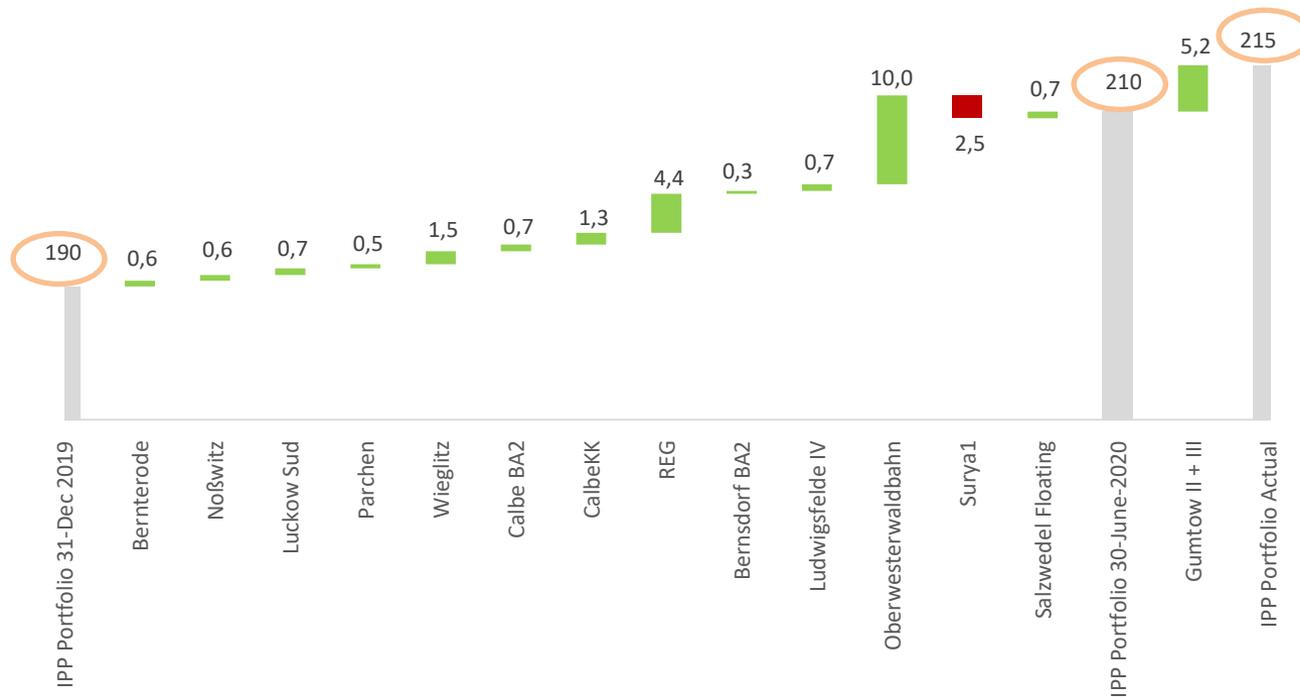
KEY MILESTONES ATTAINED

1. Portfolio raised to 200 MWp
2. Announcement of record EBITDA (EUR 38.1 Mio.) in 2019 with dividend of 11ct/share
3. Q1'20 EBITDA +13%, increased guidance for full-year.
4. Portfolio climbs to 215 MWp, close to year-end target of 220 MWp

2020 Journey so far

20 MW added in the first-half, 25 MW on year-to-date basis

GROWTH IN INSTALLED CAPACITY DURING 2020 (MWP)



2020 Journey so far

PV Estate expanded further to 147 ha (accommodating 55 MWp real capacity)

PORTFOLIO OVERVIEW CURRENT STATUS

Land ownership	Real estate	Region	Land size (ha)	MWp installed	MWp not owned	Acquisition date
Sandersdorf	Conversion land	Sachsen Anhalt	9.7	5.1		
Zerre	Conversion land	Sachsen	28.5	8.0	5.5	
Hausen	Logistics hall	Bayern	0.2	0.1		
Bayreuth	Building office	Bayern	0.2	0.1		
Pflugdorf	Agricultural land	Bayern	16.5	4.4		
Kettershausen	Agricultural land	Bayern	5.1	2.4		
Camp Astrid 2	Conversion land	NRW	1.0	0.6		
Grafentraubach	Industrial land & Building	Bayern	9.4	2.7		
Grube Warndt	Conversion land	Saarland	6.8	3.8		
Großfurra	Conversion land	Thüringen	6.9	4.1		
Mühlgrün	Conversion land	Sachsen	1.5	1.0		
Bitterfeld	Conversion land	Sachsen	12.4	4.6		
Umpferstedt	Industrial land	Thuringen	2.8	1.4		
Weissenfels	Industrial land	Sachsen Anhalt	1.1	0.6		
Calbe	Industrial land	Sachsen Anhalt	1.8	0.7		
Zschornowitz I	Industrial land	Sachsen Anhalt	4.1	2.6		
Demmin	Industrial land	Mecklenburg Vorpommern	2.2	0.6		
Havel	Industrial land	Brandenburg	5.0	2.4	2.4	
Osterode	Conversion land	Niedersachsen	10.3	4.0	4.0	
Henschleben	Compensation area	Thuringen	4.0	-		
Calbe 2	Industrial land	Sachsen Anhalt	1.7	2.1		
Bernsdorf	Industrial land	Sachsen	2.6	in development		
Zschornowitz II	Industrial land	Sachsen Anhalt	3.3	in development		2020 Q1
Dessau 2	Logistics hall	Sachsen Anhalt	0.9	0.7		2020 Q1
Gumtow	Compensation area	Sachsen Anhalt	1.9	-		2020 Q2
Luptitz	Industrial land	Sachsen	6.8	3.0	3.0	2020 Q3

TODAY'S AGENDA

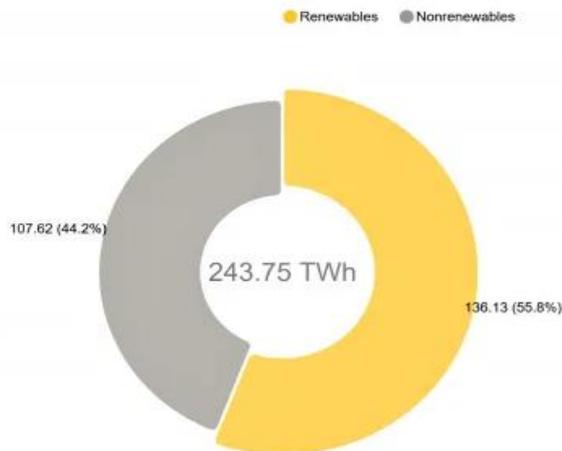
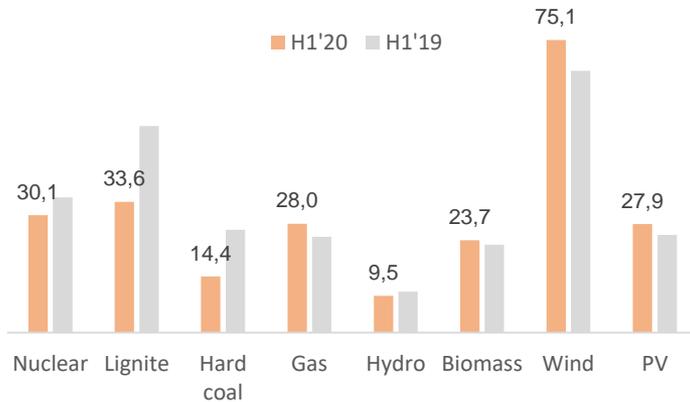
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Market conditions

PV and wind gain strength at the expense of coal in Germany's H1'20 production mix

BREAKDOWN BY SOURCE IN TWH



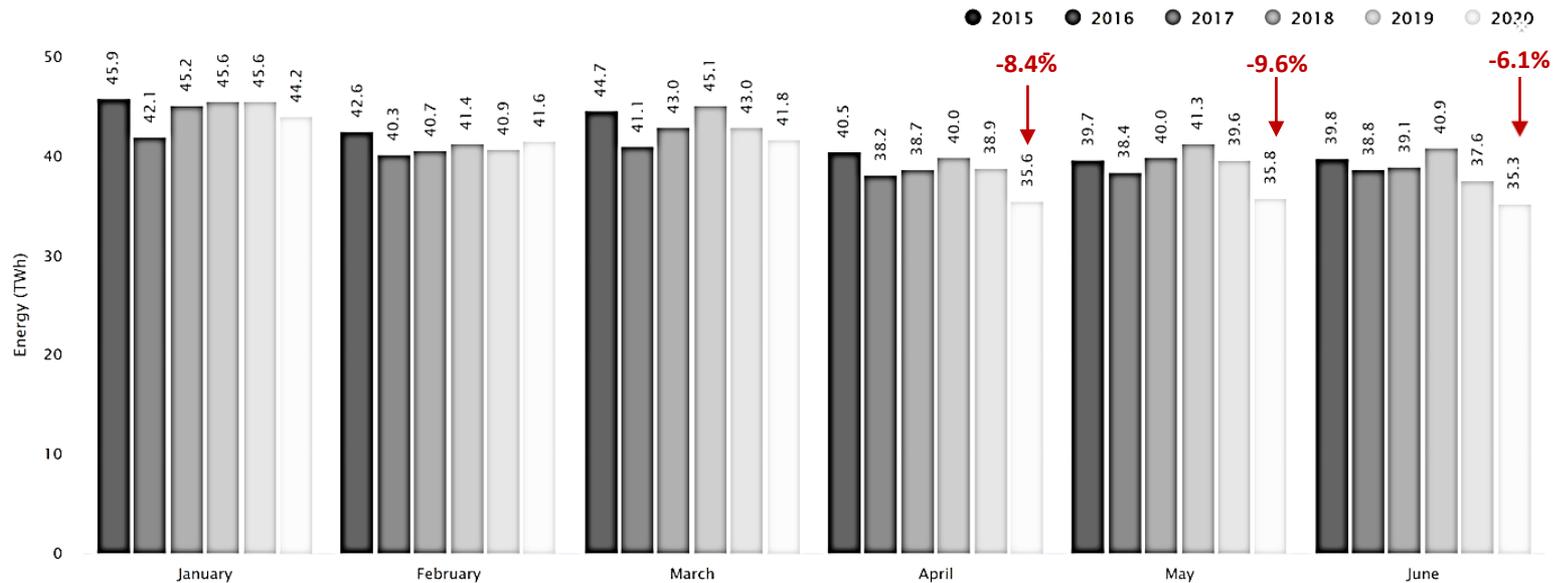
MANAGEMENT COMMENT

- Net PV output in Germany rose by ca. 10% to 27.9 TWh, mainly reflecting growth in installed capacity from 48.0 GWp at the end of June 2019 to 51.5 GWp (+7%) at the end of H1'20.
- Weather conditions for PV in H1 were slightly better (+3%) compared to last year and well above normal years thanks to very sunny months of March, April and May.
- Production from renewables for the first time has exceeded the 50% mark in the energy mix. Wind has been the key driver due to numerous winter storms. Within the conventional power capacity, we remarked a switch from coal into gas due to i) price of natural gas plummeting by 50% to EUR 8/MWh and ii) further strength in CO₂ emission prices around EUR 22/tonne.

Market conditions

The effects of CoVid-19: consumption down by up to 10% during lockdown period leads to ...

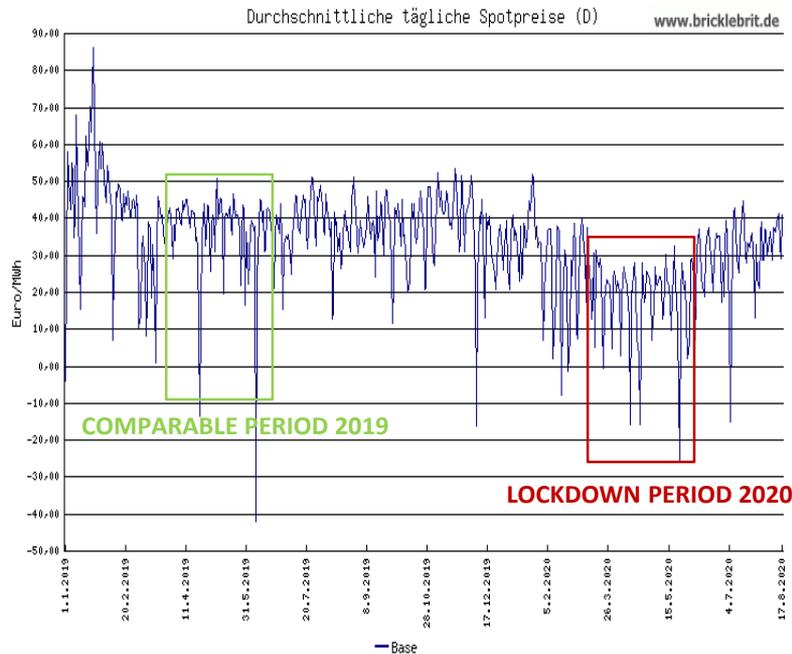
ELECTRICITY CONSUMPTION IN GERMANY IN TWH



Market conditions

... lower power prices

GERMAN ELECTRICITY PRICE IN EURO/MWH



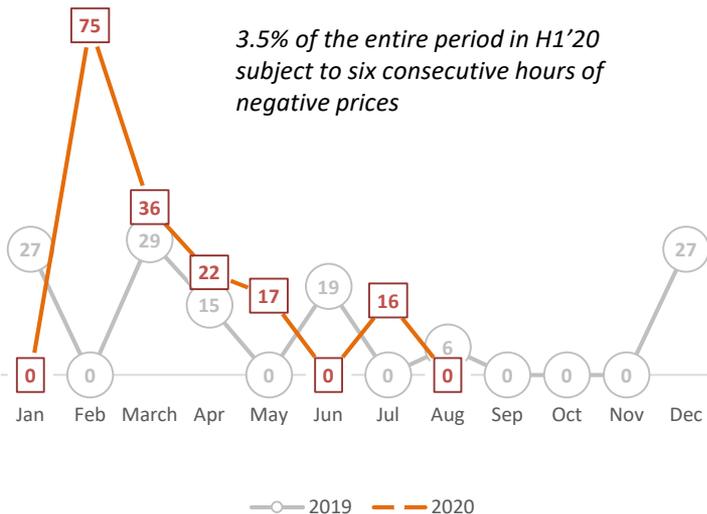
MANAGEMENT COMMENT

- Average spot price came down from EUR 37/MWh in H1'19 to EUR 23/MWh in H1'20 as a result of a drop in consumption and the global commodity crisis leading to a coal-to-gas switch.
- The effect on our PV business is not impacted by power prices given the existence of long-term fixed feed-in tariffs. Until now, 7C Solarparken has no installations running under a PPA or market price scheme.

Market conditions

... even negative prices

NUMBER OF HOURS WITH NEGATIVE PRICES UNDER § 51 EEG 2017



MANAGEMENT COMMENT

- §51 EEG 2017: When day-ahead spot prices turn negative for six consecutive hours, then the tariffs for parks commissioned after 2016 fall to zero for this period of negative price.
- A coincidence of lots of sun, lots of wind and less consumption (weekend, lock-down) fuels negative prices.
- Although we observed ~180 hours with negative prices in H1'20, the number of “six consecutive hours with negative prices” in H1'20 rose from 90 to 150 caused by two different reasons: i) wind storms in February and ii) less consumption as from March due to the lockdown. In total, 3.5% (150 hours) of all hours during H1'20 (4344 hours) were subject to the § 51 EEG 2017 rule. In reality, negative prices arise during hours with above-average wind/sun conditions so that the impact on effective kWh is clearly larger than 3.5%. (7C Solarparken: H1'20 effect = 4.4%)

Output conditions

3% higher irradiation in H1'20 versus last year, well above the "normal"

GLOBAL HORIZONTAL IRRADIATION IN GERMANY (DWD)

kWh/m ²	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	H1	Year	+3% vs H1'19
2020	24	37	95	163	171	163	171						653		
2019	21	52	75	138	146	200	170	147	98	56	24	20	632	1,146	
2018	19	49	75	137	186	168	198	155	109	67	29	14	634	1,207	
2017	27	37	87	116	164	176	156	139	87	53	22	15	607	1,079	
2016	22	36	72	118	160	160	161	147	112	45	26	19	568	1,078	
2015	19	42	81	138	151	163	174	150	91	54	28	20	594	1,111	

SPECIFIC YIELD IN GERMANY (PV-ERTRAEGE.DE)

kWh/kWp	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	H1	Year	+5% vs H1'19
2020	28	42	97	144	138	120	132						569		
2019	21	61	77	119	117	146	132	122	93	58	26	25	541	997	
2018	20	53	74	122	143	128	147	126	104	74	34	15	540	1,040	
2017	28	43	90	104	130	134	122	114	81	58	23	13	529	940	
2016	22	38	72	105	127	119	127	125	106	49	30	25	483	945	
2015	18	44	86	127	124	129	136	126	87	55	34	28	528	994	

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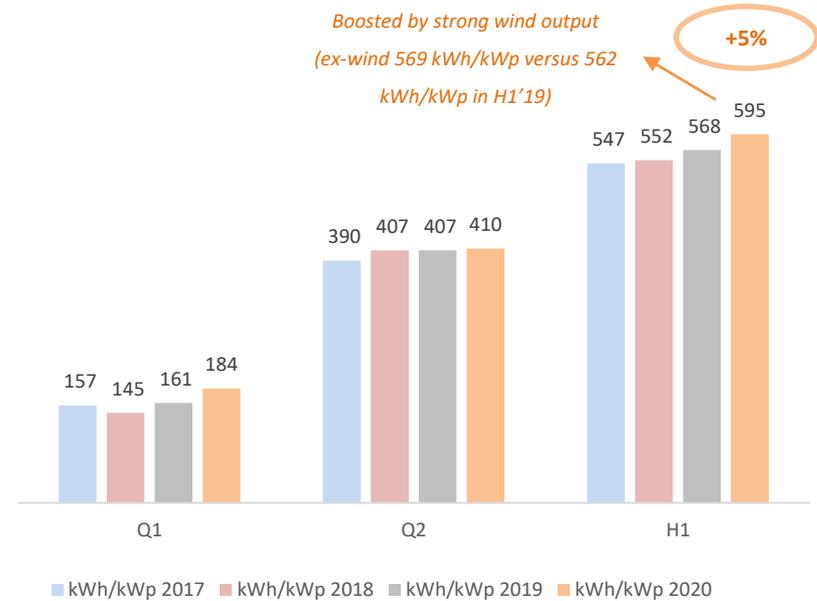
Electricity Production

Our installations produced 118 GWh or 595 kWh/kWp

PRODUCTION OUTPUT +29%



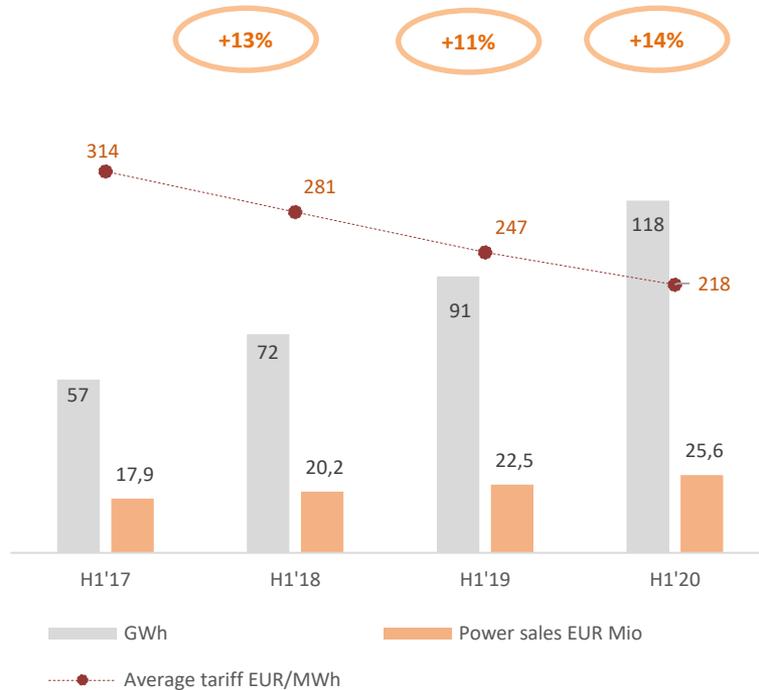
SPECIFIC YIELD +5%



Power Sales

14% increase in Power Sales to EUR 25.6 Mio

YEAR-ON-YEAR GROWTH IN POWER SALES



MANAGEMENT COMMENT

- Portfolio power sales rose to EUR 25.6 Mio in H1'20 (+14%) on the back of higher production (+30%). The increasing level of new-build installations is however causing an ongoing decline in average fixed tariff across the portfolio from EUR 247/MWh (H1'19) to EUR 218/MWh (H1'20)
- Power sales continue to represent 96% of Group's total revenues. The remainder comes from the management of external PV assets, and rental fees from land and buildings
- Impact of negative prices: 16% of our produced kWh are subject to the six-hours rule under §51 of the EEG 2017. The underlying assets generated EUR 3.2 Mio. whereas 4.4% of all kWh were produced during hours of negative prices and therefore had a negative impact of ~ EUR 150T

P&L

EBITDA +9.3% to EUR 23.5 Mio. boosted by power sales.

In Mio EUR	H1'20	H1'19	%	COMMENT
Revenues	26.7	22.8	17.1%	
o/w power sales	25.6	22.5		Driven by capacity growth to 210 MWp
o/w others	1.1	0.3		Includes EUR 0.8 Mio. sales for PV module exchange to HCI 2
Other income	1.0	1.9		
o/w compensation for damage	0.5	0.9		Including loss of revenues due to outages
o/w gain on bargain purchase	-	0.8		As from 2020 solar asset acquisitions not subject to IFRS 3
Opex	4.2	3.2		Includes EUR 0.7 Mio. opex related to one-off sales to HCI 2
EBITDA	23.5	21.5	9.3%	
D&A	-12.8	-11.2		Increased capacity, higher carrying amount of fixed assets
EBIT	10.8	10.3	4.9%	
Financial result	-3.0	-3.0		
o/w financial income	0.8	0.3		o/w EUR 0.2 Mio from non-consolidated PV funds
o/w financial expenses	-3.7	-3.4		
_ interest on debt	-3.1	-2.8		Includes redemption fee of solar lease liability (EUR 0.3 Mio.)
_ others	-0.6	-0.5		Includes unwinding of discount of provisions and lease liabilities
Pre-tax profit	7.8	7.3		
Tax	-1.3	-1.8		
o/w current taxes	-0.9	-0.4		
Consolidated profit	6.6	5.5		
Net profit, group	6.5	5.5	18.2%	
Minorities	0.1	0.1		

Balance Sheet

Equity Ratio still > 30% but dividend not yet paid on 30.06.2020

In Mio. EUR	H1'20	2019	COMMENT
ASSETS	448.7	401.3	
Land & Property	10.9	10.4	Increase of PV Estate to 140ha
Rights-of-Use Assets (IFRS 16)	20.8	20.0	
Solar- & Windparks	324.4	285.8	Reflects expansion to 210 MWp + first-time full consolidation HCI 1 and HCI 2
Financial investment	0.8	3.1	Transfer of two PV funds to full consolidation
Inventory	2.6	3.2	Panels to be used in the secured pipeline
Cash & cash equivalents	63.3	59.0	Includes EUR 17.0 Mio. restricted cash
Others	25.9	19.8	Reflects seasonality in trade receivables
LIABILITIES	448.7	401.3	
Equity	135.7	129.2	Dividend paid out in July 2020, therefore not deducted from Equity yet
Minority interest	11.6	0.6	Reflects minorities following full-consolidation of HCI 1 and HCI 2
Financial debt	244.7	221.2	Additional Schuldschein of EUR 12 Mio closed in Q1'20
Long-term provisions	15.2	13.2	Dismantling provisions EUR 12.5 Mio., old legacy & warranty risk: EUR 2.1 Mio.
Lease Liabilities (IFRS 16)	15.4	15.7	
Others	26.1	21.4	
KEY RATIOS			
Net financial debt	181.4	163.4	
EQUITY RATIO	32.8%	32.3%	WELL ABOVE THE SCHULDSCHHEIN COVENANT OF 25%

Cash Flow

Cash Flow Per Share stays at record level, rounded EUR 0.34/share

In Mio EUR	H1'20	H1'19	COMMENT
EBITDA	23.5	21.5	
- Lease expenses (IFRS 16)	- 0.4	- 0.5	EUR 0.5 Mio payments but already EUR 0.1 Mio through P&L (EBITDA)
- Cash Interest paid	-2.7	-3.2	EUR 3.1 Mio paid and EUR 0.4 Mio received related to tax audit
- Cash tax paid	+0.2	-0.3	Includes effect from tax audit (reimbursement EUR 0.6 Mio)
= Net Cash Flow	20.6	17.5	
Number of shares in Mio.	61.4	53.4	
CFPS	0.34	0.33	

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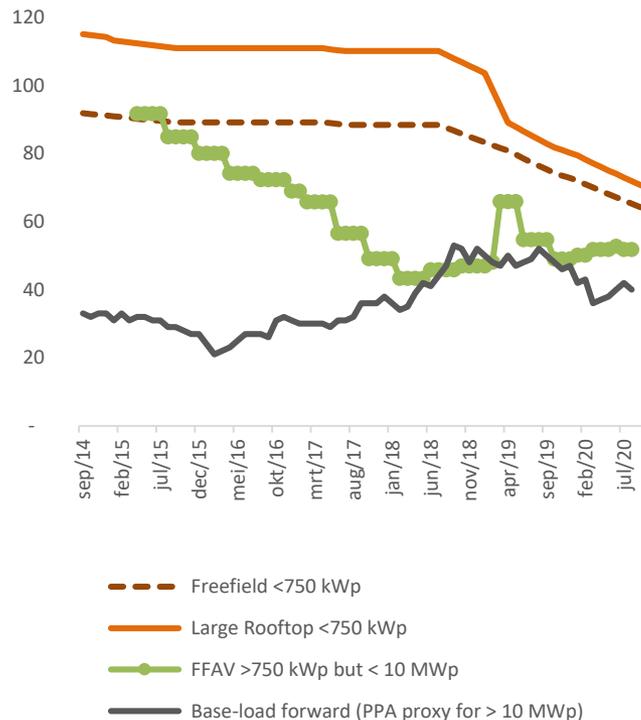


Target #1: 220 MW Objective at year-end 2020



Favorable Market Development following abolition of 52 GWp cap

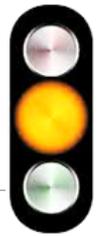
TARIFFS FOR PV PROJECTS IN EUR/MWH



MANAGEMENT COMMENT

- The overall PV market in Germany is close to the removed 52 GWp cap. As a result, projects < 750 kWp will still benefit from a fixed feed-in tariff. One can remark that the tariffication for fixed tariffs and FFAV (tender) tariffs are progressively converging into the range EUR 50-60/MWh with likely risk to see feed-in tariff support cut to zero (as from 01.01.2021) as soon as spot prices turn negative.
- Forward market prices as proxy for PPA's hover around EUR 35-45/MWh and do not trigger substantial investments yet (aside from a few mega projects which enjoy economies of scale), at least in countries like Germany with mediocre sunshine conditions.
- The focus of 7C Solarparken still lies in the segment up to 750 kWp and the tender projects. Our current pipeline consists of some acquisition parks as well as larger projects with a secured feed-in tariff (> 10 MWp of tariffs are secured including a project in Flanders, Belgium).

Target #2: Integrate recent Growth



Positives and negatives

PLAN AS COMMUNICATED IN DEC '19

OPERATIONAL FOCUS	RATIONALE	INITIAL TARGET DATE
# 1: "Connect all commissioned projects IBN 2019 to the grid"	6 MWp of projects with valid commissioning are still awaiting grid connection due to long delivery times for transformers, grid equipment and/or project specific issues caused by the EPC	Q2'20

CURRENT STATUS

FOLLOWING 2019 PARKS ARE STILL NOT CONNECTED

- **Langelsheim 0.7 MWp:** cable route not secured by EPC. Unclear grid connection schedule. Legal dispute with EPC.
- **Bernterode 0.6 MWp:** planned grid connection Q3'20
- **Alt Plestin II 0.2 MWp:** planned grid connection Q4'20

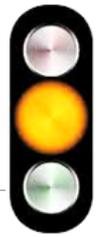
FOLLOWING 2019 PARKS DID NOT PASS "FINAL ACCEPTANCE" CRITERIA

- **Bunde 0.7 MWp:** Problem with micro-cracks and underperformance on panels. Legal dispute with EPC.
- **Luckow Sud 0.7 MWp:** Underperformance of installation due to unplanned shadow obstacles.

ASSET SALES

- **Surya1 2.5 MWp:** Complex portfolio of very small installations. Disposal gain EUR 0.3 Mio.

Target #2: Integrate recent Growth



Positives and negatives

OPERATIONAL FOCUS	RATIONALE	INITIAL TARGET DATE	STATUS H1'20
# 2. "Merge different SPV's"	25 different installations have been added during 2019; with each an individual and existing SPV.	Dec-20	FULLY ACHIEVED 
# 3. "O&M Management on new-build parks"	Scarcity in technical manpower forces us to focus our own O&M team on the installations with high EEG tariffs, and to oversee the O&M on new-build.	Dec-20	SIGNED AGREEMENT WITH IBC SOLAR 

Target #3: Capital into Asset Management



Re-cap of the situation on our Fund business



ACQUIRED PLATFORM



OBSERVATIONS 2019

ACTIONS TAKEN

7C Solarparken is the **General Partner** ("Komplementärin) and Manager of 6 closed-end Solar Funds under the label of HCI, WestFonds and GSI. Funds were issued to retail investors.

The funds own 16 PV parks / **77 MWp** across Germany with invested volume of EUR 172 Mio. and equity of EUR 55 Mio. Annual EBITDA of the parks > EUR 15 Mio.

Long-term contracts to conduct the daily management, to oversee long-term partners (O&M) and to report to the shareholders

Three Funds (20 MWp), including HCI1 and HCI2, substantially underperform due to technical deficiencies (low-power panels, inefficient inverters, unstable wooden mounting structure) so that future dividends to the investors are at risk.

Three Funds outperform.

External O&M services: quality of contractors from below-standard to very good.

The closed-end fund structure makes it almost impossible to raise additional debt and equity

1

7C Solarparken has financed a panel exchange program in Oberostendorf (installation belonging to the HCI2 Fund) and submitted a bid on HCI1 and HCI2. Consequently, 7C Solarparken now owns 24.4% and 34.5% respectively in these funds, which is above the hurdle of control (=> full consolidation required as from 30.06.2020)

2

7C Solarparken now responsible for O&M on the parks within the HCI1 and HCI2 structure, following inadequate O&M service by external firms

Target #3: Capital into Asset Management



First-time consolidation HCI1 and HCI2: 4 comparable PV parks in Southern Germany

HCI 1



IGLING BUCHLOE 5.8 MW_p, FIT EUR 355/MWh



NEUHAUS STETTEN 3.3 MW_p, FIT EUR 355/MWh

HCI 2



OBERSTENDORF 2.5 MW_p, FIT EUR 319/MWh



DETTENHOFEN 3.3 MW_p, FIT EUR 319/MWh

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Guidance 2020

EBITDA Guidance lifted from > EUR 37 Mio. To EUR 39.2 Mio.

In Mio EUR	PROGNOSIS 2020	GUIDANCE 2020	EX-HCI 2020	HCI1 (24.4%)	HCI2 (34.5%)	NEW GUIDANCE
	Apr-20	AFTER Q1'20	AFTER H1'20	01.07.2020	01.07.2020	AFTER H1'20
Revenues	43.0		46.2	1.4	0.8	48.3
EBITDA	36.0	at least 37.0	37.5	1.1	0.6	39.2
Minus lease payments	-1.0		-1.1	0.0	0.0	-1.1
Minus cash interest paid	-4.7		-5.1	-0.1	-0.1	-5.3
Minus tax paid	-1.0		-1.2	-0.1	-0.1	-1.4
= Net Cash Flow (NCF)	29.3		30.1	0.8	0.4	31.3
- minority NCF			0.0	-0.6	-0.3	-0.9
= NCF after minorities			30.1	0.2	0.1	30.4
/ Number of shares (Mio)	61.4		61.4	61.4	61.4	61.4
CFPS (NCF/shares)	0.48		0.49	0.01	0.01	0.51
CFPS post minorities	0.48		0.49	0.00	0.00	0.50
Dividend	0.11					0.11

INCREASE OF GUIDANCE:

- EBITDA: from > EUR 37 Mio to EUR 39.2 Mio on the back of solid H1'20 results and the full consolidation of HCI 1 and HCI 2 as from 01. July 2020
- CFPS under the existing definition: lifted from EUR 0.48/share to EUR 0.51/share
- After minorities though, CFPS is foreseen at EUR 0.50



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