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Moderator: Good morning ladies and gentlemen and welcome to the Encavis AG conference call regarding consolidated financial statements 2020. At this time, all participants have been placed on a listen-only mode. The floor will be open for questions following the presentation. Let me know turn the floor over to your host, CFO of Encavis AG, Dr Christoph Husmann. Please, go ahead.

CH: Ladies and gentlemen, good morning and a warm welcome from Hamburg. A warm welcome to our annual investors' call looking at our fiscal year 2020 and guidance 2021 and a very warm welcome to our first call being a member of MDAX index, the mid cap index of Deutsche Börse. Ladies and gentlemen, we do live in turbulent times. 2020 was a successful year for Encavis. Due to our protected business model, [01:00] Encavis developed in a positive way unimpressed from COVID-19 and its impact on the overall economy. Yesterday evening, we published our revenues of €292.3 million compared to €273.8 million the previous year, which is up by 7%. This although 2019 was a meteorological extraordinary year, 2020 was pretty much a meteorological standard year. This increase of the 7% was due to an increase of our capacity in the wind segment of an 81-megawatts wind farm in Denmark which was acquired at the end of 2019 and a 14-megawatts wind park in Germany, acquired middle of last year. Both [02:00] contributed €15.8 million additional revenues. In addition to that, Encavis Asset Management developed very well in the past year and has contributed additional feeds of €4.9 million to our top line. And we were able to connect the first Spanish fully privately financed PPA park, la Cabrera, with 200 megawatts in August 2020 to the grid and in the ramp-up phase, it was possible to generate already €2.9 million of additional revenues from this park. That unfortunately was partially offset by negative meteorological deviation of €8.6 million. In 2019 we had a positive meteorological impact of €10.5 million on the top line and, [03:00] in 2020, this boiled down to nearly €1.9 million.
The point is that the capacity grew as well as the additional fees from the Asset Management were accompanied by additional cost as well. While the negative meteorological effect was not accompanied by any cost reductions and, therefore, we were able to increase our EBITDA to €224.8 million, compared to the €217.6 million by 3%. But this is pretty flattish on the EBIT and the EPS level. Please have in mind that there was a huge impact of meteorological effect in 2019 which was not there in 2020.
The operating cashflows still could be increased by 12% to €213 million. This is [04:00] due to the Asset Management development, as well as the reimbursement of some taxes. As a matter of fact, with that fiscal year 2020, we exceeded all KPIs which were laid out in our guidance 2020 in March last year based on this time relevant before you and we reached or exceeded all figures from the analysts' consensus.
Until the third quarter of 2020, the Group KPIs were pretty much behind previous years' Q3 figures, and this is due to several arguments. Firstly, we had negative meteorological effects throughout all consecutive three quarters of last year and we had some burden from the

additional cost for the Stock Option Programme due to the very sharp increase of our stock price. [05:00] In addition to that, we had a pretty much backload of business of the Encavis Asset Management and we had a delay of disposal of minorities which happened in 2019 in Q2 and was planned in 2020 for Q4. Until the end of the year, there was still the negative meteorological effect and the additional cost for the Stock Option Programme, but the Encavis Asset Management fulfilled all its goals and surpassed them even in Q4 and contributed alone €10 million of revenues in Q4 (2020). In addition to that, we got the disposal of the minorities done in Q4 as well, as we already reported. It helped us that, although there was some shortfall compared to 2019 and to Q3, to fulfil all our targets in the full year. [06:00]

If we then have a look into our segments, then firstly we shall have a look on the solar segment which is by far the biggest part of our Group, contributing 68% of our revenues in 2020. In the development of 2019-2020, we see a decline of the revenues, although la Cabrera, a 200-megawatts park, was connected to the grid at year's end, it contributed positively with €2.9 million to the baseline. But the meteorological effect on the solar park segment was negative €7 million. In 2019, we enjoyed additional radiation and due to that effect additional revenues of €14.1 million in 2020. This was just positive €7.1 million. To make that clear, [07:00] this is now the sixth consecutive year in which radiation is above standard expectation. But it is lower than it was in 2019. In addition to that we have to state that the margins in that segment are still solid. The only deviation we see here, the negative deviation, is due to that negative meteorological effect.

The wind farms contributed 27% to the top line in 2020. That was an increase of €14 million, €15.8 million due to the capacity increases which I already pointed out that the addition of 81 megawatts into the Danish portfolio and the 14 megawatts to the German portfolio. Here, we suffered a €1.4 million lower meteorological effect. It was negative €3.6 million [08:00] in 2019, and minus €5 million in 2020. In addition to that, the wind farm segments enjoy some EBITDA improvement due to minority disposals which was €4.2 million profit in 2020 compared to €4.7 in 2019. The margin is stable here as well.

The Technical Services: Here we had I think the biggest change in the last year due to the disposal of our technical services entity Stern Energy GmbH to Stern Energy S.p.a. in Milano. As you might recall, we acquired a 30% stake in Stern Energy in Milano with the intention, by put and call options, to grow that business 100% into our Group within the next five years. [09:00] As one of the first steps, we sold our German entity, the Encavis Technical Services to Stern Energy, and that profit of €2.8 million is reflected in the 2020 figures, and that is the reason why we have a one-off here which contributes positively to the EPS as well.

In the Asset Management business, we saw a strong growth. Back on an equity commitment by investments of more than €350 million, and an investment of such capital in the amount of €270 million, the company grew substantially. The managed megawatts, which were at 680 megawatts at the end of 2019 increased to 1 gigawatt in 2020. That led to a substantial increase in fees for structuring and for management and for consultation within [10:00] Encavis Asset Management and improved the efficiency of the Group.

Ladies and gentlemen, if we then do compare our segment report with the guidance 2020 which we published in March last year, we see that the solar segment, fulfilled the goals on all levels, the margins were slightly below the guidance. The reason for that was that some of the management-level employees of the solar park segment do have stock options as well, and as we pointed out, we had some additional provisions for the stock option programme due to the sharp increase of the stock price last year. Despite that, all targets of the guidance were fulfilled here. This applies to the Technical Services and to the Asset Management the same way. [11:00]

The wind farms were the only segment that did not fulfil their goals, and that is due to the very low wind volume, because the guidance is always based on standard weather, and the lack of €5 million of revenues in the wind farms which cannot be compensated cost-wise is shown here.
In a nutshell, although the meteorological conditions in 2020 were far below of those in 2019, but due to our capacity increases, we could reach or surpass and exceed the 2019 figures or at least reach them. Although we had to compensate for €5.3 million of provisions for the Virtual Stock Option Programme, compared to €2.9 million in 2019, which are additional costs of €2.4 million which were covered here [12:00].
The operating cashflow reached €213 million, a record high, that corresponds to an increase of 12%, far above what we expected. Firstly, there was a planned contribution from Encavis Asset Management due to their very good business performance in Q4 2019, which became cash relevant in the first quarter of 2020. Secondly, and that was not planned, a positive reimbursement of capital gains tax. As you might recall, this is an issue because German tax authorities pay whenever they want to, and last year we had the luck that they paid it already in 2020.

Ladies and gentlemen, if we have a look at the long development from 2014 until 2020, then [13:00] we see that we have a substantial increase of our revenues for the CAGR of 26.3% and that, what is most important, with pretty stable EBITDA and EBIT margins. You see that the EBITDA grew almost at the same level as revenues did. So, with the 2020 results, we could keep up our margins in this very competitive environment. These stable margins were driven not only by our approach to acquire parks and manage them properly, but to systematically skim economies of scale and scope throughout the Group. Financially, legally, administration-wise, by digitalisation, by streamlining the processes and standardise them and by technical improvements. We do a lot of making [14:00] our parks run at its best to harvest whatever nature offers to us.
Our operating business is continually growing backed by very solid equity ratios. Our balance sheet tells that we grew by 3% and that does not really reflect fully the growth of the business. As you might recall, last year, was a substantial milestone for us, by constructing the two big Spanish parks la Cabrera and Talayuela. While the cost of the construction of la Cabrera is already fully reflected in our balance sheet because it is fully consolidated as of August last year, Talayuela is equity-consolidated with 80% only because here we are just an 80% shareholder and, until COD, the developer has a major influence [15:00] on the park, and so the decision-making is not solely on our side and therefore we are, under IFRS, not under control. So, therefore, with the full consolidation of Talayuela, there will be a further increase of the balance sheet total beginning of this year. But this will have a positive impact on the equity as well. As you might see, we had an increase of the equity in 2020 from €722 million to €751 million. You will maybe recall last year we reported to you that the PPAs were negatively reflected twice in our balance sheet, PPAs normally securing a price on a lower level than market price, accounted for with a negative value. Since the park was accounted for at equity, it was necessary to discount the PPA [16:00] again a second time directly in the equity and, therefore, had to suffer slightly. This PPA valuation for Cabrera was taken out in 2020 due to the full consolidation and improved our equity by €48 million. This will happen again or similarly with Talayuela.

Ladies and gentlemen, as you might now that in these days it is very important to be certified. The most important certification we have, one of the most important ones, is our Investment Grade Issuer Rating from Scope, which was confirmed in October 2020. We've used our strong creditworthiness and it helped us to realise that there is a positive impact on our financing conditions as I will line out on later pages. In addition to that, it is [17:00] very important to show and explain the market that we are compliant with all ESG regulations. This is something my colleague Dierk Paskert will be happy to explain to you on one of the further pages.

2020 was a very busy year for us by operational growth of the Company and construction. On the financing side, we were not as active externally. As you might recall, our >> Fast Forward 2025 Programme, relies on the strength of our balance sheet. We are not intending to raise equity to finance our ordinary growth. But we try to align the investments and all our financing year on year. In 2019 we raised sufficient cash, and we were able to release more [18:00] cash from our parks which were tracked there on the accounts in 2020. That allowed us to finance our growth of 2020 and, therefore, there was not such a need in 2020 to go to the market and ask for some debt. With all of this said, this was, timing-wise, very positively for us. Due to COVID-19 and the risk expectations the banks have seen in the market, the interest rate margins increased somewhat and therefore we did not suffer under that. We got all our financing done cheaply before the COVID-19 crisis hit the market.

Ladies and gentlemen, in the past and in these days, we talk a lot about weather adjustment. Honestly said, from my point of view, it is [19:00] extremely helpful to understand why there are some fluctuations in the figures in some years. Our business is extremely stable and only the radiation or the wind performance has a volatile impact on our figures which management cannot forecast. We only can forecast for standard weather. But as a matter of fact, we have to admit that it becomes more and more difficult, and the figures are not as clear for the time being. As of 2020, we could clearly define the weather, in fact, but that won't be possible in the future. Why? Firstly, in the markets, there are a growing number of PPA projects, and PPA projects cannot usually be 100% hedged with PPA. Some of them can, others cannot. It is a different world compared to a feed-in-tariff in Germany. In a feed-in-tariff in Germany, [20:00] any kilowatt hour is reimbursed by a fixed rate, and therefore if the sun shines one day longer, one hour longer, and more kilowatt hours come out of the market, then this will be remunerated with that fixed rate. Then, clearly, it can be stated that there is a positive meteorological impact on the revenue. But, if you have a PPA project and you cannot hedge it 100%, then you have a certain unhedged position. Encavis limited its own exposure to such non-hedged revenues to a maximum of 3% in 2019 and 5% in 2020. Now, as the Cabrera capacity is fully hedged for the year 2021, despite the Amazon contract, we have a short-term [21:00] hedging of the remaining energy production for the whole year pay as produced again, so no risk to our Company. But in Talayuela, with a different PPA contract, just 75% of the production volume is hedged. It means if there is more radiation in Spain, then it is very likely that the kilowatt production of Talayuela is increasing, but at the same time, there is more electricity in the market, not only from our project, but most likely from other projects as well. That, since this energy is a commodity, has a negative impact on energy pricing, and that means that the additional energy has a lower price. This does not only apply then to the additional energy, but it applies to the 25% standard energy of Talayuela as well. So, it is hard for us to define what is the price in fact and what is the meteorological effect, [22:00] and I think part of the meteorological effect is related to price effect as well. That applies to the feed-in-tariff schemes. So, there are more feed-in-tariffs schemes where a certain volume of energy per annum is subsidised and not the total output, like the SE plant in the Netherlands. Here we do have a certain output which in the end is the standard energy output, but if there is an excess output due to higher radiation, then this has to be sold to the stock market. So, additional electricity does not here mean necessarily additional revenue, because in that moment in time, also there are parts of the Netherlands who use additional electricity and that competes with lower prices for the sale. Having said that, it will become more and more difficult specifically if you have in mind that [23:00] we are in ten different jurisdictions with several different price zones, and that will make it more and more critical really to say what the revenue impact of additional radiation might have been. Again, our guidance of the fiscal year 2021 is standard weather, and we can tell you whether we produced more or less within our Group, but again, we won't be able to tell you that revenues or profit line in future.

Ladies and gentlemen, based on today's portfolio, we published a guidance for fiscal year 2021 of more than €320 million, and with that exceeding the €300 million threshold for the first time, which is almost 10% up compared to previous year. The operating EBITDA of €240 million [24:00], is an additional 7% compared to previous year. Please be aware that for 2020 this was more or less standard weather, so therefore these figures were comparable. The operating EBIT shall increase to more than €138 million, and this is up 4%. Operating cash flow is expected to be above €210 million which will be more or less on the level of the year 2020. Please have in mind that, with the reimbursement of the capital gains tax in 2020, we had a one up of €8 million, so in total it is an increase in the operating cash flow without any extraordinary effects here. The operating EPS will increase from 43 cents to 46 cents, fully in line with our >> Fast Forward 2025 growth strategy, [25:00] leading to the 70 cents in 2025.

Ladies and gentlemen, if we do compare the guidance of the 2020 with our actual figures 2020 and the guidance 2021 with your consensus, then we have to see that the 2020 figures fully fulfil your expectations. Slightly in EBIT, there is a slight deviation of approximately €1 million, but all other figures in 2020 surpassed the average consensus we have published on Monday. With the fiscal year 2021, from my point of view, we are more or less in the same range, so I want to underline [26:00] that the guidance which we have published is above €320 million in revenue, it is above €240 million for the EBITDA, above €138 million for the EBIT, so therefore, covering the range which the consensus average shows us as well.

Ladies and gentlemen, let us come to the guidance of the respective business segments. The solar part, here we expect to reach revenues of more than €220 million and operating EBITDA of more than €176 million, keeping up the margin at approximately 80% which we already enjoyed in the past. Here, we do see the impact of the Spanish projects, which both will contribute fully to the whole year. The Technical Services here will contribute the same [27:00] revenue as we enjoyed in the past, but the operating EBITDA will be without the extraordinary effect which we enjoyed in 2020. The wind farms will have a slightly higher guidance figures compared to the 2020 figures with some minority sales included here as well. And the Asset Management is planning to reach again the extraordinary level that was possible in 2020 and to go ahead with their very successful investment strategy.

Ladies and gentlemen, that were short and crispy in a nutshell, our 2020 figures and our guidance 2021. I will be happy to answer your questions after listening to my colleague, Dierk Paskert, who will have a look into the future of energy, which is now. [28:00]

DP: Yeah, thank you, Christoph very much for that presentation, for these robust and very well in line numbers. Also, welcome from my side to the audience, I am now happy to share just a couple of minutes with you at first on our ESG report which we've just published now and I can only urge you to really have a look at it because it gives a further insight into Encavis, not just on our numbers which you already know, but also with regard to how we manage our business and that there are, besides the numbers, also other ambitious goals which we are pursuing.

As Christoph rightly pointed out already in his presentation, 2020 was very [29:00] much a year of transition as planned for Encavis, and we used that time really to prepare ourselves for a changing market environment with a lot of new challenges. PPAs are worthwhile mentioning, but also, with a lot of growth potential as we all know and we therefore have to position ourselves and be well prepared to all of these challenges. This includes also a certain shift in investors' mindsets and also on the investor base. You might have seen through different publications last year that there is a trend from international institutional investors into our stock. Increasingly focused also on ESG criteria and, to be honest, while we were thinking at least two years ago, being green is a kind of sustainability enough, [30:00] with a focus just on wind and solar production, this has shifted also on our side and we know that this is not let us say the only basis we can live on, there are some further things which we have to bring to the table. Therefore, we started an ambitious programme together with our employees to define ourselves, our ESG criteria. We took part in PRI and also in UN Global Compact and embraced all the goals set out in these principles. We fully subscribed to these principles and also, we actively, let's say, shaped our corporate culture together with our employees in order to be able to tackle these challenges from this positioning. From the, let's say, [31:00] sustainable development goals set out by the United Nations, we picked 12 of these criteria which we think at least are very important for our future business. I won't go into that further detail, please have a read in our report and you can then judge yourself how and why we picked these criteria. However, this is not just something nice to read which gives a further green cover to Encavis, this is much more than that because we set ourselves, as we do and as Christoph's just pointed out, in our guidance, we not only set ourselves ambitious financial goals, we also set now ambitious goals in our ESG [32:00] management. This covers four areas, strategy governance, economy, environment and social. In strategy governance, we set our goal that Encavis will improve its MSCI ESG rating from AA to AAA by 2025. So, we just moved up to AA and the next goal is now becoming AAA by the end of 2025 which is also the date to achieve our >> Fast Forward 2025 growth targets. From an economic perspective, we significantly increase our non-subsidised electricity production by the end of 2025. Why is that? Because we would really bring our share to the table to make society in [33:00] future independent form big subsidy schemes in order to allow renewable business. We think renewable business has come out of its infancy and is able to be really a contributor to the energy world without any subsidies and we would like to bring our share to that stall. From a social perspective, it's the conclusion of a long-term partnership with a non-profit organisation which we will pick in 2021. So, we have a couple of ideas in mind. We will judge them over the next month and then we will go into a longer-term partnership with a non-profit organisation and contributing to their goals. From an environmental perspective, it's quite operationally… we still have some parts that are using the power for operations from the, let's say the grey power in the grid. And [34:00] we will definitely increase the share of green electricity purchases by 200%. This is not yet done in all the parts. That will be finished by the end of 2025. So, then we are not just producing 100% green energy, but then we are also taking out of the grid 100% green energy. So, those four goals are the main goals we set ourselves. We will revisit these goals on a timely basis, and we will also put these goals into the incentive schemes, not just of management, but also of our employees so that everybody in Encavis will embrace these goals and it is not just incentivised on financials. Having said that, I will stop here and open now the table for further questions from your side [35:00] which you definitely will have on our 2020 results. Thank you very much for that.

Moderator: Gladly. Ladies and gentlemen, the floor is now open for questions. If you would like to raise a question, please press nine and star on your telephone keypads. To withdraw your question, please press nine and star a second time. We have a first question; it comes from Jan Bauer from Warburg Research. Your line is open, please.

JB: Good morning. I've got a few questions. First one is, you made a pay-out in financial assets of roughly €60 million. Was this for the acquisition of Stern Energy?

CH: Sorry, I was mute. We made a pay-out for the acquisition of Stern Energy? No, Stern Energy was already acquired in 2019. [36:00] In 2020, we sold the German entity to Stern Energy. The pay-out you can see here is that, since Talayuela is equity consolidated, all money we borrow to Talayuela is seen to be an associated company and therefore external.

JB: Thank you, perfect. But this is not an acquisition of another PPA out of the . . .

CH: No, it was just the ongoing part of the equity contribution we are giving to Talayuela in form of a shareholder loan, but since this is an equity-associated only and therefore external.

JB: Thank you. You write that you have the corporation included with GreenGo and Sunovis should restart a few larger projects in Germany and the Netherlands for 2021. Especially with GreenGo, you write that [37:00] some of the projects should already be under construction in Q1. Can you give us a little bit more light on what the size of the projects will be and what will be the financial metrics?

DP: I can probably take that. It is with those seed first contributions from our partnership project to development pipelines in 2021, however, we will only start each and every partnership with a smaller part and not just already the bigger ones because we just want to get acquainted with our partners and see how they can really bring to the table what they have promised, so these first projects therefore will be in the range of 12-20 megawatts parks. We have seen through COVID-19 already a little bit of [38:00] time-shift on the permitting side, so it is probably not Q1 anymore where we would start construction. You have also to see that ready-to-build doesn't mean that we immediately start construction because for construction we need also a PPA, so that will be done in 2021. I won't give any promise on a particular quarter now because that depends a little bit also on the right timing to close a PPA and on market conditions, so therefore we will take our time to really step into the market and really logging in the energy prices for the long-term PPA at the right price. We need a little bit of flexibility and we can't promise on quarters there.

JB: Yeah, understandable. To Mr. Husmann, what is the amount of yearly debt repayment [39:00] out of the SPVs currently?

CH: It is approximately €100 million.

JB: So, it hasn't increased with the acquisition of Talayuela and la Cabrera?

CH: No, it hasn't increased. There is in fact on the long-term debt a flat development because, in the end, it is only an increase of 50 million or so. In the end, we advertise €100 million on SPV level and took up new debt for Cabrera and Talayuela and, further, other ongoing developments in direction already to build over the course of the year. There is a flattish light upward trend into the growth of the Company.

JB: And one last question – so you said [40:00] you will tend more towards stock marketing of electricity into the PPA structure. Do you think about installing a stock market trading team into your company? Or do you have a corporation partner for that?

CH: I think we could split that conversation into two parts. Let's first of all… regarding… there is no trend, it's just that we have to admit that it is usually not possible to hedge 100% of the electricity. First of all, not 100% of the standard electricity and specifically not 100% of the electricity which I produced in excess of the expected kilowatt hours based on standard weather because that has to be… so we find for ourselves that we want to limit our merchant part of the electricity up to maximum of 5%, so it is still very limited. And [41:00] therefore, maybe the second part of the question, Dierk, you can answer, whether we want to have a trading desk.

DP: We are not building up a trading desk, but what we do is we have to and we built that up already, the competence to participate in the merchant markets with different hedging strategies and so that means on the one hand reading the markets and processing the markets at the appropriate time in order to get good market conditions and lock them in and secondly – and this is more internal preparation – this is our hedging strategy and this stays very conservative. So, we will not shift the overall positioning of the Company by now going aggressively into merchant markets, so these acute revenues will [42:00] be also in the future the nature of Encavis' business model. But part of it, the vast majority is still with feed-in-tariffs, the other part is with long-term PPAs and then there is a third part which we have to look at now which are the hedging strategies at the day ahead markets. That can be hedges over six months, one year, eighteen months or over only two weeks, so that is part of our portfolio will be exposed to this market so we will actively manage that with a very conservative criteria as we do on all our other topics.

JB: Okay, thank you.

Moderator: The next question comes from Charlotte Friedrichs from Berenberg. Your line is open, please.

CF: Hello, good morning and thank you for taking my question. The first one would be around the outlook that you have for your pipeline, [43:00] so how should we think about the phasing of capacity additions in the coming years? I do realise that you can't really predict it exactly, but should we for instance expect more of a focus on 2022 or 2023 with regards to the build-up towards your 2025 target? Then the second question would be, what's your view on the market in Europe in general? Which countries are you finding most attractive at present? The third question would be around your dividend policy, if you have come to a conclusion about how to proceed from here? Thank you.

CH: Shall I take the first one and you take the other ones?

DP: Yeah, that's okay.

CH: Ms. Friedrichs, thank you very much for the question, I think what we stated last year was what the endpoint in 2025 might be. We are [44:00] still confident and convinced that we will be able to double our capacities up to 3.4 gigawatts until then. As a matter of fact, what we haven't foreseen beginning of last year is that the COVID-19 crisis hit the overall market. Our business model is very robust as you have seen during the course of the past year, but we have to admit that the robustness does not apply to the authorities in the European countries and not to the overall electricity market. So, therefore, we have two issues which we cannot calculate regarding the megawatt per year which will be connected to the grid. One is the authorities are in lockdown and we see throughout Europe that the IT systems of these authorities are not in a way that they really can work from home. Some of them do not have laptops, [45:00] if they do not have, they do not have a VPN access to the documentation, so they cannot be able to work. Some of them do not have cell phones and they don't tend to offer private numbers, so therefore there is overall in Europe a delay in the approval of new projects. So, therefore, we cannot tell you, and this won't last forever, the population will be vaccinated within the next months, so there might be maybe a small dip, we don't know. We can't say that precisely so therefore we are not able to tell you exactly what megawatts will be connected to the grid. If there is a mutation which will have an impact on the economy, maybe an additional lockdown, we cannot forecast that. Then, I think it would not be smart to chase new PPA contracts if there is a slump of the electricity prices as we have seen them in March. So, [46:00] in the long run we are absolutely confident and convinced to reach our goals, but we are not currently in a position to tell you in which year the plants will be connected to the grid. The pipeline is there, the developers are developing them. We do not carry the direct development risk and we will be confident to get them connected to the grid. Whether this will be done this year, beginning of next year, I think for a project that is calculated over 30 years, that does not really make a difference. I understand that it makes a difference for the P&L, but this is something in these turbulent times we cannot precisely forecast yet.

DP: In addition, also probably fair to say that we are not just dependent on our project development partners. And we can easily compensate any short fallings out of that pipeline on a timing level with acquisitions on the market and I can [47:00] clearly tell you that we have a couple of projects earmarked which do not come from our development pipeline. So, I don't want to set any negative tone on the development pipelines. Yes, there might be a few time-shifts in permitting, but this is really, overall, minimal and we can still compensate with acquisitions on the market, and I always give the guidance… if… you know our final target 2025, so there are 1.5-1.6 gigawatts outstanding until 2025. That's more or less including this year, five years left. So, if you divide that number with five years, I think it gives you at least an average number of what we would like [48:00] to achieve in the years. It could be in one year a little bit more, in one year a little bit less, but this should be somehow okay as a rule of thumb. With the markets, currently a lot of demand for PPA projects in Germany, so this is getting really very interesting, also with very good prices, but very little projects available which come on stream now in 2021. Italy, Denmark, are definitely of interest, too. Spain, yes, there's been a lot of things talked about in Spain. We do not see that all the projects which are pursued there will be really connected to the grid, so I think there are also a lot of projects which finally will not be built, [49:00] so therefore we are happy that we have already logged in our big two projects in Spain. UK, again, back on the radar screen also with very ambitious green targets over the next years and further additions. There is probably not one market that we can completely exclude, and increasingly also, might come in focus over time, not this year but in years to come, Eastern Europe, where we could see that with backing from the EU from the Green Deal, we will also see further build-up of renewable business in eastern parts of Europe like Poland, be it Romania or other countries. So, definitely of interest. Third question with regard to dividends, we have a dividend policy still in place which holds until [50:00] the AGM next year and we will advise on dividend policy before we reach next year's AGM, so therefore that is something we have to come up with this year.
Are there any further questions?

Moderator: Right now, there are no further questions, please let me repeat. If you would like to raise a question, press nine and star on your telephone keypad.
We have a next question, again from Jan Bauer from Warburg Research. Your line is open, please.

JB: So, if no one is in queue I might get another question. Can you give us a feeling of the [51:00] split between the management and the acquisitions team, the asset management segment in 2020? What do you expect in 2021?

CH: Yes, thank you. First of all, I think we have to differentiate in the revenues of the Asset Management between the one-off fees and the regular fees and the one-off fees are slightly above €5 million. They are either for consultation or for structuring and investment of such funds. The remaining part of it are revenues for steady state business.

JB: To be precise, for the 2021 guidance or for the 2020 figures?

CH: [52:00] Well, we expect the same amount for the 2021 figures, so therefore we expect the same amount of approximately €6, €7, maybe €8 million euros of one-offs, and the remaining part then are the standard ongoing revenues.

JB: And how is your feeling whether you can keep the one-off, or I call it initiation fee stable at this level? Because that would require that you have some sort of funds for investments.

CH: Yes, so the inflow for green investments is still extremely high. As I pointed out, we had committed equity of more than €350 million in the past year and invested just €217 million out of that, so approximately 130-140 million euros are still available just out of the amount of money that was committed last year. But there is [53:00] committed equity from previous years as well. So, I think at the full year of investment, more or less the equity is already available and new funds are going to be structured and started within 2021. So, I don't see currently that the committed equity will stop in the inflow. There is still a need, not only on the investment side, on the financial side, but as well on side of the need for green energy. So, new paths are needed and therefore financing is needed for them as well.

JB: Okay, thank you very much.

CH: You're welcome.

Moderator: Further questions came in. The next question comes from Teresa Schinwald from Raiffeisen Bank International. Your line is open, please.

TS: Thank you, good morning. I have rather a general market question and your perspective. [54:00] A lot of the utilities and particularly the developers have been complaining about oil majors actually ruining prices in offshore wind. Could you give us your perspective on the markets you are in about competition also outside of the usual suspects?

DP: Yeah, they are definitely in tenders for projects which are put on the market with projects connected to the grid or having reached ready-to-build status. There is a certain margin pressure, without any doubt. This is not caused by the oil majors in PV and in onshore wind. It's just the amount of institutional money on the globe [55:00] which is being flushed into this asset class now, so therefore that is one way how to compensate that and not depend on that and be exposed to that margin pressure. We went early already in our partnership agreements with pre-agreed IRR expectations from our side and getting exclusivity at very early stages for our projects so thereby we try to avoid that pressure. But we haven't seen the oil majors or the big utilities directly in our market segment. They are there, definitely, but do not have the same impact. Offshore is a complete different market. It is really for the big boys with deep pockets, and I can very well imagine that [56:00] case in the more fragmented PV market we haven't seen to full extent such effects.

TS: Thank you very much.

Moderator: We have another question from Martin Tessier from Stifel. Your line is open.

MT: Good morning, thanks for the presentation. Two questions for me. The first one is, could you give us an idea about the number of projects, ready-to-go projects, that were introduced to you in 2020 and what is the year-on-year trend in 2021? Second question is a bit more hypothetic, but if you are not able to find enough attractive projects in the mid-term, would you consider the acquisition of a developer? Many thanks.

DP: [57:00] Probably to be honest I won't. As we already said, such a development pipeline is something which is not just consisting out of a ready-to-build-parks, it's a mixture of early-stage, mid-stage and late-stage projects, the second part of it is really finding the appropriate time a good deal in the market and a good off-taker at attractive market prices. Therefore, please forgive us for not going into further details about our development pipeline in which markets the project is developed and whether it's mid-stage, late-stage or ready-to-build. I can only say that there are projects that we can bring to the market, but we will be prudent [58:00] and wait on the right timing. In terms of development partnerships, we feel very happy. We have now entered into ten partnership agreements. We don't see the necessity really to buy into development capacities. There are two main reasons for that. One is we don't want to expose ourselves to the full development risk. Yes, definitely on a single project this might be very attractive because it really cuts the development fee which we have to pay, however on a blended basis, if you include all the projects, not just the ones which come to the market, but also the ones you have to count which fail and never reach the market, then we don't see that this is something which we [59:00] would like to have on our balance sheet. Secondly, we would like to have free choice of the market, we would like to build projects where we see also attractive off-take agreements from customers and that your own development team is always able to deliver the best project at the right time at the right place I think is an assumption which we at least do not take, so therefore, from our perspective, we are better off if we partner with the market, logging it in at early stages with exclusivity rights, but not taking the full development risk. That strategy will hold at least until we deliver on our 2025 targets. [01:00:00]

MT: Okay, many thanks.

Moderator: There are no further questions.

CH: Good. Thank you very much for dialling in, thank you very much for your attention. Hopefully we could answer you all the questions. If you have any further questions afterwards please feel free to call us and then we will answer the questions. Hopefully in the years to come, months to come, we will see you again physically and, in the meantime, please stay safe and healthy. Thank you very much.