



# Capital Stage AG – Conference Call Hybrid Convertible Bond

06. September 2017

## Capital Stage – Financing future growth

Clear growth strategy

Strong and attractive  
acquisition pipeline

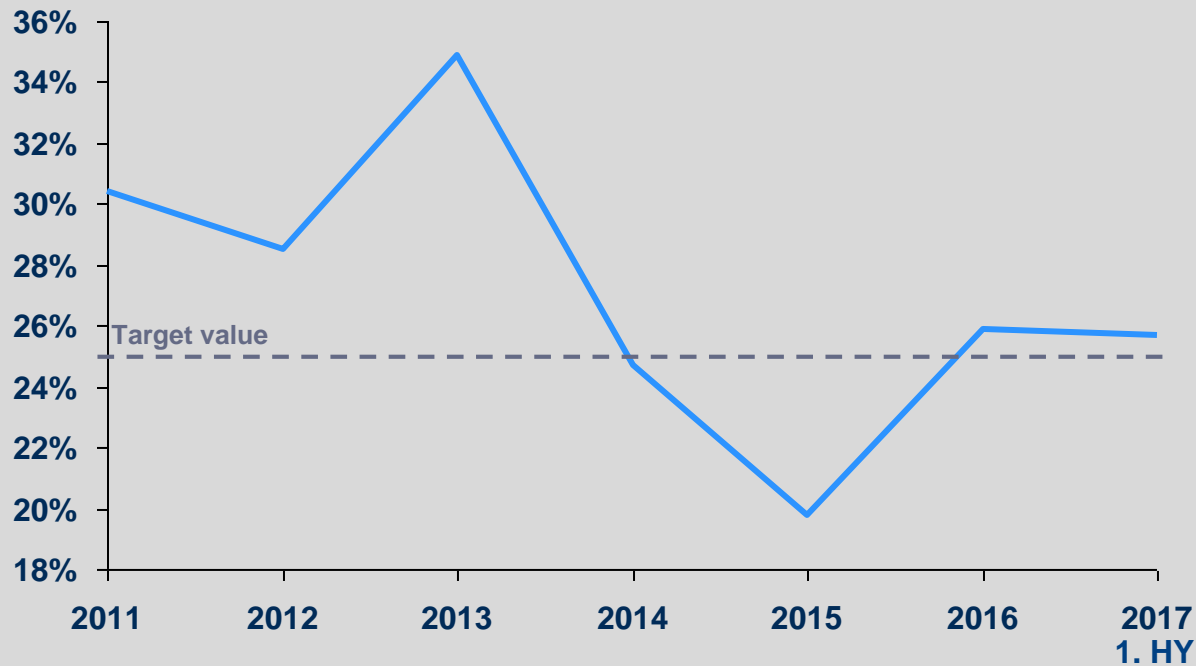
Financing

Instrument	Status Quo	
Equity (capital increase)	<ul style="list-style-type: none"> <li>• Increase in the number of shares in 2016 by 68% (CHORUS takeover &amp; small capital increase)</li> <li>• Flexible strategic option for inorganic growth</li> <li>• Dilutive and eligible for dividends</li> </ul>	+ / -
Debt Capital	<ul style="list-style-type: none"> <li>▪ Attractive financing conditions</li> <li>▪ Debt financing weights on equity ratio and increases overall leverage</li> </ul>	+ / -
Mezzanine Capital	<ul style="list-style-type: none"> <li>▪ Hybrid structure can be accounted for as equity (IFRS)</li> <li>▪ No dilutive effects (in the first 6 years)</li> <li>▪ Utilise on current positive 'market window'</li> </ul>	++

## Capital Stage – Equity ratio on target

Capital Stage equity ratio >25%

**Equity-ratio Capital Stage (2011 – 2017)**



- FY16 has seen to capital increases, one in April and one in October 2017
- In the short/medium term no further capital increase is planned

**Debt financing would have weighted on the equity ratio and eventually led to an equity ratio below target**

## Capital Stage – Successful Placement of first Hybrid Convertible Bond



### Successful and full placement

- Successfully and fully placed (<5 hrs) by institutional investors
- Hybrid has been oversubscribed multiple times
- Maximum given legal constraints



### Strong & renowned Partners

- Berenberg and Morgan Stanley acted as Joint Bookrunners



### Non-equity binding financing structure

- Attractive financing conditions (equity-linked financial instrument)
- Hybrid can be accounted for as equity on balance sheet (IFRS)
- Strong equity ratio above long-term target (>25%)
- Interest on Hybrid is tax deductible due to the foundation and issuance via a Dutch CS Finance BV



### Growth finance of ~EUR 100m secured

- EUR 97.3m secured for further acquisitions in PV/wind parks and/or inorganic growth
- Additionally EUR 40m cash on hand for investment
- Attractive financing conditions and interest rates
- Translates into an investment volume of in total ~ EUR 550m

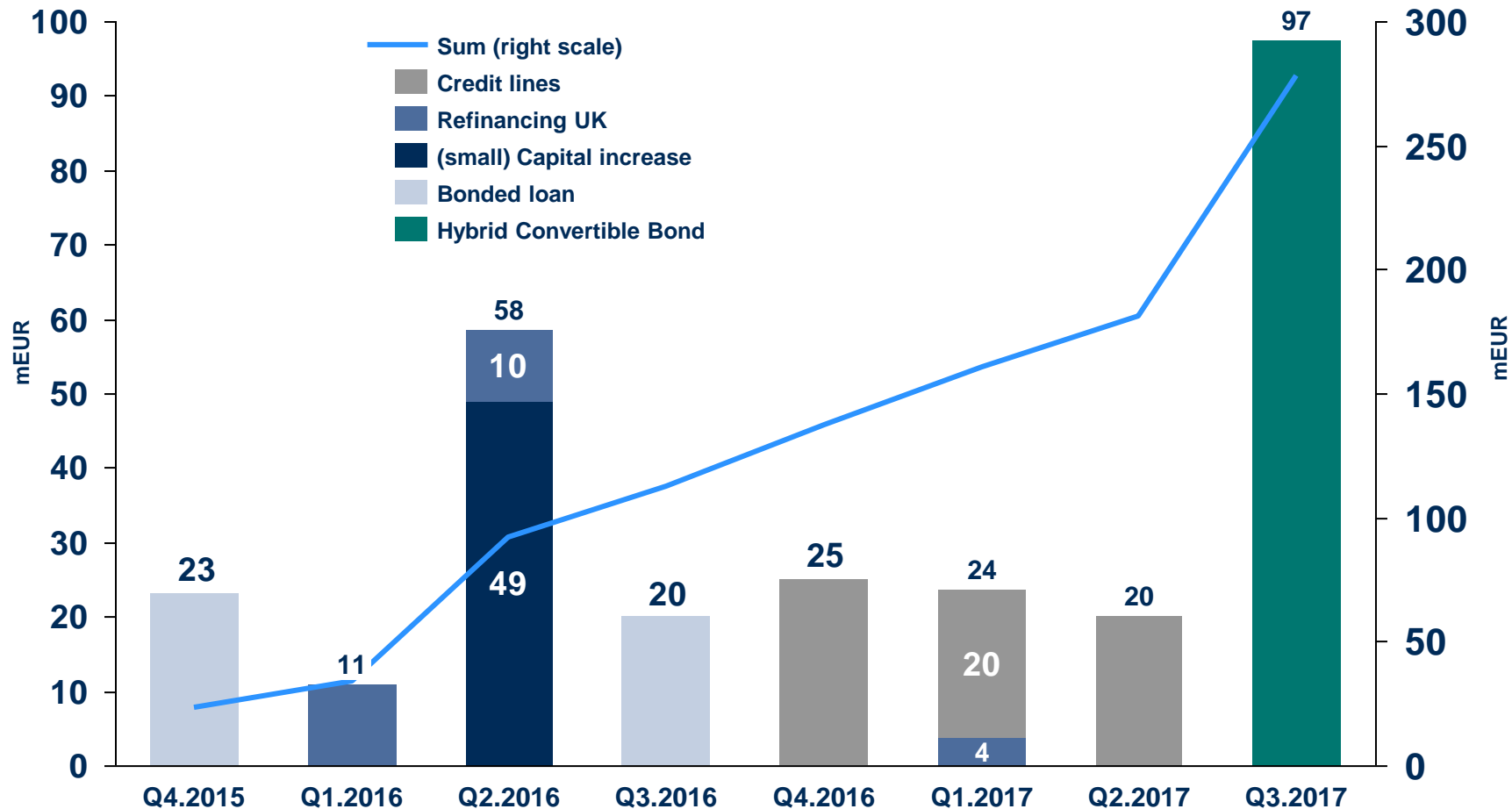
## Hybrid Convertible Bond – Main financing parameters\*

Terms	Perpetual/Non-Call 6
Size	97.3
Status	Perpetual Subordinated Convertible Bond
Maturity / First Call	Perpetual / Non-call 6
Issuer Soft Call	130% trigger after 4 years
Issue price (%)	100.0
Dividend Protection threshold	EUR 0.10
Coupon after First Call Date (payable semi annually)	5.25%
Coupon after First Call date	5yr mid swap rate + [11%] (reset every 5 yrs)
Conversion premium	25.0%
Conversion price (EUR)	7.59
#underlying shares	12.8m
% of total outstanding shares	10.0%

\* Assuming a reference share price of EUR 6.0754; maximum of what was possible given legal constraints

## Cash available for investments ~ EUR 140m

- Hybrid + Cash on hand for investments (equity) = EUR 97.3m + EUR 40m = ~EUR 140m
- Translates into an investment volume (equity + project debt) of >EUR 550m



## Outlook – Well filled acquisition pipeline ~200 MW

### Positive growth outlook

- ▶ Renewable Energies continue to be a worldwide growth market with double digit growth rates
- ▶ Investment volume of >EUR 550m
- ▶ Well filled acquisition pipeline of some ~200 MW (status quo)
- ▶ Of which ~150 are already in exclusivity; thereof ~50 MW PV and ~100 MW wind
- ▶ Currently active in 8 countries in (Western-)Europe
- ▶ Further countries in Europe under review; medium/long term Canada/USA
- ▶ Market consolidation leaves opportunities for inorganic growth

### Regional focus

Number of parks  
161 Solar 51 Wind

