



SMA Solar Technology AG Corporate News

SMA Solar Technology AG Acquires Stake in Tigo Energy, Inc. to Tap into the Market for Smart Module Technology

Niestetal/Los Gatos, April 8, 2016 – SMA Solar Technology AG (SMA/FWB: S92) is acquiring a 27% stake in Tigo Energy, Inc. in the context of a capital increase. SMA is also obtaining exclusive rights for worldwide sales of the smart module technology TS4 Retrofit. The new TS4 product platform has various options that allow an increase in energy yield, the simplification of system planning and installation, fire safety, and cloud-based monitoring of system availability. The function options can be integrated easily into a solar module. Customer can thus adapt each individual solar module to their individual requirements. The strategic partnership with Tigo Energy gives SMA access to the fast growing market of module-level power electronics (MLPE) with an annual market volume estimated at approximately EUR 700 million. In addition, SMA will deploy the new solution for expanding its data-based business models.

Each photovoltaic system is different. This is the reason why different inverter technologies have established themselves over the last few years. More than half of global demand is for large solar projects that are generally equipped with central inverters. On the other hand, medium and small-sized photovoltaic systems usually have string inverters. Particularly due to regulatory requirements in the USA relating to DC optimizers and AC-module inverters, an additional type of inverter technology has emerged over the last few years: module-level power electronics (MLPE).

The Silicon-Valley-based Tigo Energy developed the patented TS4 smart module technology to increase the functionality of solar modules. For example, the chip-based solutions can augment partially shaded solar modules with an optimization function. As a result, the energy yield of the overall photovoltaic system can be increased on an economical basis. With previous solutions, all solar modules always had to be equipped with an optimizer regardless of whether this was even necessary. Not only existing but also new photovoltaic systems can be augmented with the TS4 product platform. The chip-based solution developed by Tigo Energy has the lowest number of components in the industry and offers a high level of reliability and efficiency for the solar module.

“SMA is the only manufacturer of inverters worldwide that has a complete product portfolio for all solar applications and regions. In order to upgrade its portfolio in the area of MLPE, SMA entered into a strategic partnership with Tigo Energy, Inc. Around the world, over a billion solar modules have been installed that cannot be individually monitored. With this stake in Tigo Energy, we can for the first time give all solar modules intelligence—in both existing and new



plants. For SMA, this information has great strategic relevance for data-based business models. Our customers benefit from the technically dovetailed solutions. We can thus provide the data obtained at module level in our Sunny portal for further assessment. What is more, our product portfolio now contains a technically superior solution that allows cost-effective performance optimization at module level. In this way, we can service the market even better than was previously the case," said Pierre-Pascal Urbon, CEO of SMA.

"The SMA participation is a confirmation of Tigo's high level of innovation and architecture. A key feature of our TS4 platform is that not every module needs to be equipped with an additional function," said Zvi Alon, CEO of Tigo Energy. "The customer pays only for the function that he actually needs for the maximum energy yield. Compared to other solutions on the market, our products allow greater efficiency and therefore a better energy yield at the lowest incremental cost. The solar power professional can easily adjust the photovoltaic system on site. We will now work together with SMA to integrate the communication link of our solution into the SMA products. This will make installation even easier in the future."

The transaction envisages that SMA will acquire a 27% stake in Tigo Energy in the context of a USD 20 million capital increase. SMA receives a seat on the Tigo Energy Board of Directors and exclusive sales rights to the TS4 Retrofit product platform for 30 months. Both companies will cooperate in the areas of research, sales and service.

The SMA Managing Board anticipates that the transaction will impact positively from as early as the second half of 2016. However, at the current moment in time, it is not possible to assess precisely the impact of the transaction on SMA sales and profits. For this reason, the SMA Managing Board confirms its sales and profits guidance for the 2016 fiscal year. For 2016, the SMA Managing Board estimates sales between EUR 950 million and EUR 1,050 million and a considerable upturn in profits to between EUR 80 million to EUR 120 million.

About SMA

The SMA Group generated sales of approximately EUR 1.0 billion in 2015 and is the worldwide market leader for photovoltaic inverters, a key component of all photovoltaic systems and offers innovative key technologies for future structures of energy provision. It is headquartered in Niestetal, near Kassel, Germany, and is represented in 20 countries. The Group employs a staff of over 3,500 worldwide. SMA has a broad product portfolio that offers the suitable investor for every module type and plant size worldwide: for small roof plants, large solar parks and grid linked plans as well as island and hybrid systems. In addition, SMA offers system technology for various battery technologies and plant sizes as well as cooperating with renowned battery manufacturers and companies in the automobile industry. SMA technology is protected by some 700 patents. The product portfolio is supplemented by extensive services and the operating management of large-scale solar power plants. Since 2008, the Group's parent



company SMA Solar Technology AG has been listed on the Prime Standard of the Frankfurt Stock Exchange (S92) and is currently the only company in the solar industry listed included in the TecDAX index.

About Tigo

Tigo is the market leader in smart module technology for the solar industry. Tigo shipped over 1.2 million units installed ranging from 2kW to 7MW systems worldwide. The Silicon Valley Company utilizes a patented technology to increase energy production, simplify design and installation, improve fire safety, and ensure the highest uptime and reliability with cloud-based monitoring. Tigo's modular TS4 platform can be selectively deployed with different functionalities per module at different price points utilizing Predictive IV (PIV) technology to maximize energy harvest at minimal cost. Tigo's integrated solution is the first and most successful smart module solution in the industry. Tigo was founded in 2007 by a team of experienced technologists. Tigo developed the first generation Smart Module Optimizer technology for the solar industry. Tigo has operations in the USA, across Europe, Japan, China, Australia and the Middle East.

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