



CAPITAL MARKETS DAY 2019

“Integrate growth, then scale up to 500 MWp”

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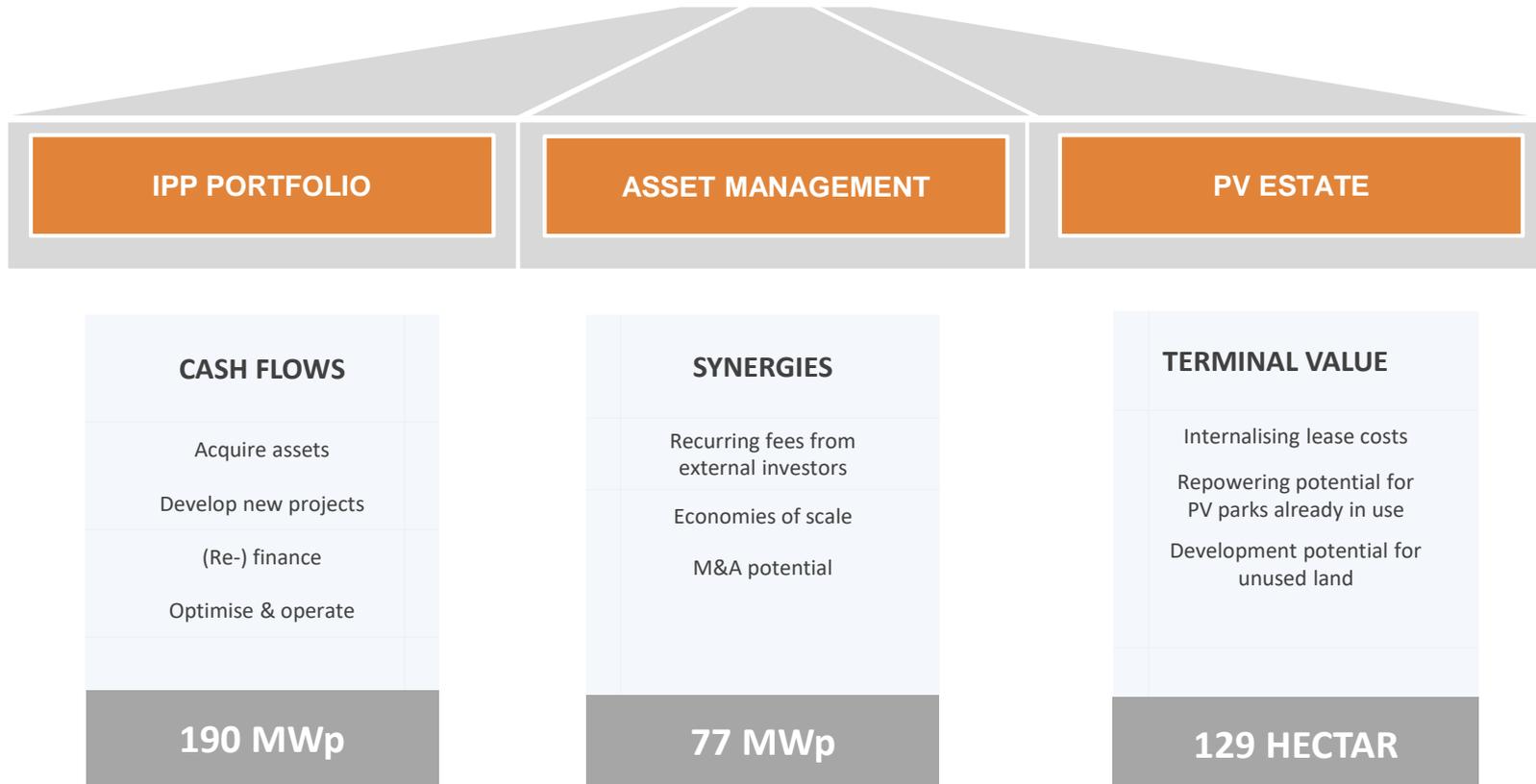
TODAY'S AGENDA

- 1 **COMPANY OVERVIEW**
- 2 2019 Guidance Increase
- 3 Markets
- 4 Operational Strategy 2020-22
- 5 Financials 2020-22



Business Model & Portfolio

Pure-play German PV operator with 190 MWp own assets, and 77 MWp external management contracts



Business Model & Portfolio

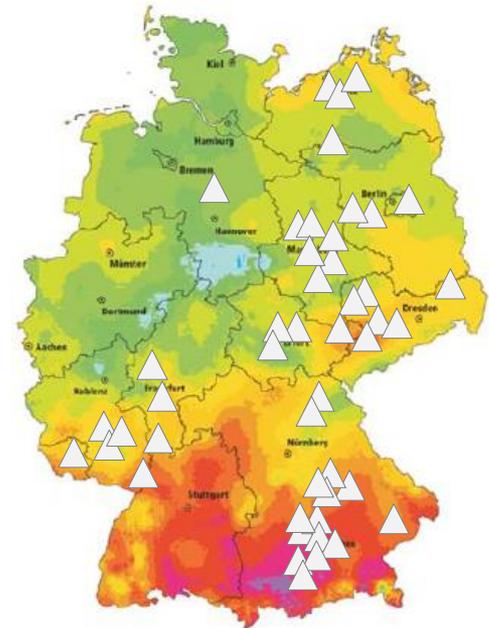
IPP portfolio of 190 MWp generates annual EBITDA of ca. EUR 38 Mio.

IPP Portfolio Characteristics

	CAPACITY <i>MWp</i>	TARIFF <i>EUR/MWh</i>	YIELD <i>kWh/kWp</i>	REVENUES <i>EUR Mio</i>	EBITDA <i>EUR Mio</i>
Freefield PV	102	224	1,025	23.5	21.5
Rooftop PV	82	243	898	17.9	15.5
Onshore wind	6	86	2,350	1.2	0.8
IPP PORTFOLIO	190	222	1,011	42.6	37.8

- PV assets concentrated in Bavaria, Eastern Germany, and Rhineland-Palatinate
- Average plant size: 1.2 MWp
- Average year of commissioning: 2012
- Average feed-in-tariff: EUR 222/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)
- Record additions of 36 MWp in 2019 versus 154 MWp IPP Portfolio at year-end 2018

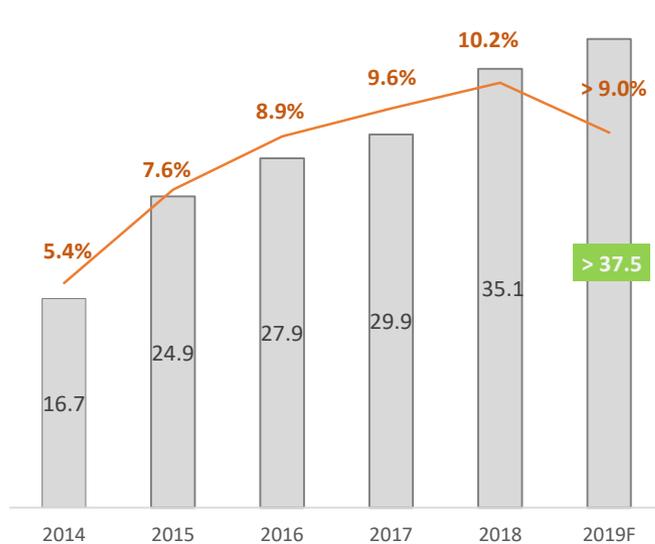
LOCATIONS > 1 MWp



Financial Position

Robust financials with latest dividend of EUR 0.11/share, **guidance for 2019 raised**

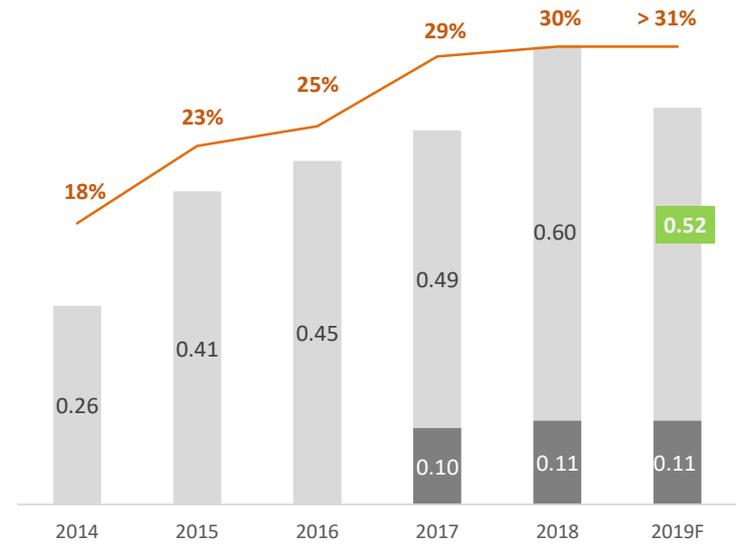
EBITDA EVOLUTION AND RETURN



EBITDA in EUR Mio.

Return (clean EBITDA/total assets until 2017, EBITDA/total assets for 2018)

CASH FLOW PER SHARE AND EQUITY RATIO



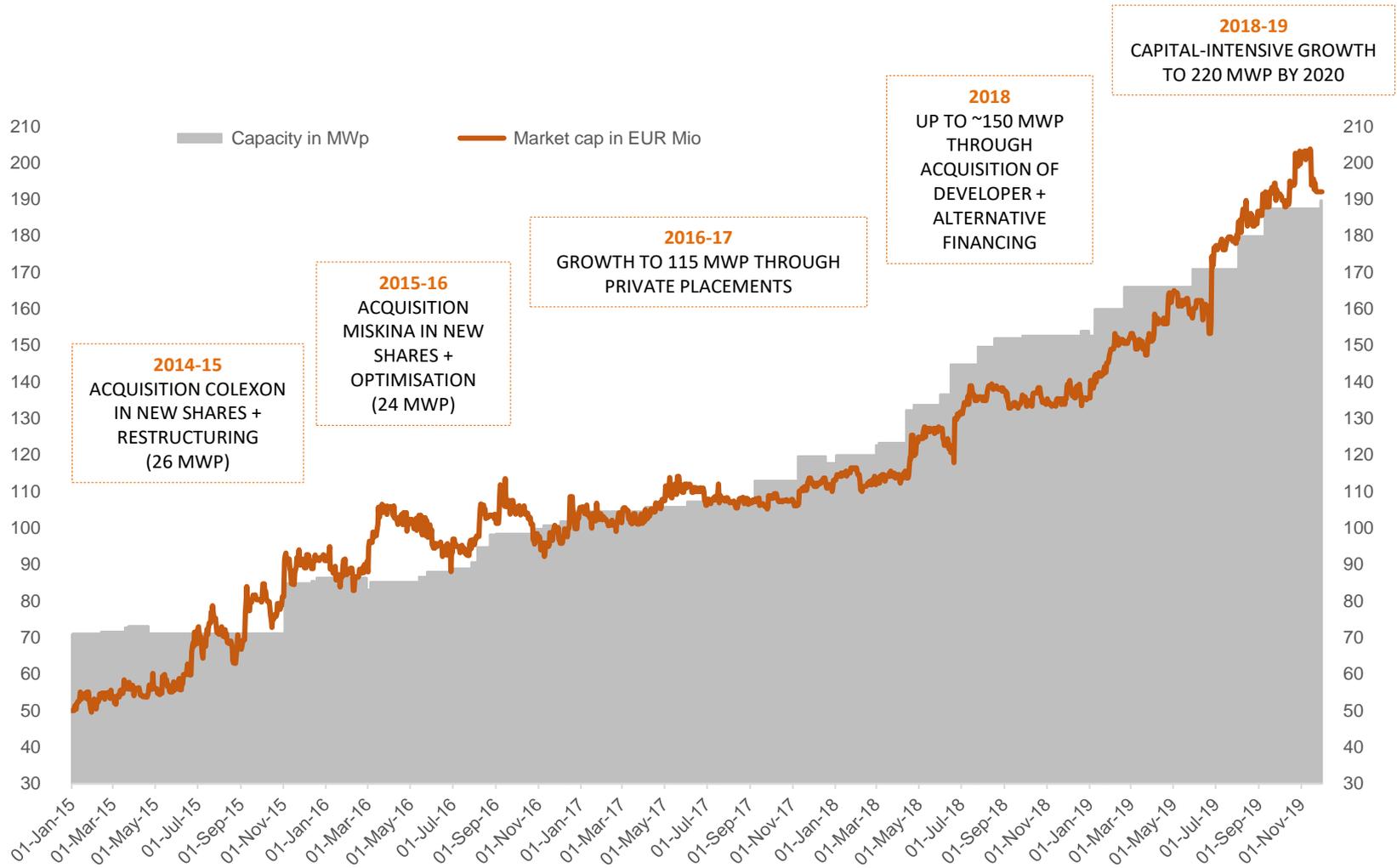
Dividend per share

Cash Flow per share

Equity ratio

Capacity & Market Cap

Track record of growth and capital appreciation



Tier-2 Objective almost achieved (i.e. 200 MWp/Mio EUR)

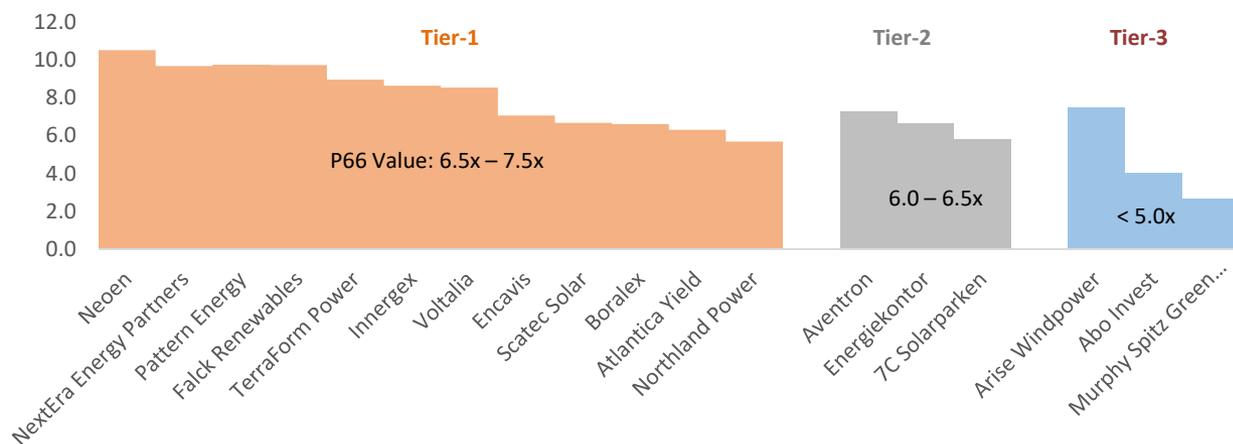
Structural expansion of valuation multiple: P/CF from 5.0x to > 6.0x

PRICE CASH FLOW MULTIPLE EXPANSION

Key Data 7C Solarparken AG		2015	2016	2017	2018	2019F
Installed Capacity	MWp	86	101	118	154	190
Economic Cash Flow per Share	CFPS	0.41	0.45	0.49	0.58	0.52
Share price at year-end	EUR	2.3	2.5	2.4	2.6	3.4 (*)
Outstanding shares (Mio.)	Mio.	36.7	43.3	45.7	49.5	61.4
Market Cap	EUR Mio.	83	107	111	128	202
P/CF (year T)	Multiple	5.5	5.5	5.0	4.5	6.3

(*) 30-days VWAP on 05.12.2019

PRICE CASH FLOW MULTIPLE 2020F PER TIER (Date: 25.11.2019)



TODAY'S AGENDA

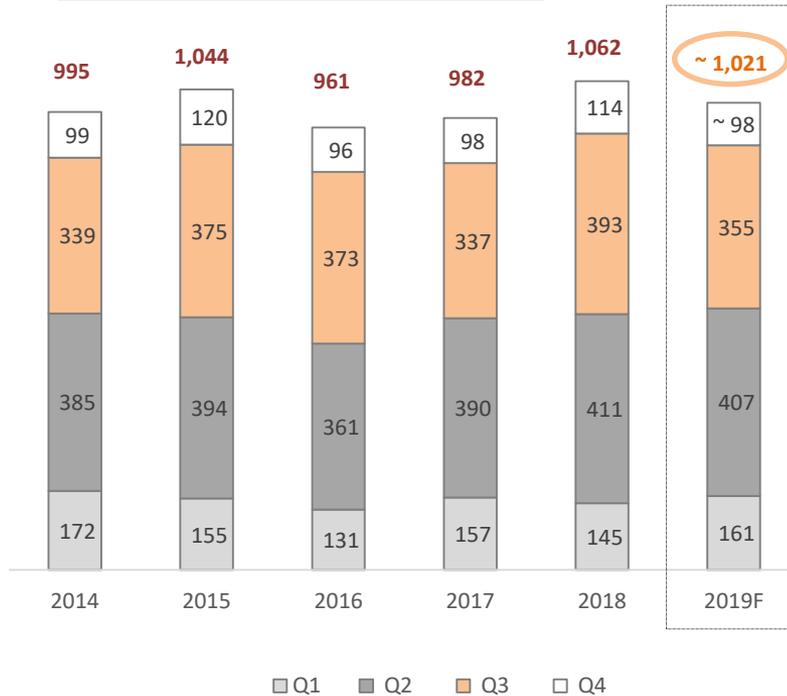
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Driver #1: Output conditions

Slightly better weather than long-term average, although not meeting the record year 2018

RELATIVE OUTPUT PER YEAR IN KWH/KWP



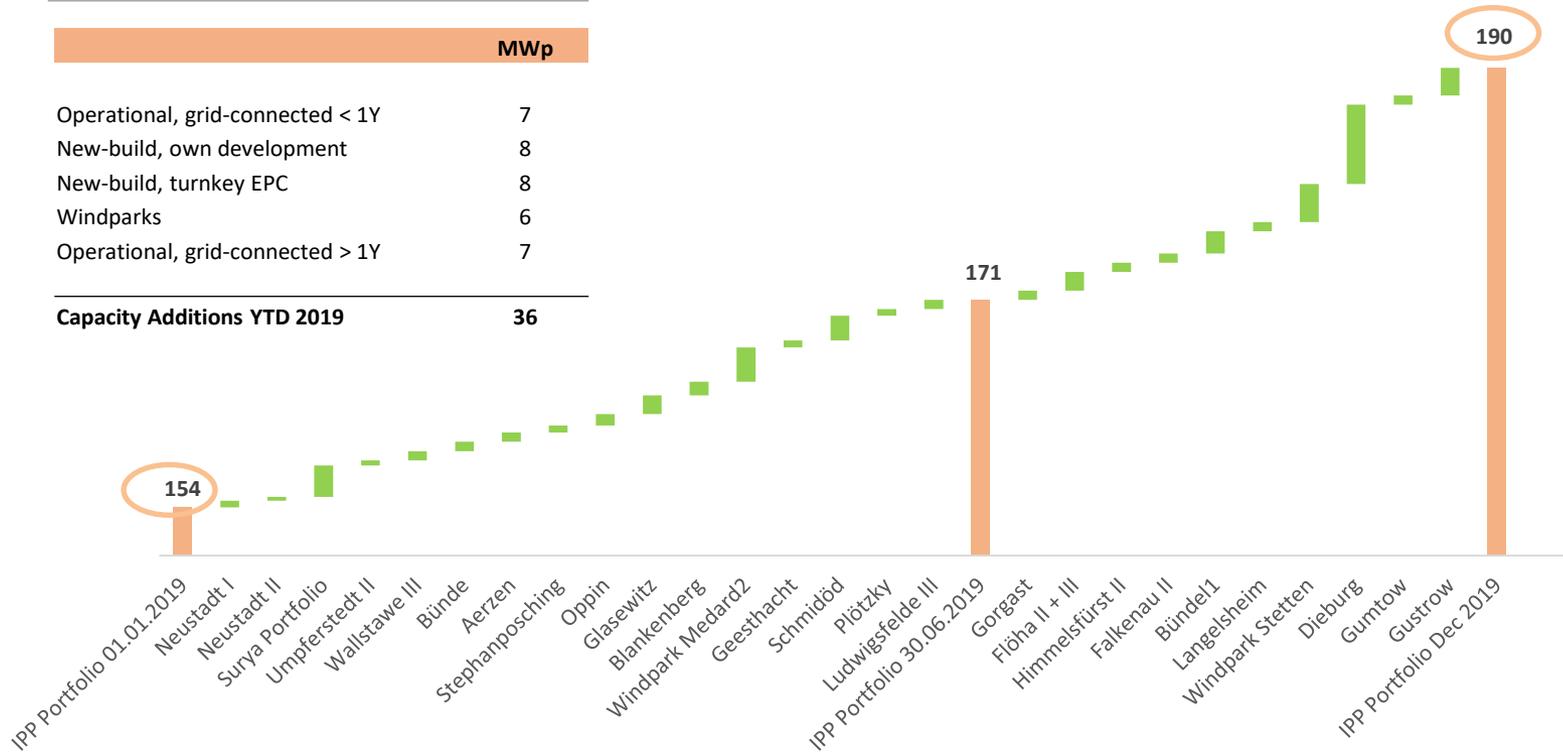
- Our IPP portfolio is expected to yield 1,021 kWh/kWp for 2019 : -4% versus 2018 though 2% higher than the guidance assumption of 1,003 kWh/kWp (see: Annual Report 2018 Page 43).
- In spite of favorable irradiation conditions in the first half of 2019, the meteorological year also caused negative effects on our PV production due to:
 - Long period of drought (dirty panels)
 - Record temperature: +2.9°C above normal in summer (higher losses in panels and inverters)
 - Hailstorms and tornados caused many broken panels in the regions of Bayern (10th June), Sachsen Anhalt (12th June), and Rheinland Pfalz (12th July)

Driver #2: Capacity Additions

Portfolio expansion ahead of schedule: increase of 36 MWp year-to-date

BREAKDOWN OF CAPACITY GROWTH

	MWp
Operational, grid-connected < 1Y	7
New-build, own development	8
New-build, turnkey EPC	8
Windparks	6
Operational, grid-connected > 1Y	7
Capacity Additions YTD 2019	36



New 2019 Guidance

EBITDA guidance for 2019 raised from > EUR 35 Mio. to > EUR 37.5 Mio

Increased outlook for 2019 reflects weather conditions and accelerated capacity expansion

	Unit	REAL Q1	REAL H1	REAL 9M	FORECAST FY 2019	Q4 Comment
Specific Yield	kWh/kWp	161	568	923	1,021	Oct slightly below normal, Nov far below
Weighted capacity in operation	MWp	157	159	160	164	> 175 MWp in operation in Q4'19
Production	GWh	25	91	149	168	
Weighted feed-in tariff	EUR/MWh	256	247	247	244	
Revenues	EUR Mio.	6.5	22.8	37.6	> 42.0	Previous Guidance: EUR 41.0 Mio
_ Power sales	EUR Mio.	6.5	22.5	37.0	41.0	Power Sales = Production x tariff
_ Other revenues	EUR Mio.	0.1	0.3	0.6	1.0	External services & Rental income
Other operating income	EUR Mio.		1.9		1.9	Badwill, insurance compensation
Cost of sales and opex	EUR Mio.		-3.2		-6.9	
EBITDA	EUR Mio.	6.2	21.5	35.1	> 37.5	Previous Guidance > EUR 35.0 Mio
Rental fees paid (IFRS 16)	EUR Mio.		-0.5		-1.2	
Cash interest paid	EUR Mio.		-3.2		-5.8	
Taxes paid	EUR Mio.		-0.3		-1.3	
Net CF	EUR Mio.		17.5		29.2	
Average number of shares	Mio.		53.4		56.2	
CFPS	Per share data		0.33		0.52	Previous Guidance > EUR 0.50/share
Net debt	EUR Mio.	176.5	181.0	154.6	< 175.0	
Equity ratio	%		30.7%		> 31%	

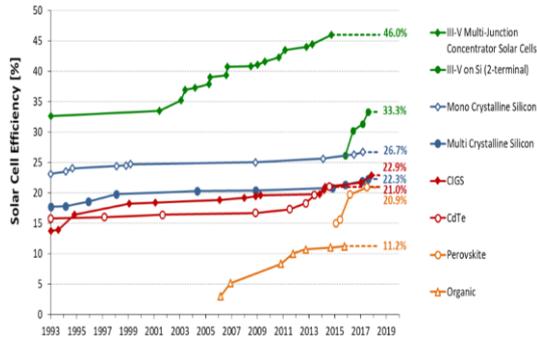
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- 6 Summary

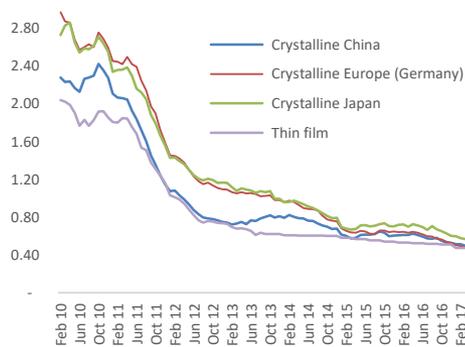


PV Competitiveness

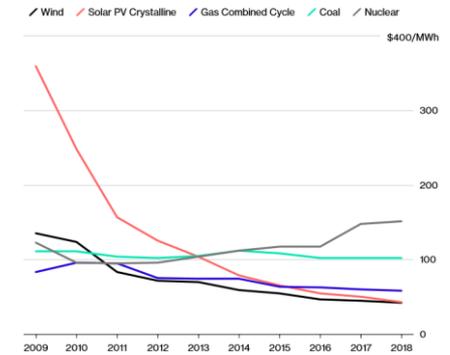
Solar PV now the cheapest source of electricity, beating cost of conventional power



Source: IRENA



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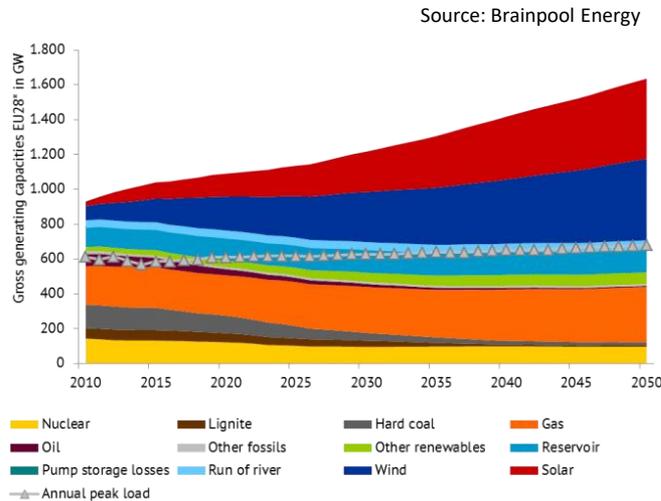


Source: Lazard

PV and Wind to lead Europe's Future Power Generation

Unstoppable drivers: LCOE, Decarbonization and Regulation

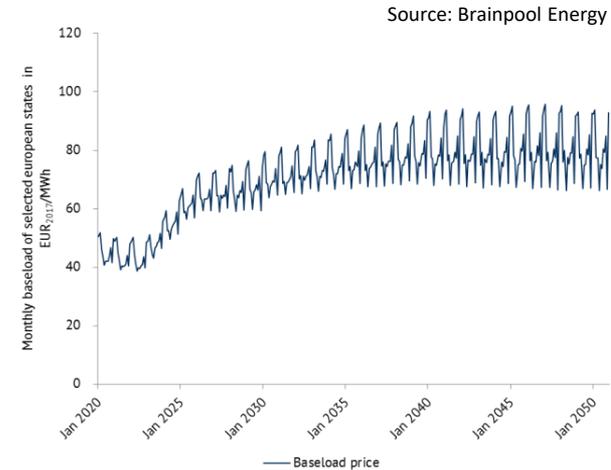
BREAKDOWN OF CAPACITY MIX EUROPE IN GW



“Exit from coal and nuclear into renewables”

1. Lowest LCOE
2. CO₂ Reduction
3. Closer to consumption centers
4. Binding European targets
5. Geostrategic independence

ELECTRICITY PRICE FORECAST IN EUR/MWH



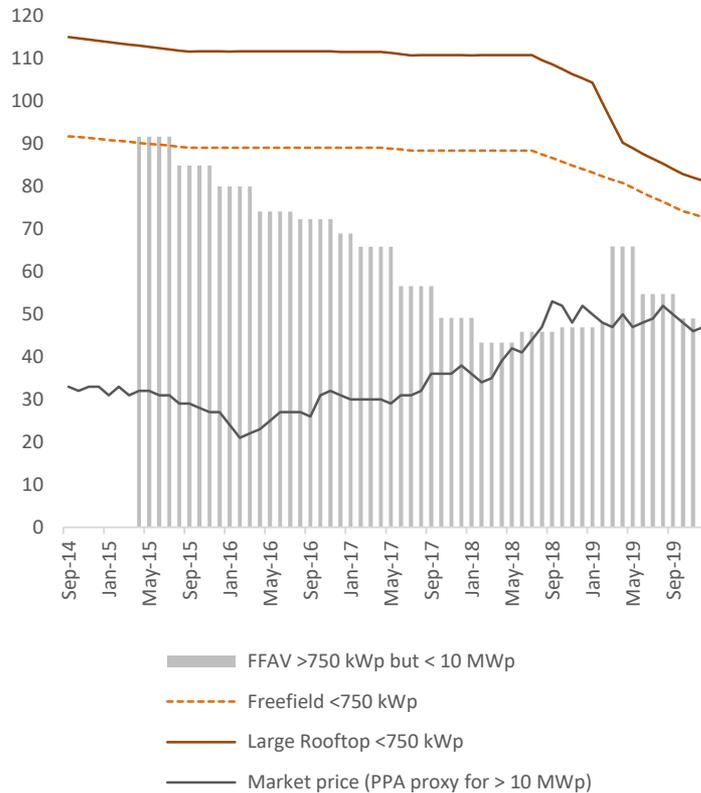
“Rising power price as from 2023”

1. Nuclear exit in Germany in 2023
2. Sector coupling
3. Rising CO₂ price (Germany fixed certificate prices between EUR 35-60/t as from 2026 versus EUR 10-35/t until 2025)
4. Reflecting cost of gas for new-build power
5. Electrification and e-Mobility

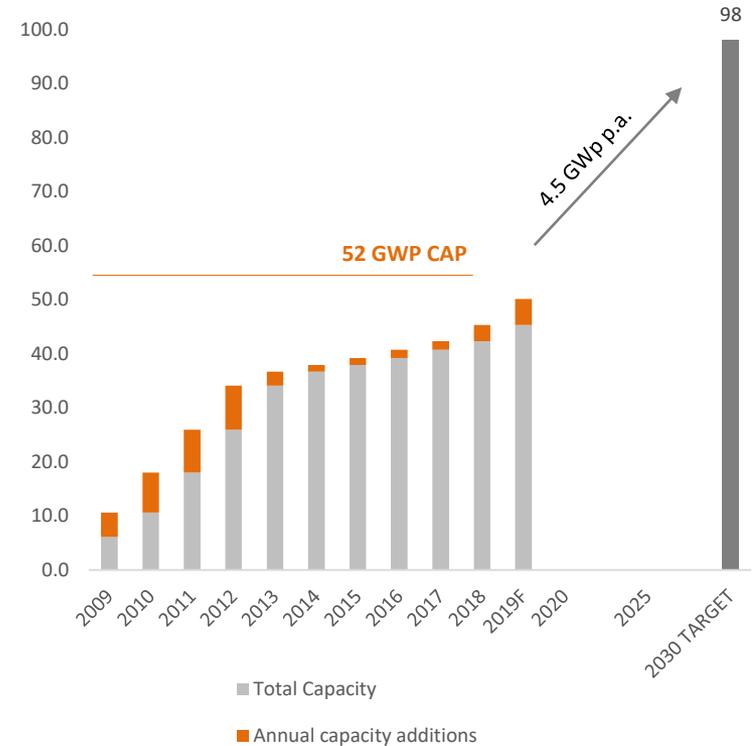
German government boosts PV Capacity Targets

52 GWp cap likely to be removed, new target 98 GWp by 2030 enables further market growth

FIT AS PER EEG TABLE, FFAV AND MARKET PRICE EUR/MWH



PV CAPACITY GERMANY IN GWp



Feed-in Tariffs still allow reasonable Equity Returns

Economic model for a standard 750 kWp freefield new-build park

Year	2019	2020	2021	2022	2023	2024	...	2034	2035	2036	2037	2038	2039	2040	...	2044
Period	0	1	2	3	4	5		15	16	17	18	19	20	21		25
Capacity kWp	750	750	750	750	750	750		750	750	750	750	750	750	750		750
FIT EUR/MWh	72	72	72	72	72	72		72	72	72	72	72	72	60		60
Output kWh/kWp		975	973	971	969	967		948	946	944	942	940	939	937		929
MWh		731	730	728	727	725		711	710	708	707	705	704	703		697
P&L																
Revenues		53	53	52	52	52		51	51	51	51	51	51	42		42
Opex		-13	-13	-14	-14	-14		-16	-16	-17	-17	-17	-18	-17		-19
Land lease		-3	-3	-3	-3	-3		-3	-3	-3	-3	-3	-3	-2		-2
O&M and repairs		-5	-5	-5	-5	-5		-6	-6	-6	-6	-6	-7	-7		-7
Own power		-1	-1	-1	-1	-1		-1	-2	-2	-2	-2	-2	-2		-2
Insurance		-1	-1	-1	-1	-1		-1	-1	-1	-1	-1	-1	-1		-2
Direct Marketing		-1	-1	-1	-1	-1		-1	-1	-1	-1	-1	-1	-1		-1
Other opex		-2	-2	-2	-2	-2		-3	-3	-3	-3	-3	-3	-3		-3
EBITDA		39	39	39	39	38		35	35	34	34	34	33	25		23
Interest cost 1.5%		-6	-5	-5	-5	-4		0	0	0						
Balance Sheet																
Fixed asset / investment	563	534	506	478	450	422		141	113	84	56	28	0			
Loans 70%	394	368	341	315	289	263		0								
Equity 30%	169															
Cash Flow																
Net Cash Flow		34	34	34	34	34		35	35	34	34	34	33	25		23
Debt repayment (15Y)		-26	-26	-26	-26	-26		-26								
Free Cash Flow to Equity	-169	7	8	8	8	8		9	35	34	34	34	33	25		23
Equity IRR	6%															
Equity/Cash Flow	5.0															

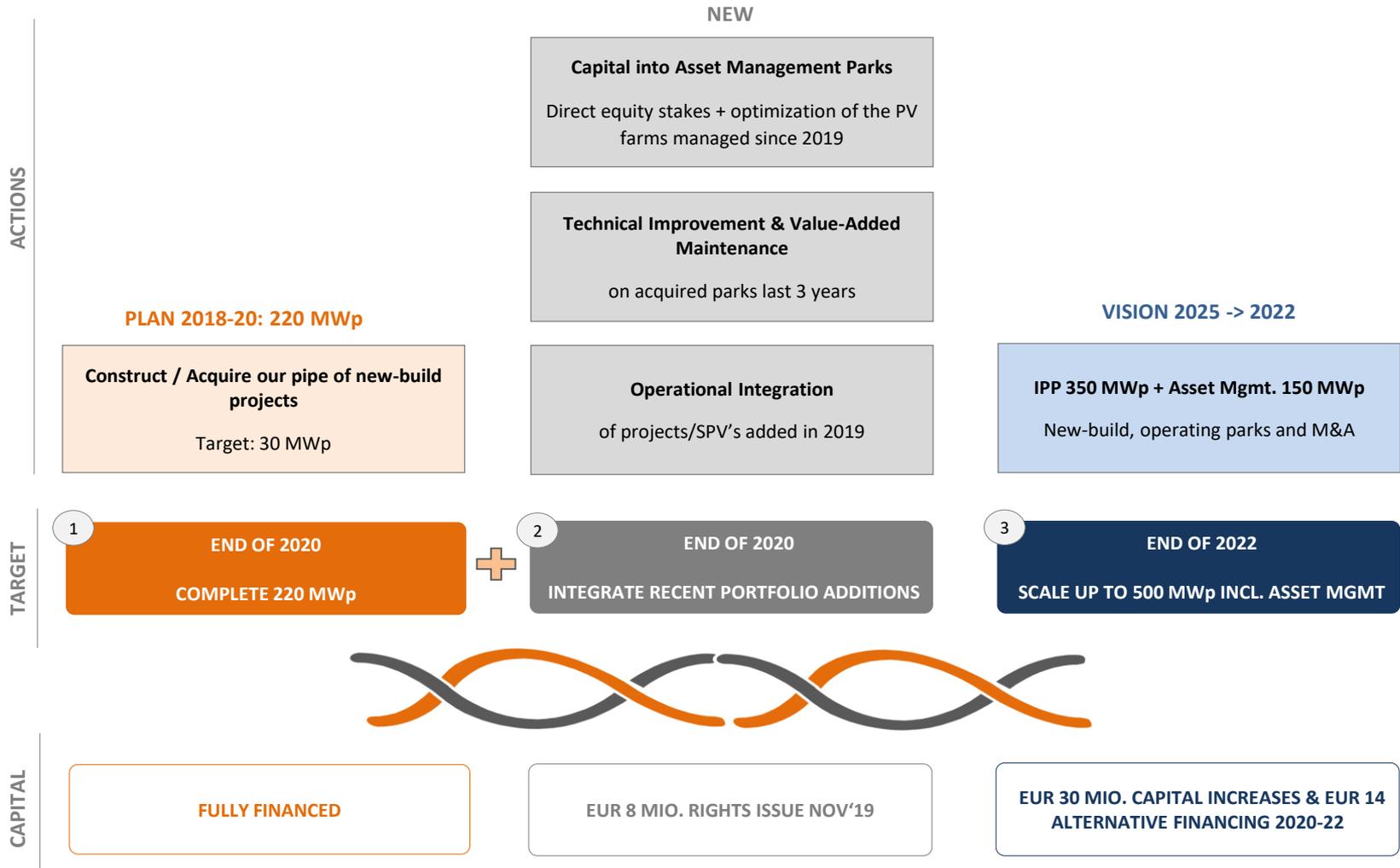
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Roadmap 2020-22

Complete 220 MWp, integrate recent portfolio additions and scale up to 500 MWp



Target 1: Complete 220 MWp

Realise our new-build projects

PIPELINE READY TO CONSTRUCT

	MWP	TYPE	EEG/FFAV	IBN
PIPELINE 2020	30.0			
NEW-BUILD DEVELOPMENT	Bernterode	Rooftop	EEG	Q4'19
	Luckow Sud	Rooftop	EEG	Q1'20
	Gumtow BA2	Freefield	FFAV	Q1'20
	Calbe BA2	Freefield	Fixed EEG	Q1'20
	Calbe	Freefield	FFAV	Q1'20
	Bernsdorf BA2	Rooftop	Fixed EEG	Q1'20
	Ludwigsfelde BA4	Rooftop	Fixed EEG	Q2'20
	Bernsdorf	Freefield	FFAV	Q3'20
	Ghent (Flanders)	Rooftop	Green Certificates	Q4'20
	Rodigen	Freefield	FFAV	Q4'20
+ OPERATING ACQUISITION	5.8			2007-19



CAPEX EUR 26 MIO OF WHICH EUR 17 MIO DEBT (65%)

EBITDA EUR 2 MIO / NET CASH FLOW EUR 1.8 MIO

REQUIRED EQUITY OF EUR 9 MIO. IS "AVAILABLE" ON THE BALANCE SHEET

GUMTOW BA2



CALBE



Target 2: Integrate Recent Growth

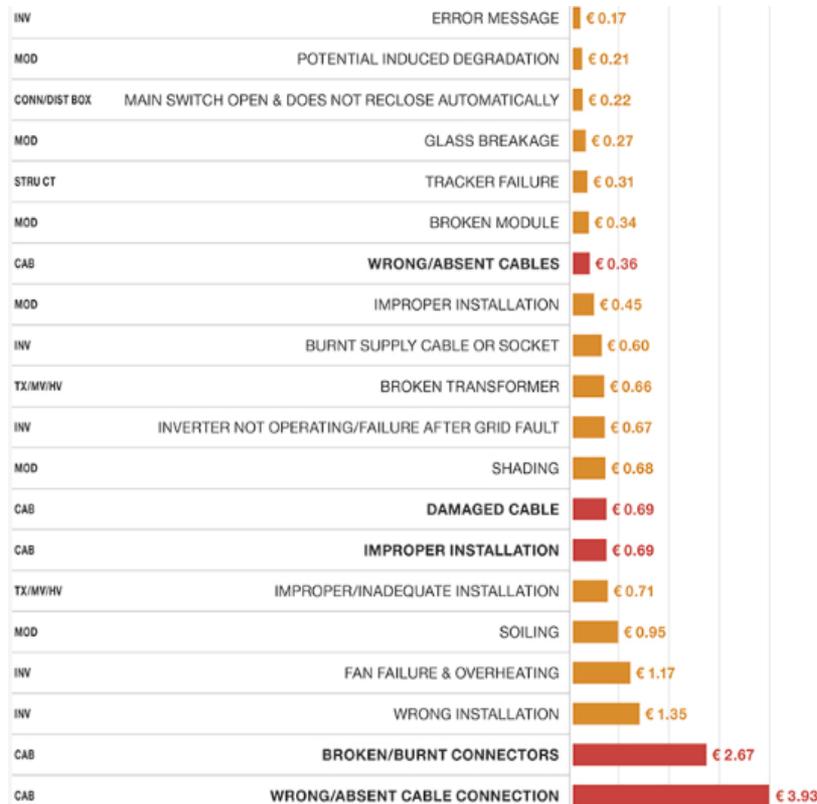
1. Operational Integration of Projects/SPV's added in 2019

OPERATIONAL FOCUS	RATIONALE	TARGET DATE	CAPEX
<i>"Connect all commissioned projects IBN 2019 to the grid"</i>	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	Feb-20	EUR 0.5 Mio
<i>"Merge different SPV's"</i>	25 different installations have been added / acquired during 2019; with each an individual and existing SPV.	Dec-20	-
<i>"O&M Management on new-build parks"</i>	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	-

Target 2: Integrate Recent Growth

2. Exchanges of Panels, Cables & Connectors in parks acquired over the last three years

TOP 20 TECHNICAL FAILURE LIST WITH INDICATIVE EUR/KWP ANNUAL LOSS



Source: Solarbankability.org from field data

PANEL EXCHANGES TO OPTIMISE PARKS

Exchange strings of panels that underperform

CAPEX EUR 1.0 Mio.

Target date: Jan '20



EXCHANGE CABLES & CONNECTORS

Broken connectors reduce performance and cause hotspots

CAPEX EUR 0.7 Mio.

Target date: Jun '20



EBITDA IMPACT > EUR 0.2 MIO p.a.

Target 2: Integrate Recent Growth

3. Capital into Asset Management



PLATFORM

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



OBSERVATIONS

Three Funds (20 MWp) 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

ACTIONS

- 1 7C Solarparken is financing, at own book, a **panel exchange program** for one fund in exchange for a ~ 15% stake.
- 2 7C Solarparken has submitted a **takeover bid** on the largest underperforming fund which it considers not be a suitable investment object for retail investors. Through the bid and other capital-intensive initiatives, the management assumes control (and full consolidation) can be achieved, even with a minority position, as from 2021. The fund generates EBITDA of EUR 2.6 Mio.
- 3 7C Solarparken has cancelled O&M contracts on two funds to halt further value erosion.

PLANNED EQUITY CAPEX EUR 5.0 MIO
~ HALF HAS BEEN SPENT EARLY DEC'19

Target 3: Scale up to 500 MW incl. Asset Management

Vision 2025 becomes our Target for 2022

POTENTIAL POOL OF LARGER SCALE ACQUISITIONS & DEVELOPMENT

CONSOLIDATION: 15 GWp existing PV installations > 1 MWp in Germany

NEW-BUILD: New government target indicated at 98 GW by 2030 (~4.5 GW p.a.)

PPA: Large scale opportunities > 10 MWp upon further LCOE improvement

REPOWERING: 4 GWp runs out of the tariff by 2025

EXPLORE OPPORTUNITIES: in other stable EU countries



IPP PORTFOLIO

500 MWP
EUROPEAN TIER-1

ASSET & FUND MANAGEMENT

TARGET: 70% = 350 MW (2019: 190 MW)

- PV > 90%, wind max. 10%
- M&A at the forefront in 2021-22, aside from new-build and park acquisitions
- Capital-intensive growth into a European Tier-1 will further enlarge capital markets awareness

TARGET: 30% = 150 MW (2019: 77 MW)

- The acquired platform enables horizontal expansion
- Apply for a license in the field of fund management to broaden the opportunities to offer tailor-made services to investors

TODAY'S AGENDA

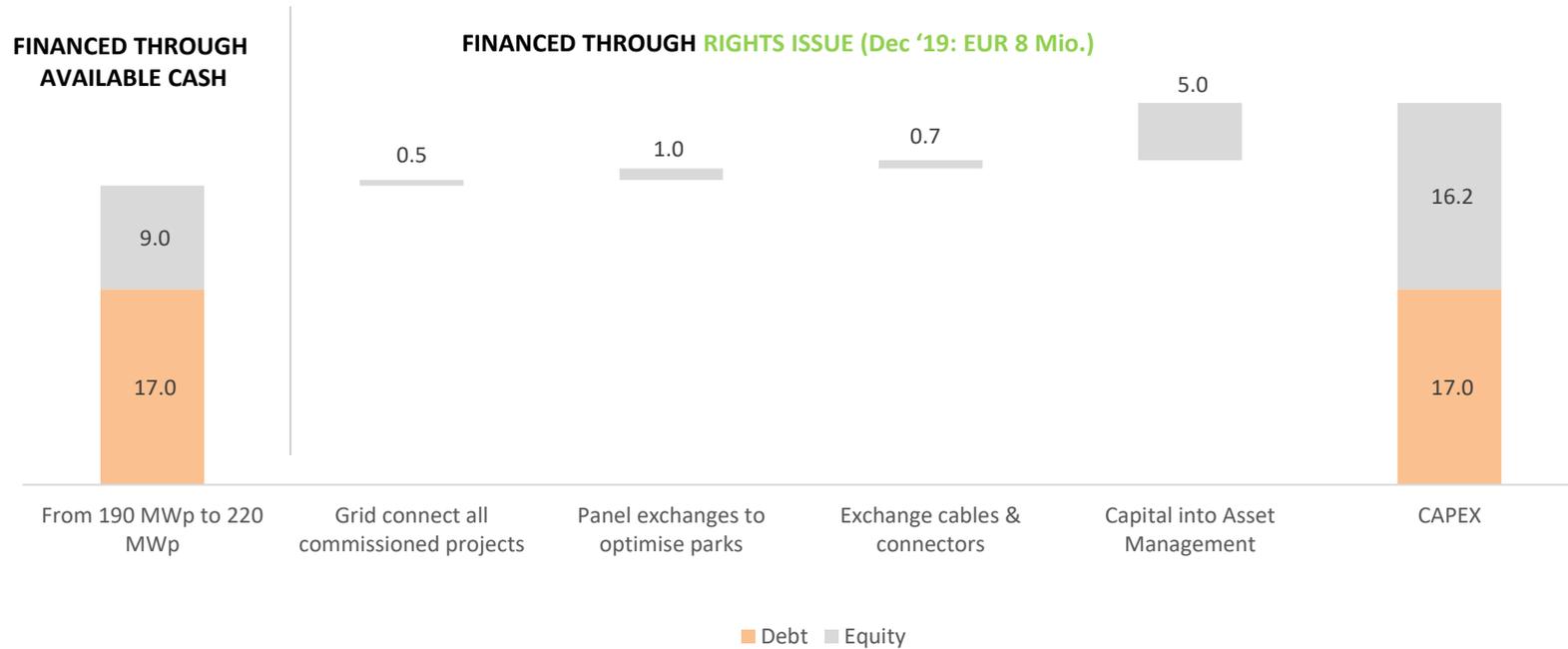
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Summary of Capex Initiatives until 2020

The "Integration" strategy is also fully financed due to the EUR 8 Mio. rights issue

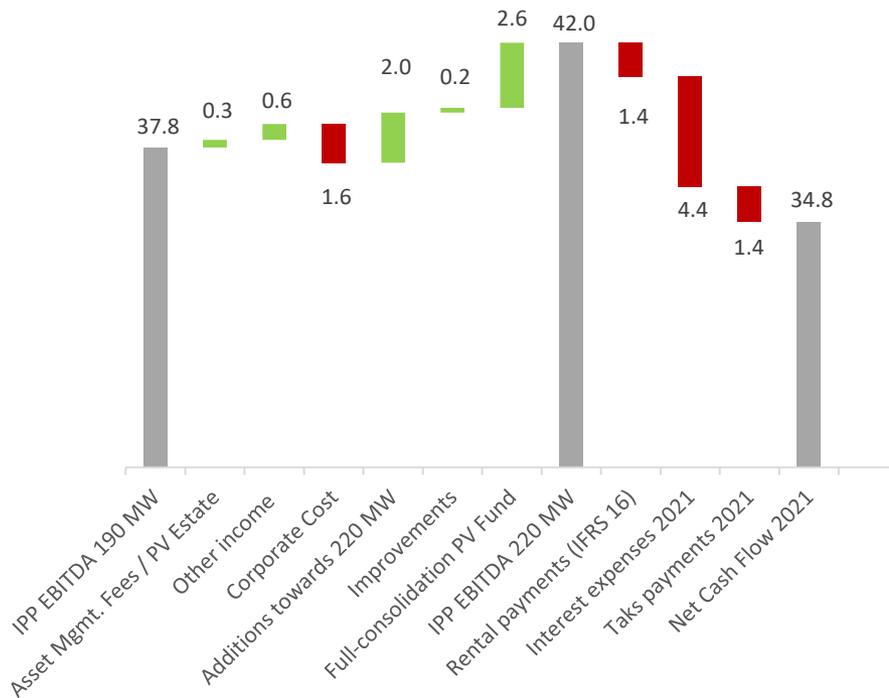
CAPEX SUMMARY IN EUR MIO.



EBITDA / CFPS Target 2021

Towards EBITDA₂₀₂₁ of EUR 42 Mio. upon executing the 2020 Initiatives

ESTIMATED EBITDA
SHOWCASE 220 MWP (EUR MIO)



EBITDA EUR 42 Mio.

Cash Flow Per Share Target: EUR 0.57

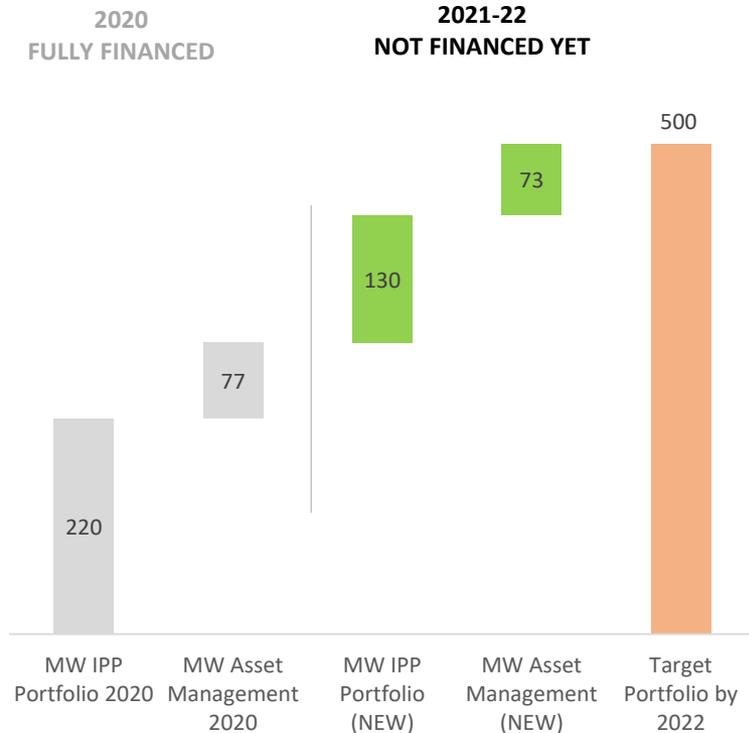
MANAGEMENT COMMENT

- **EBITDA** of the existing 190 MW IPP portfolio amounts to EUR 37.8 Mio. (cf. Page 4)
- **Other income** is forecasted at EUR 0.6 Mio. and encompasses goodwill on acquisitions and/or asset rotation (sale of assets).
- **The capex plan for 2020 of EUR 33 Mio.** will lead to EBITDA effects of +EUR 2.0 Mio thanks to capacity additions to 220 MWP, + EUR 0.2 Mio. gains from panel & connector exchanges, and EUR 2.6 Mio. full-consolidation effect of one specific PV Fund.
- **Interest expenses:** average cost of debt of 2.5% progressively falling upon loans on new parks carrying lower rates.
- **Net Cash Flow** to rise to EUR 34.8 Mio upon full execution, equivalent to EUR 0.57/share assuming 61.4 Mio shares (post rights issue Dec '19)

500 MWp Objective for End of 2022

Financial Implications for the Build-Up to 500 MWp

SHOWCASE 500 MWp BUILD-UP



SHOWCASE 500 MWp BUILD-UP: ECONOMICS

in EUR Mio.	MW	Sales	EBITDA	Net CF	Capex	Debt	Equity
Wind	30	6	4	3	43	28	15
New-Build PV	70	4	3	2	37	24	13
Operating PV	30	5	4	3	45	29	16
Additional MW IPP	130	14	11	9	126	82	44

REQUIRED EQUITY: EUR 44 MIO

Alternative Financing EUR 14 Mio



Capital increases EUR 30 Mio

Net Cash Flow: EUR 44 Mio for 500 MWp

CFPS Maximalisation > EUR 0.60 upon meeting 500 MWp

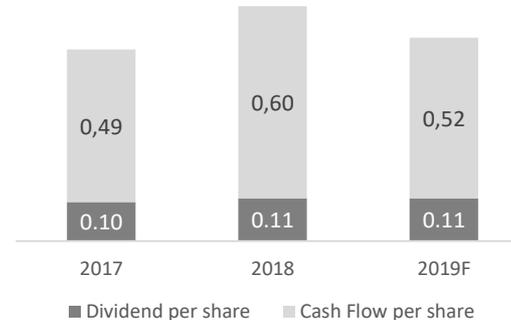
Dividend Policy

Dividend (equivalent) 2019 remains stable, cash-flow related but at least EUR 11ct/share

DIVIDEND POLICY

- *A stable and preferably increasing dividend or dividend equivalent*
- *Shareholders can be rewarded in cash, in stock or through a buyback of shares*
- *Dividend growth will generally be in line with the performance of the company results (CFPS as current performance indicator), as long as it does not affect the 25% equity ratio.*

DIVIDEND HISTORY (2017-2019F)



Exempt of German withholding tax over 2017-18: Dividends over 2017 and 2018 of EUR 0.10 /share and EUR 0.11/share resp. have been paid out exempt of withholding tax in Germany.

DIVIDEND OUTLOOK (2019-2021)

- **Strong comfort on 2019 figures**
 - Equity ratio well above 25%
 - CFPS guidance 2019F of EUR 0.52/share below extraordinary high level of 2018 of EUR 0.60/share
=> Planned dividend 2019 kept stable at EUR 0.11/share
- **Dividend 2020-2022**
 - dividend policy reiterated: dividend growth remains linked to underlying growth in CFPS



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