

Annual Results 2015 & Outlook 2016



**ANALYST CONFERENCE**

22 April, 2016

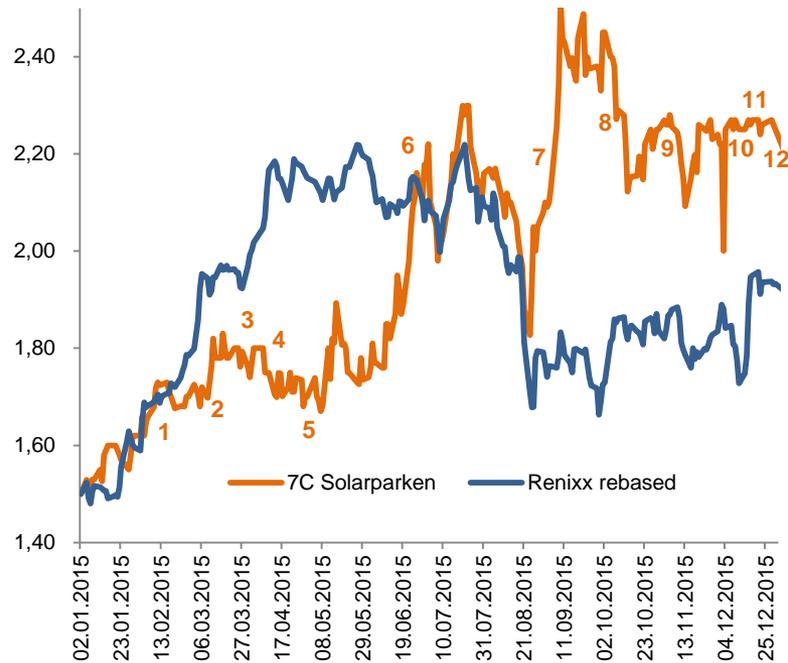
## ANNUAL RESULTS 2015

- Revenues +74% to EUR 25,4 Mio
- EBITDA +49% to EUR 24,9 Mio
- Clean EBITDA +80% to EUR 20,2 Mio
- Net cash flow doubled to EUR 14,0 Mio
- Net debt rose from EUR 132,1 Mio to EUR 154,2 Mio

## GUIDANCE 2016-17

- Clean EBITDA to rise to at least EUR 23,7 Mio in 2016, reflecting poor weather conditions in Q1'16
- Cash flow per share to rise to at least EUR 0,43 in 2016 versus EUR 0,42 previous guidance
- Cash flow per share to rise to at least EUR 0,50 in 2017, based on 105 MWp portfolio

## SHARE PRICE IN EUR

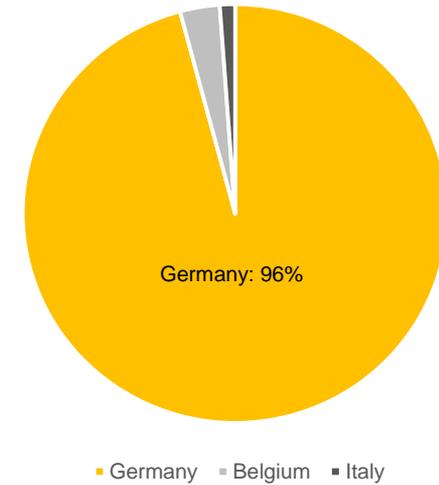
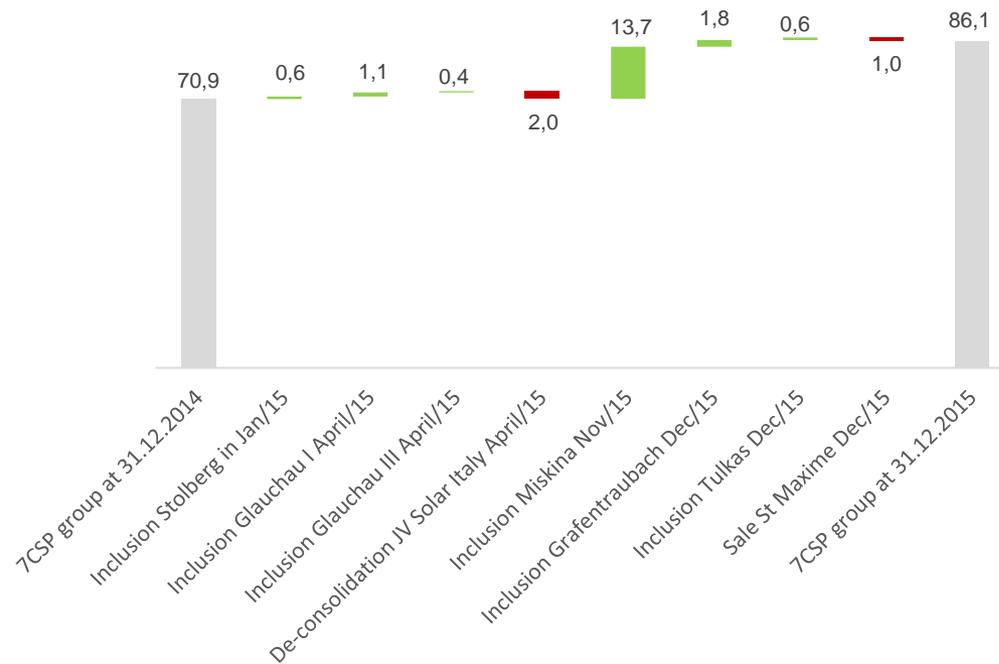


## MILESTONE EVENTS IN 2015

- 1 Placement of own shares / investment Stolberg 0,6 MWp
  - 2 Investment Glauchau 1 & 3 (1,5 MWp)
  - 3 EUR 0,8 Mio conversion of options
  - 4 Sale of JV Solar in Italy
  - 5 MoU signed on acquiring the 13,7 MWp Miskina portfolio
  - 6 EUR 2,2 Mio conversion of options
  - 7 Capital Markets Day Strategy 2015-17
  - 8 EUR 1,9 Mio conversion of options
  - 9 Private placement EUR 1,5 Mio @ EUR 2,15/share
  - 10 Investment Grafentraubach EUR 7Mio
  - 11 Investment Tulkas 0,6 MWp
  - 12 Sale of St Maxime 1 MWp to Edisun Power Europe
- Jan/16** Private placement EUR 2,1 Mio @ EUR 2,07/share
- Feb/16** Sale of Blumenthal 3MWp / settlement Waldeck litigation
- Mar/16** Investment Fahrenholz 2 MWp

Early achievement of the Plan 2014-16 and growth initiatives enabled an outperformance versus peer group

## IPP: INSTALLED CAPACITY MWP (\*)



(\*): excludes 0,2 MWP of small installations.

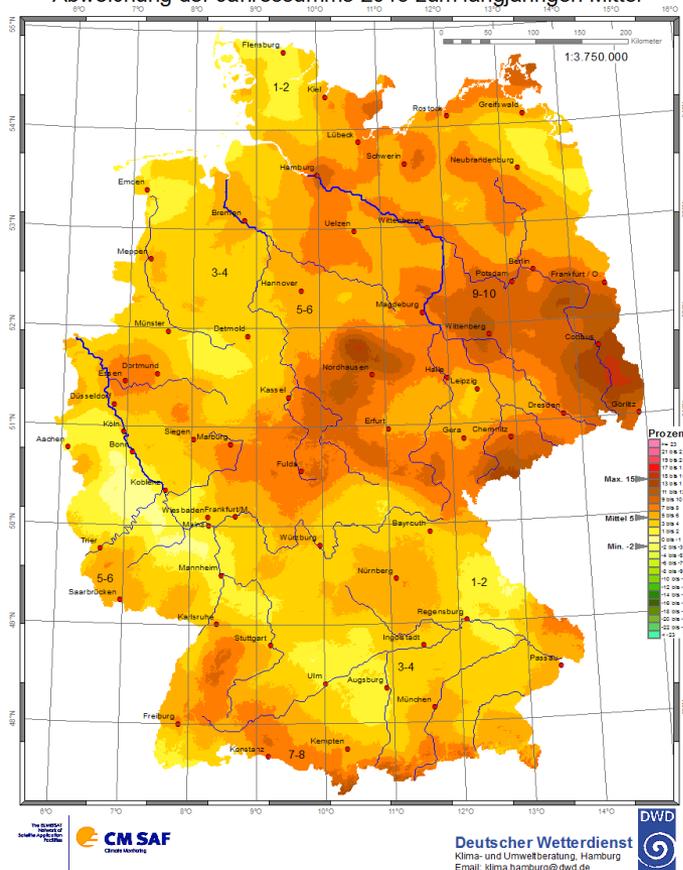
Capacity increased by 21% to 86 MWp of which 96% located in Germany

SOLAR IRRADIATION GERMANY IN 2015

Globalstrahlung in der Bundesrepublik Deutschland

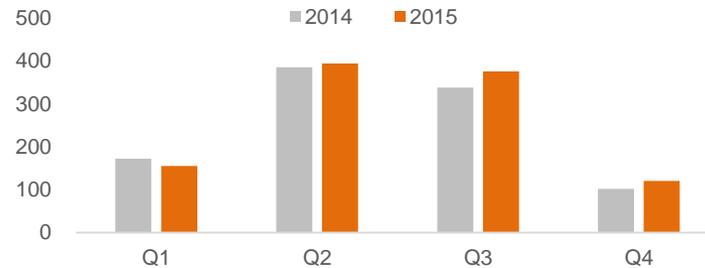
Basierend auf Satellitendaten und Bodenwerte aus dem DWD-Messnetz

Abweichung der Jahressumme 2015 zum langjährigen Mittel



- Our portfolio enjoyed an irradiation of 3,9% above long-term average. Particularly Eastern Germany was very sunny (up to 9-10% in Sachsen Anhalt) while Bayern, which forms the heart of our portfolio, was 1-4% sunnier than normal.
- Total production rose from 46,3 GWh in 2014 to 74,7 GWh following a higher weighted capacity in 2015,
- Driven by good weather conditions, the specific yield of the portfolio came in at 1.044 kWh/kWp (2014: 995 kWh/kWp) of which 1% related to structural PR improvement resulting from optimisation works in Thierhaupten and Zernsdorf.

kWh/kWp per quarter



## P&amp;L

In T EUR	2015	2014	Comment
<b>Revenues</b>	<b>25.362</b>	<b>14.552</b>	Mainly income from power production
Other income	5.672	6.464	Mainly one-time items (badwill, reversal of provisions)
Personnel costs	-1.274	-542	
Other opex	-4.854	-3.736	Corporate costs and production costs
<b>EBITDA</b>	<b>24.906</b>	<b>16.738</b>	
D&A	-11.752	-6.595	
Impairment	-1.551		Goodwill impairment on Miskina due to share price differences (*)
<b>EBIT</b>	<b>11.602</b>	<b>10.143</b>	
Financial income	691	2.007	
Financial expenses	-5.983	-4.328	Recurring interest costs
Income from associates	75	-314	Sale of 50% in Italian assets (4x1MWp JV Solar)
<b>Pre-tax profit</b>	<b>6.384</b>	<b>7.508</b>	
Tax	-843	-72	Almost entirely deferred taxes
Consolidated profit	5.541	7.437	
Net profit, group	5.500	7.385	
Minorities	41	52	

(\*): Goodwill on Miskina portfolio acquisition reflects the increase in share price of 7C Solarparken AG between signature of the MoU (April '15) and deal registration (Nov '15). As agreed in the MoU of April '15, Miskina shareholders received 5,2mio new shares in 7C Solarparken AG.

**EBITDA +49% to EUR 24,9 Mio versus guidance EUR 18-19 Mio**

## CLEAN EBITDA AND CASH FLOW PER SHARE

In Mio EUR	2015	2014	Comment
<b>EBITDA</b>	<b>24,9</b>	<b>16,7</b>	Including one-time effects
Transaction & restructuring expenses	0,4	0,2	
Compensation for damage	-1,2	0,0	Mainly resulting from "Waldeck" settlement
Gain from sale of assets	-0,5	-0,2	Mainly the sale of Sainte-Maxime (1,0 MWp)
PPA / badwill	-2,9	-5,6	
Saldo provisions	-0,5	-0,2	Release of provisions from EPC and O&M
Others	0,0	0,3	
<b>Clean EBITDA</b>	<b>20,2</b>	<b>11,2</b>	
Cash interest payments	-6,1	-4,2	
Cash tax payments	-0,0	-0,0	
<b>Net cash flow</b>	<b>14,0</b>	<b>7,0</b>	
Weighted average shares (in mio)	34,1	27,5	
<b>Cash Flow Per Share (CFPS)</b>	<b>0,41</b>	<b>0,26</b>	

- Clean EBITDA rose to EUR 20,2 Mio, but has been positively impacted by good weather conditions (3,9% above normal), Therefore, clean EBITDA would have reached EUR 19,2 Mio on a normalised weather basis.
- CFPS exceeded the EUR 37-39ct/share objective and reached EUR 41ct

Clean EBITDA rose to EUR 20,2 Mio versus guidance EUR 18,2 – 18,8 Mio

## BALANCE SHEET

In T EUR	2015	2014	Comment
<b>ASSETS</b>	<b>264.746</b>	<b>207.793</b>	
Land & Property	6.871	3.923	PV Estate
Solarparks	220.113	171.381	Solar installations
Participations	34	1.384	JV Solar SRL out of the scope
Modules	225	237	Inventory spare-parts
Cash & cash equivalents	27.336	20.438	includes restricted cash of EUR 12 Mio
Others	10.167	10.430	mainly deferred tax assets
<b>LIABILITIES</b>	<b>264.746</b>	<b>207.793</b>	
Equity	62.189	38.271	
Minority interest	114	94	
Financial debt	181.504	152.580	Loans and leasing obligations at IFRS value
Long-term provisions	7.477	10.060	Dismantling, EPC risk, O&M losses, contingent liabilities
Others	13.462	6.788	Mainly deferred tax liabilities
Net financial debt	<b>154.168</b>	132.142	
Net debt / EBITDA	<b>6,2</b>	7,9	Target of < 6,0x by 2017 (seen as optimal and sustainable capital structure)
Equity ratio	<b>23,5%</b>	18,4%	

Substantial improvement of balance sheet: less risk and more capital as basis to deliver future growth

## PROVISIONS AND OLD LEGACY COLEXON

In T EUR	2015	2014	Comment
<b>LONG TERM PROVISIONS</b>	<b>7.477</b>	<b>10.060</b>	
Rückbau	4.672	3.674	Normal dismantling provisions
Technical warranties	1.163	1.449	EPC risks
O&M contracts	256	971	Unprofitable O&M contracts
Contingent liabilities	1.231	3.714	Decrease by 67% thanks to "Waldeck" settlement
Lease	113	95	
Others	42	155	

- Provisions for EPC risks and unprofitable O&M contracts down from EUR 2,4 Mio to EUR 1,4 Mio, and stand for only 0,5% of total balance sheet
- Contingent liabilities fell from EUR 3,7 Mio to EUR 1,2 Mio as projects Glauchau I and Glauchau III were bought back while the Waldeck litigation was settled in Feb '16 but accounted for in the 2015 results.
- Most warranties will have expired before the end of 2016

**Risks from old legacy fell dramatically with future cash-outs from EPC / O&M contracts evaluated at EUR 1,4 Mio**

**STRATEGY 2015-17****PILLARS****KEY OBJECTIVES**

## CONSOLIDATION



- Progressive build-up of IPP portfolio towards 105 MWp

## OPTIMISATION MISKINA



- Technical improvement to add EUR 0.2 Mio to EBITDA
- Debt re-financing targeting interest rate to fall from 5,5% to < 2,2%

## STRUCTURE &amp; SELL



- Adding at least EUR 0.2 Mio to holding EBITDA through asset rotation

## RATIONALISATION OF LEGAL ENTITY



- Eliminate or re-group sub-holdings to save costs

**Objective to reach a Cash Flow Per Share of at least EUR 0,50/share by 2017**

## STATUS APRIL 2016

## CONSOLIDATION



- Current IPP portfolio: 85 MWp after commissioning of Fahrenholz 2 MWp (see picture) in March 2016
- Different new-build projects in joint development with IBC Solar
- Well-filled pipeline of operating parks
- Keeping eyes on possible M&A opportunities

## MISKINA OPTIMISATION



- The plant in Kissing has been entirely cleaned in Q1'16
- All stringboxes have been replaced in Kissing and Wiesenbach during March '16
- New central inverters (SMA) will be installed before the end of May '16, and then complete the optimisation
- Re-financing schedule on track for full completion before the end of May '16

Aside from an early realisation of the EBITDA gain target of > EUR 0,2 Mio from Structure & Sell in 2016, management's focus on integration and optimisation of the Miskina portfolio will soon shift towards growth.

## GUIDANCE

Mio EUR	2014 Actual	2015 Actual	2016 Previous	2016 New	2017 Plan
Revenues	14.6	25,4		> 28,8	
EBITDA	16.7	24,9		> 23,7	
Clean EBITDA	11.2	20,2		> 23,7	> 27,0
Net cash flow	7.0	14,0		> 18,2	
Net debt	132,1	154,2		< 150,0	< 150,0
CFPS	0.26	0,41	> 0,42	> 0,43	> 0,50

**Assumptions 2016 excluding acquisition of existing parks:**

- Existing IPP Portfolio of 85 MWp under following assumptions:
  - EUR 0,6 Mio EBITDA shortfall due to very low irradiation in Q1'16 versus normal year (see slide on "Normal Production")
  - Normal weather conditions in the period April-Dec '16
  - Planned optimisation works on Kissing (2,4 MWp) and Wiesenbach (1,8 MWp) will lead to outages of EUR 0,2 Mio EBITDA in Q2'16. Full benefits of the upgrade as from June '16
- New-build projects of 9 MWp are assumed in the planning and therefore also in the net debt guidance, but they will contribute only for a small extent to EBITDA '16 given planned construction in H2'16
- Improved cash flows through reduced interest expenses on the Miskina portfolio (as from June '16).

**CFPS guidance for 2016 raised from at least EUR 0,42 to at least EUR 0,43/share**

### NORMAL PRODUCTION FOR PV INSTALLATIONS IN OUR KEY REGION (\*)

kWh/kWp	Jan	Feb	Mrt	Apr	Mei	Jun	Jul	Aug	Sep	Okt	Nov	Dec	year
2016	20	35	73										
2015	17	42	91	127	122	125	142	130	88	57	36	25	1.002
2014	22	50	106	111	116	148	129	110	82	56	28	11	969
<b>Median 2003-16</b>	<b>21</b>	<b>43</b>	<b>84</b>	<b>114</b>	<b>127</b>	<b>129</b>	<b>127</b>	<b>122</b>	<b>100</b>	<b>64</b>	<b>28</b>	<b>19</b>	<b>977</b>
<i>Distribution</i>	2,1%	4,4%	8,5%	11,7%	13,0%	13,2%	13,0%	12,5%	10,2%	6,6%	2,9%	1,9%	100%

(\*): source: [www.PV-Erträge.de](http://www.PV-Erträge.de) for the region "Nürnberg/Bayreuth/Regensburg/Erfurt"

- The historical production data from numerous small PV installations in this region has been a good benchmark to track the performance of the installations held by 7C Solarparken AG.
- Regional performance in Q1'16 according to PV-Erträge: 128 kWh/kWp versus long-term values of 148 kWh/kWp. A similar effect is observed for the parks of 7C Solarparken AG causing a shortfall of 2% on annual revenues, or almost EUR 0,6 Mio.

**Q1'16 will be impacted by a EUR 0,6 Mio EBITDA shortfall due to adverse weather conditions**

## SUMMARY

- 2015 outlook over-delivered, partly supported by good weather conditions in 2015.
- Equity ratio rising from 18,4% to 23,5%
- Risks resulting from Colexon's past sharply reduced following settlement of Waldeck litigation and expiration of unprofitable contracts
- CFPS guidance for 2016 raised from EUR 0,42 to EUR 0,43, even in spite of very low irradiation in Q1'16
- Full cash flow effects as from June 2016 following execution of re-financing, optimisation of Kissing and Wiesenbach, and progressive commissioning of new-build projects.
- Acquisition of existing parks not assumed in the plan 2016, although management is confident to capture further growth before year-end.