



Capital Stage AG  
Earnings Call HY16

September 1, 2016



Capital Stage AG  
HY 2016

September 1, 2016

# Capital Stage – Highlights HY2016

## Financial resources for growth

- Increase of CS' share capital by app. 10 percent of the existing authorized capital, generating gross proceeds of almost EUR 50m
- Loan note > EUR 23m in Dec. FY15
- Successful refinancing of UK parks > EUR 11m

## New Investments raising total generation capacity to 613 MW

- February: Acquisition of four solar parks in Italy (16.9 MW)
- March and May: Acquisition of two solar parks in UK with 5 MW each
- May: Acquisition of a wind park close to the coast (18 MW)
- July: Acquisition of a 6.4 MW wind park in Lower Saxony
- August: 7.5 MW windfarm in Northrhine-Westphalia acquired
- Attractive solar park pipeline of 61 MW secured in France (not included in 613 MW)

## Brexit – Cashflows hedged

- Hedging strategy in line with Capital Stage's conservative investment strategy
- GBP cashflows to CS hedged for the next two years

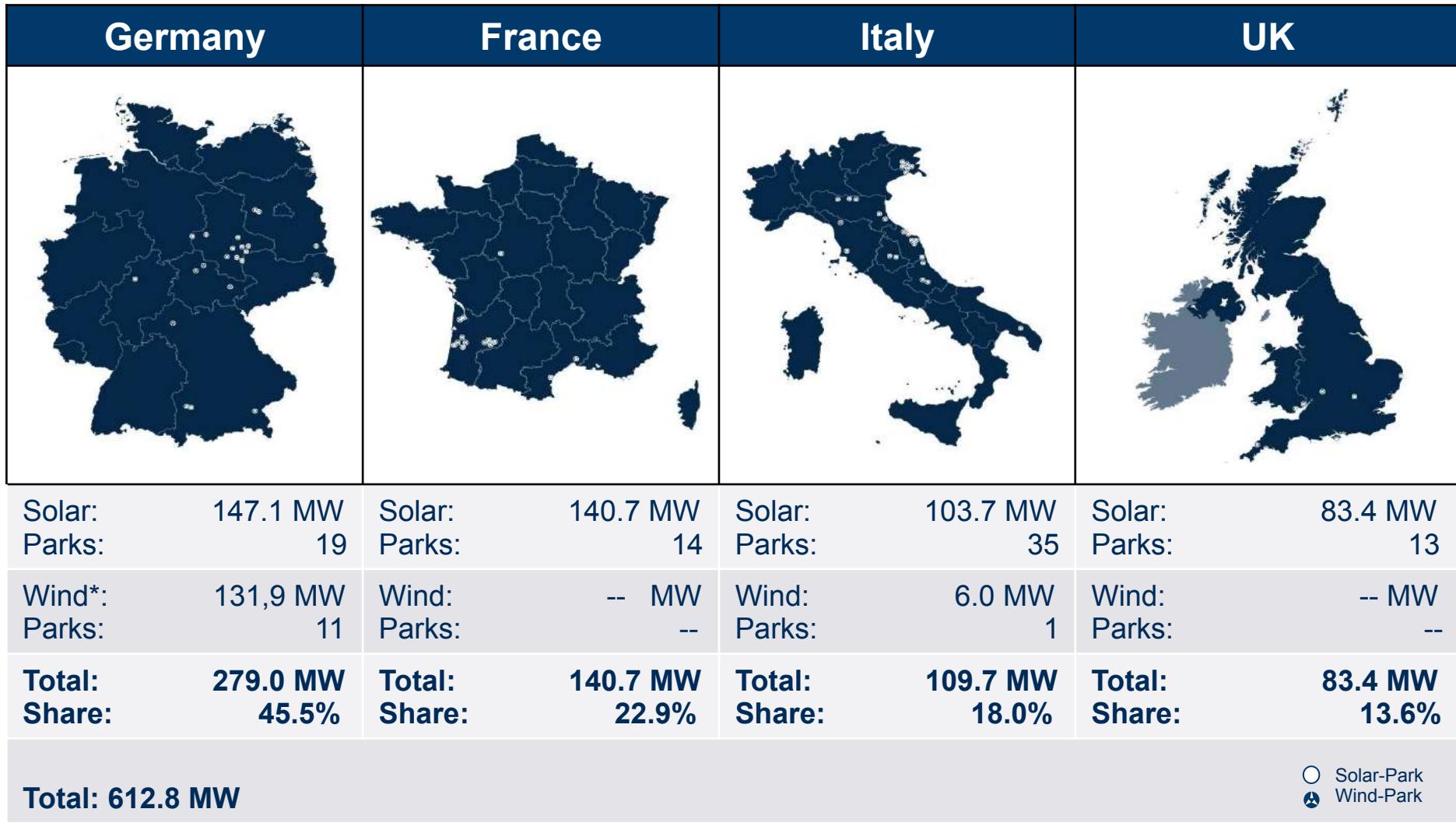
## Takeover offer for Chorus clean energy

- Announced May 30, offer period July 28 to Sept 16
- One of the largest listed independent solar and wind park operators in Europe by market capitalisation
- Combined capacity of more than 1 GW
- Strong increase in free float market cap expected supporting attractiveness and liquidity of the stock

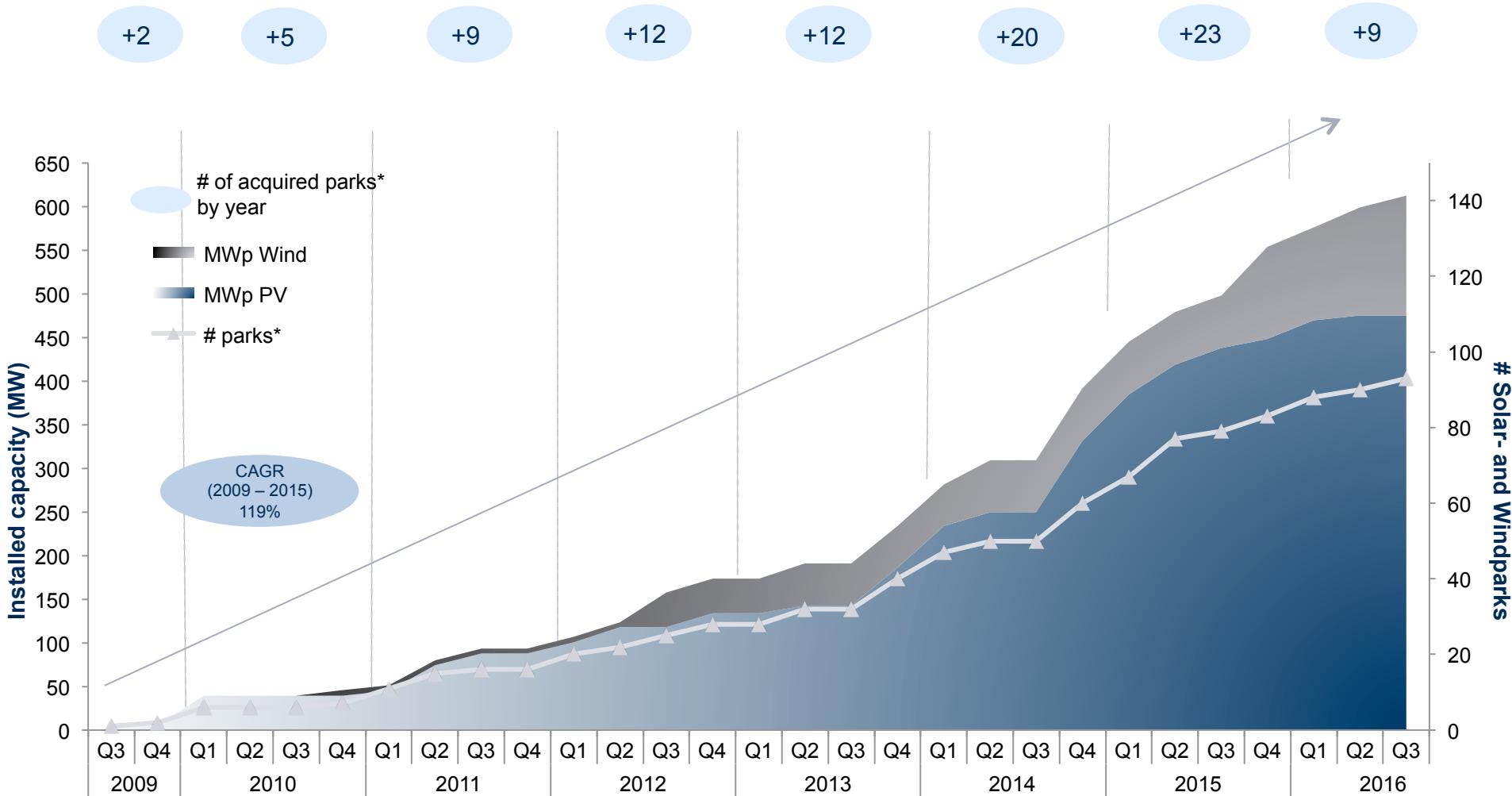
## Strong growth in key financials

- Strong growth despite unfortunate weather conditions
- Guidance for FY2016 confirmed

## Capital Stage – Balanced regional portfolio diversification\*



## Capital Stage – Strong expansion of PV and wind portfolio in 2016\*





Capital Stage AG  
Operational figures 1 HY 2016

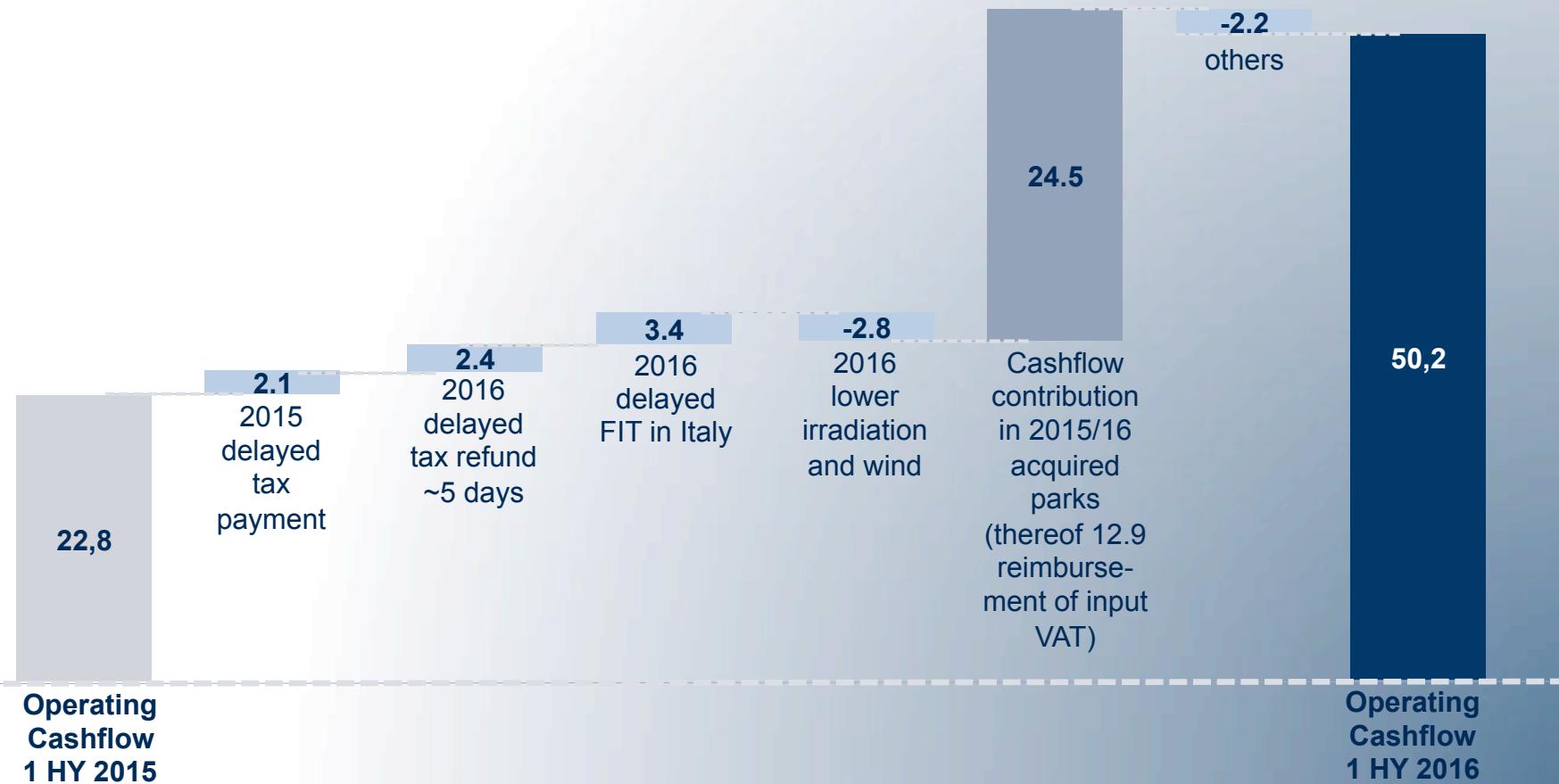
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## Capital Stage – Figures in line with operational Guidance\* 2016

- **Strong growth of operational key figures due to realized acquisitions**
- **Key figures influenced by solar irradiation and wind performance in HY 2016 which was below long-term average and below HY 2015 which enjoyed above average irradiation; EUR 3 m effect in all key figures**
- **Strong Operational cashflow development weakened by low irradiation and wind but improved by tax effects**

(in mEUR)	1 HY 2015	1 HY 2016	Change (yoY)
Revenues	52.4	64.9	+24%
Operational EBITDA	42.0	50.8	+21%
Operational EBIT	27.8	31.9	+15%
Operational Cashflow	22.8	50.2	+120%

## Capital Stage – Effects on operating cashflow 1 HY 2016 (in mEUR)





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Financials (IFRS) 1 HY2016

September 1, 2016

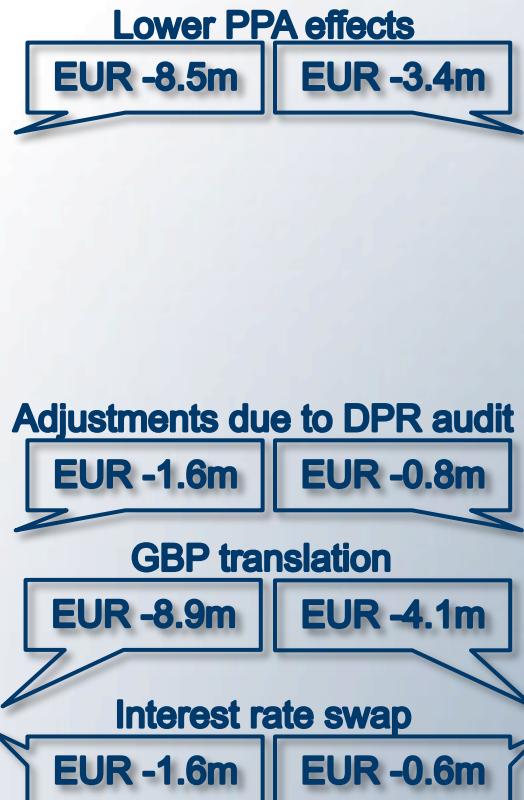
## Capital Stage – P&L Overview (in TEUR)

IFRS (in TEUR)	1 HY 2015*	1 HY 2016	Δ yoy in %
<b>Revenues</b>	<b>52,443</b>	<b>64,850</b>	<b>+23.7</b>
<b>Other income</b>	<b>10,625</b>	<b>5,458</b>	
<b>Cost of materials</b>	<b>-371</b>	<b>-408</b>	
<b>Personnel expenditures</b>	<b>-2,557</b>	<b>-2,781</b>	
<b>Other expenditures</b>	<b>-8,435</b>	<b>-13,186</b>	
<b>EBITDA</b>	<b>51,706</b>	<b>53,933</b>	<b>+4.3</b>
<b>Depreciations</b>	<b>-17,936</b>	<b>-25,219</b>	
<b>EBIT</b>	<b>33,769</b>	<b>28,714</b>	<b>-15.0</b>
<b>Financial income</b>	<b>1,803</b>	<b>451</b>	
<b>Financial expenditures</b>	<b>-14,462</b>	<b>-28,478</b>	
<b>EBT</b>	<b>21,110</b>	<b>688</b>	<b>-96.7</b>
<b>Taxes</b>	<b>-5,277</b>	<b>-1,352</b>	
<b>EAT from continued operations</b>	<b>15,833</b>	<b>-665</b>	
<b>Earning effects from discontinued operations</b>	<b>-349</b>	<b>0</b>	
<b>EAT</b>	<b>15,484</b>	<b>-665</b>	<b>-104.3</b>

\* Adjusted for discontinued operations with the sale of the Helvetic Energy, Switzerland

## Capital Stage – P&L non-cash-related IFRS effects in 1 HY and Q2 2016

IFRS (in TEUR)	1.HY 2015*	1.HY 2016
<b>Revenues</b>	<b>52,443</b>	<b>64,850</b>
Other income	10,625	5,458
<i>thereof PPA adjustments</i>	<b>9,395</b>	<b>919</b>
Cost of materials	-371	-408
Personnel expenditures	-2,557	-2,781
Other expenditures	-8,435	-13,186
<b>EBITDA</b>	<b>51,706</b>	<b>53,933</b>
Depreciations	-17,936	-25,219
<i>thereof DPR</i>	<b>NA</b>	<b>1,600</b>
<b>EBIT</b>	<b>33,769</b>	<b>28,714</b>
Financial income	1,803	451
Financial expenditures	-14,462	-28,478
<b>EBT</b>	<b>21,110</b>	<b>688</b>
Taxes	-5,277	-1,352
Disc. operations	-349	0
<b>EAT</b>	<b>15,484</b>	<b>-665</b>



IFRS (in TEUR)	Q2 2015*	Q2 2016
<b>Revenues</b>	<b>34,849</b>	<b>42,499</b>
Other income	5,672	3,989
<i>thereof PPA adjustments</i>	<b>4,872</b>	<b>1,433</b>
Cost of materials	-180	-135
Personnel expenditures	-1,744	-1,579
Other expenditures	-4,973	-7,020
<b>EBITDA</b>	<b>33,624</b>	<b>37,752</b>
Depreciations	-9,602	-12,646
<i>thereof DPR</i>	<b>NA</b>	<b>800</b>
<b>EBIT</b>	<b>24,022</b>	<b>25,107</b>
Financial income	1,709	408
Financial expenditures	-7,502	-12,642
<b>EBT</b>	<b>18,229</b>	<b>12,873</b>
Taxes	-3,523	-4,698
Disc. operations	-143	0
<b>EAT</b>	<b>14,564</b>	<b>8,176</b>

## Capital Stage – Key figures improved by capital raise

Balance sheet		2011	2012	2013	2014	2015	1.HY 2016
Balance sheet total	TEUR	299,980	455,017	593,191	985,799	1,318,527	1,330,361
Equity ratio	%	30.5	28.6	35.0	24.7	19.8	21.8
Operating ROE	%	5.4	5.7	5.6	7.2	10.2	n.a.
Operating ROCE	%	5.7	5.2	5.0	5.7	7.1	n.a.
Net Gearing		1.6	1.8	1.5	1.8	2.5	2.9
Net Debt/ EBITDA		5.1	6.0	5.2	4.7	6.7	n.a.



Capital Stage AG  
Guidance 2016

September 1, 2016

## Capital Stage – Operational\* Guidance FY2016

- ✓ **Guidance 2016 confirmed**
- ✓ **Since most acquisitions in 2016 will be connected to grid end 2016/beginning 2017 no P&L contribution in 2016**
- ✓ **Based on existing portfolio as of August 31, 2016**
- ✓ **Further investments under investigation**

(in mEUR)	FY2015	1 HY2016	Guidance FY2016
<b>Revenues</b>	<b>112.8</b>	<b>64.9</b>	<b>&gt; 130</b>
<b>Operational EBITDA</b>	<b>86.8</b>	<b>50.8</b>	<b>&gt; 100</b>
<b>Operational EBIT</b>	<b>55.4</b>	<b>31.9</b>	<b>&gt; 60</b>
<b>Operational Cashflow</b>	<b>74.5 (81**)</b>	<b>50.2</b>	<b>&gt; 93 (86.6)</b>

## Capital Stage – Upside potential FY2017

- **Most of projects acquired in 2016 will be connected to the grid end of 2016/start of 2017 and therefore contribute to p&l 2017 in full**
- **Attractive project pipeline in key markets**
  - Already secured 60 MW solar park pipeline in France
  - Pipeline in key markets on hand ~ 180 MW
- **Screening new potential markets**
  - e.g. Scandinavia, Benelux, Ireland, USA, Canada
- **CHORUS**
  - If 50 percent plus 1 share is turned in by Sept 16, full consolidation Chorus in Capital Stage balance sheet in 2017
  - Growth in CHORUS' additional wind markets UK, France, Austria, Finland and Sweden possible
  - Combined company with better access to alternative sources of financial funds and higher visibility for sellers of PV parks and windfarms



Combination with CHORUS Clean Energy AG

September 1, 2016

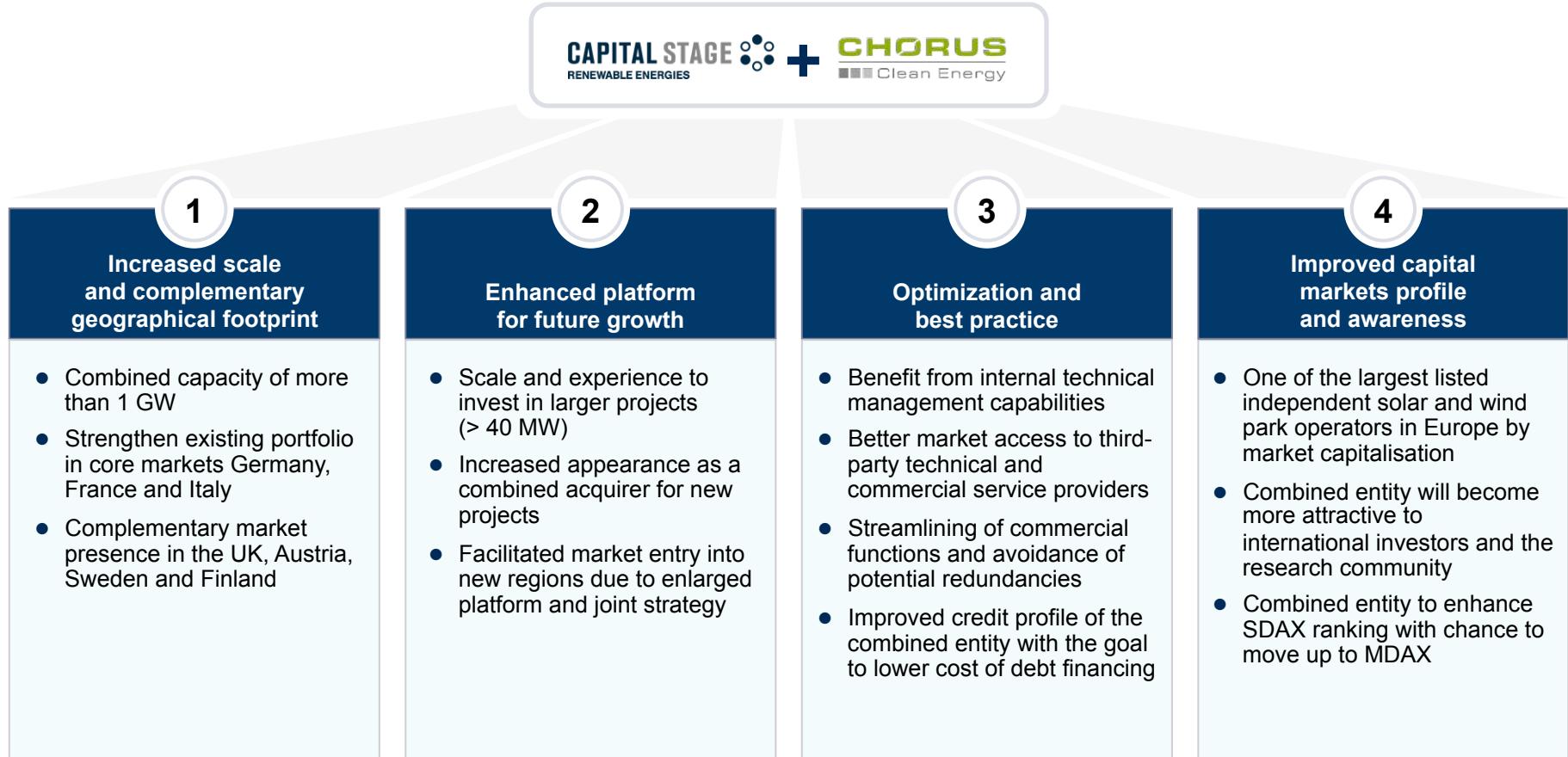
# Combination underlines our existing equity story

A combination with CHORUS Clean Energy AG is a logical step to execute our strategy and matches all our criteria

- Germany's largest listed independent solar and wind park operator with a unique business model** 
- Stable, highly visible cash flows coupled with attractive returns** 
- Internationally diversified with focus on low risk countries** 
- High quality solar and wind parks** 
- Favourable financing environment** 
- Well-filled acquisition pipeline and recurring deal flow** 

# Compelling transaction rationale

Together creating a relevant independent European solar and wind park operator



# Key terms of the recommended offer

## Financial terms of the offer

- All-share offer for 100% of the share capital of CHORUS
- For every 3 CHORUS shares, CHORUS shareholders are offered 5 Capital Stage shares
- Capital Stage: closing price<sup>1</sup> of €6.39 per share and 3-month VWAP of €6.90<sup>2</sup> per share
- CHORUS: closing price<sup>1</sup> of €8.17 per share and 3-month VWAP of €8.48<sup>2</sup> per share

## Recommended Offer/ BCA

- Business combination agreement signed by Capital Stage and CHORUS
- Offer recommended by management and the supervisory board of CHORUS

## Tender Commitments

- Approx. 15% of the shares of CHORUS have been tendered via irrevocables by
  - Peter Heidecker, chairman of the supervisory board and largest shareholder of CHORUS (via PELABA)
  - Management board members

**28 Jul 2016**

*Start of offer period*

**4 Aug 2016**

*CHORUS supports takeover offer*  
(statement pursuant to §27 of the German  
Securities Acquisition and Takeover Act)

**16 Sept 2016<sup>3</sup>**

*End of offer period*  
(Deadline to accomplish the  
minimum acceptance ratio)

**Timeline**

# Key transaction features and notes for CHORUS shareholders

- **The offer is subject to the following conditions**

- Minimum acceptance ratio of 50% + one (1) share (if this ratio is not reached, the offer lapses and CHORUS shareholders will not benefit from the attractive premium of 36% to the 3-months VWAP<sup>1</sup> offered by Capital Stage)
- Registration of the implementation of the capital increase

- **Improvement of the offer by Capital Stage legally excluded**

- Capital Stage shareholders have adopted the resolution for the capital increase in-kind to issue new shares up to the maximum amount to acquire 100% of the share capital of CHORUS at the ratio of 5 Capital Stage shares for every 3 CHORUS shares; this resolution and thus the ratio cannot be modified
- **No alternative consideration for CHORUS shareholders available**

- **Uncertain consequences for CHORUS shares if the offer fails**

- If this offer fails, it is uncertain whether CHORUS shares may be influenced by a possible reduction in the free float and liquidity
- Therefore it is not predictable, if a possible reduction in the liquidity of CHORUS shares may lead to considerably sharper future price fluctuations
- Furthermore, it is uncertain whether the share price of CHORUS shares will remain at the same level, fall or rise

## Key transaction features and notes for CHORUS shareholders (cont'd)

- **Strategic intentions following a successful offer**

- The combined company, arising out of the successful execution of this offer, creates one of the largest listed independent operators of solar and wind projects in Germany and Europe
- As expressed in the Offer Document, Capital Stage has currently no intention to enter into a domination and/or profit transfer agreement or conduct a squeeze-out
- Capital Stage and CHORUS have agreed in the Business Combination Agreement, that any of such measures would be jointly reviewed depending on the shareholding in CHORUS at an appropriate time
- Consequently neither a specific timeline nor due dates have been discussed or agreed upon to conduct these optional corporate measures

- **New shares to be listed on Frankfurt stock exchange and entitled to dividend for 2016**

# Key benefits of the recommended offer



## Benefits to Capital Stage shareholders

- ✓ Based on the proposed share-deal and current trading, the combination is value accretive to the shareholders of Capital Stage



## Benefits to CHORUS shareholders

- ✓ The offer implies a value per CHORUS share of €11.50<sup>1</sup> per share based on the 3-months VWAP of Capital Stage
- ✓ The implied offer price represents a very attractive premium of 36% to the 3-months VWAP of CHORUS<sup>1</sup>



## Benefits to the shareholders of the combined entity

- ✓ Participation in potential value creation based on
  - substantially enlarged platform
  - revenue and cost synergy potential
  - taking an active role in the industry consolidation
- ✓ Shareholding in one of the largest European listed independent renewables power producer with >1 GW capacity
- ✓ Strong increase in free float market cap expected supporting attractiveness and liquidity of the stock

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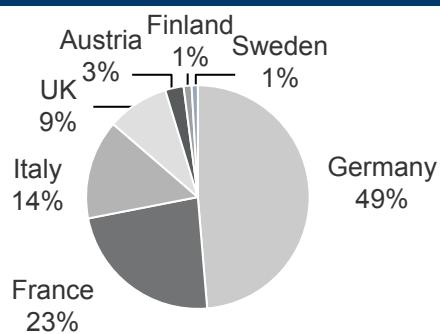
## Increased scale

The combination will create one of the leading independent players of renewable energy...



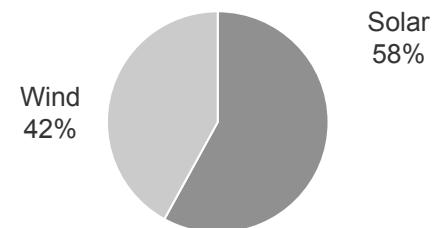
- European IPP with 1,126 MW capacity incl. asset management of 211 MW
- Strong track record of growth/ consolidation
- Deliver full range of services incl. asset management
- Visible scale attracting of investors

Installed capacity by geography



Total: 1,126 MW

Installed capacity by energy source



Total: 1,126 MW

1

# Increased scale

...with a strong financial profile

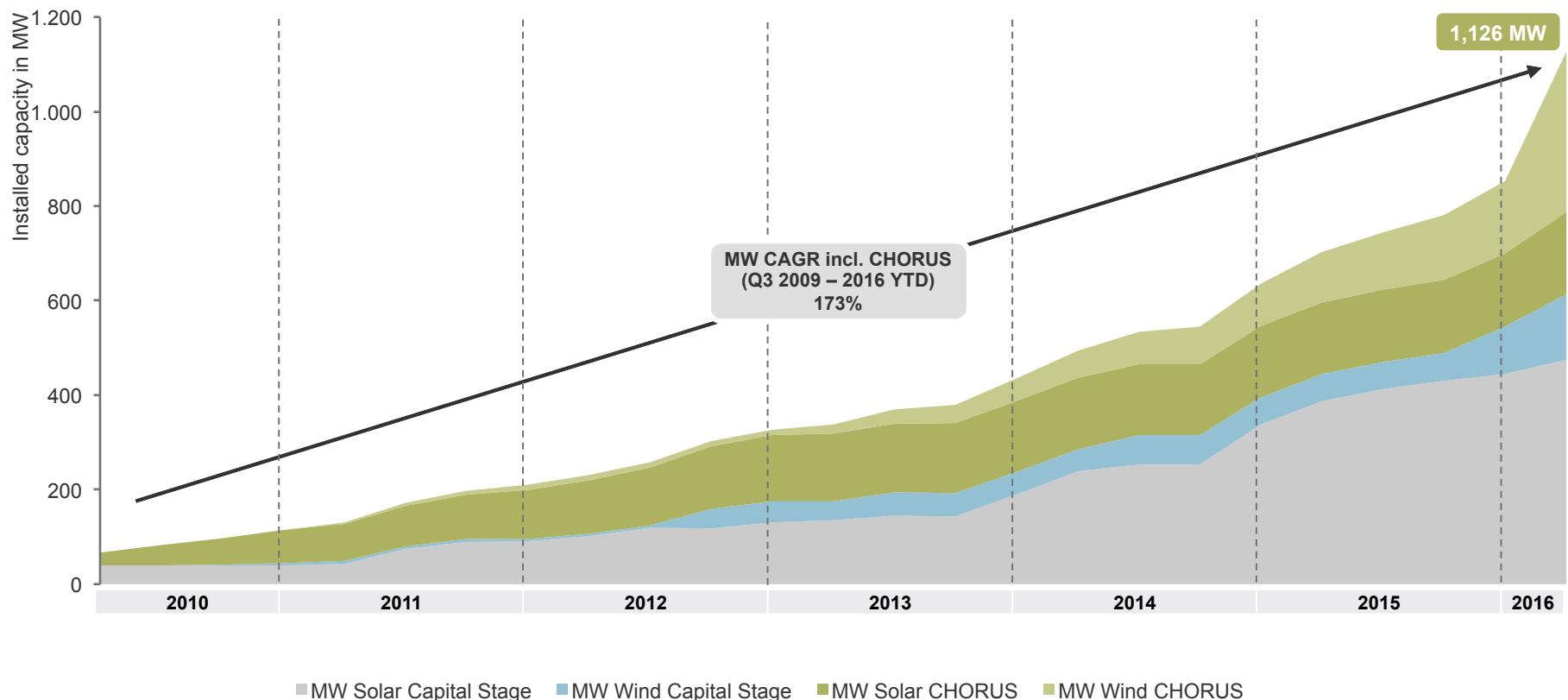
(in €m)	CHORUS ■■■ Clean Energy	CAPITAL STAGE <sup>1</sup> RENEWABLE ENERGIES	Combined (PF)
Market capitalization (as per 27 May 2016)	226	529	824 <sup>2</sup>
<b>Enterprise Value<sup>3</sup></b>	<b>495</b>	<b>1,424</b>	<b>1,940<sup>2</sup></b>
Net financial leverage <sup>3</sup> / equity ratio	5.9x / 35%	8.6x / 22%	6.2x / 29%
Installed capacity (MW) (latest information available)	513	613	1,126
Production (GWh) (as per 31 December 2015)	242	596	837
<b>2015 financials (based on pro-forma financials as per annex of offer document)</b>			
Sales	59	113	171
EBITDA / margin %	42 / 72%	100 / 89%	137 / 80%
EBIT / margin %	22 / 37%	53 / 47%	62 / 36%
Employees (as per May 2016)	33	48	81

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## Increased scale

Creation of a leading independent producer of renewable energy with a combined capacity of 1,126 MW including asset management activities of 211 MW

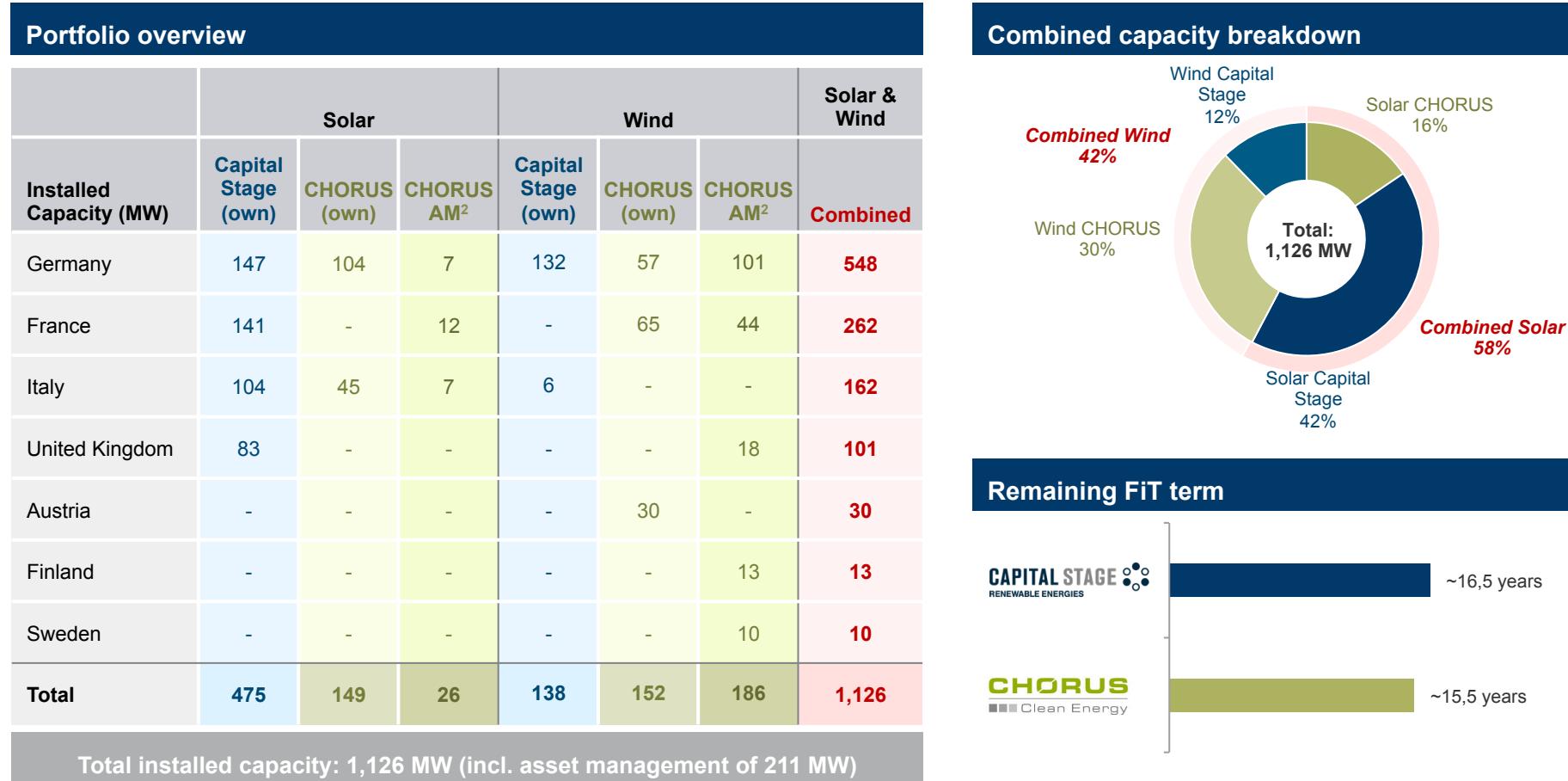
### MW development of assets



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# Complementary footprint by energy source

The combination leads to a balanced portfolio of wind and solar parks with strong remaining FiT lifetime<sup>1</sup>



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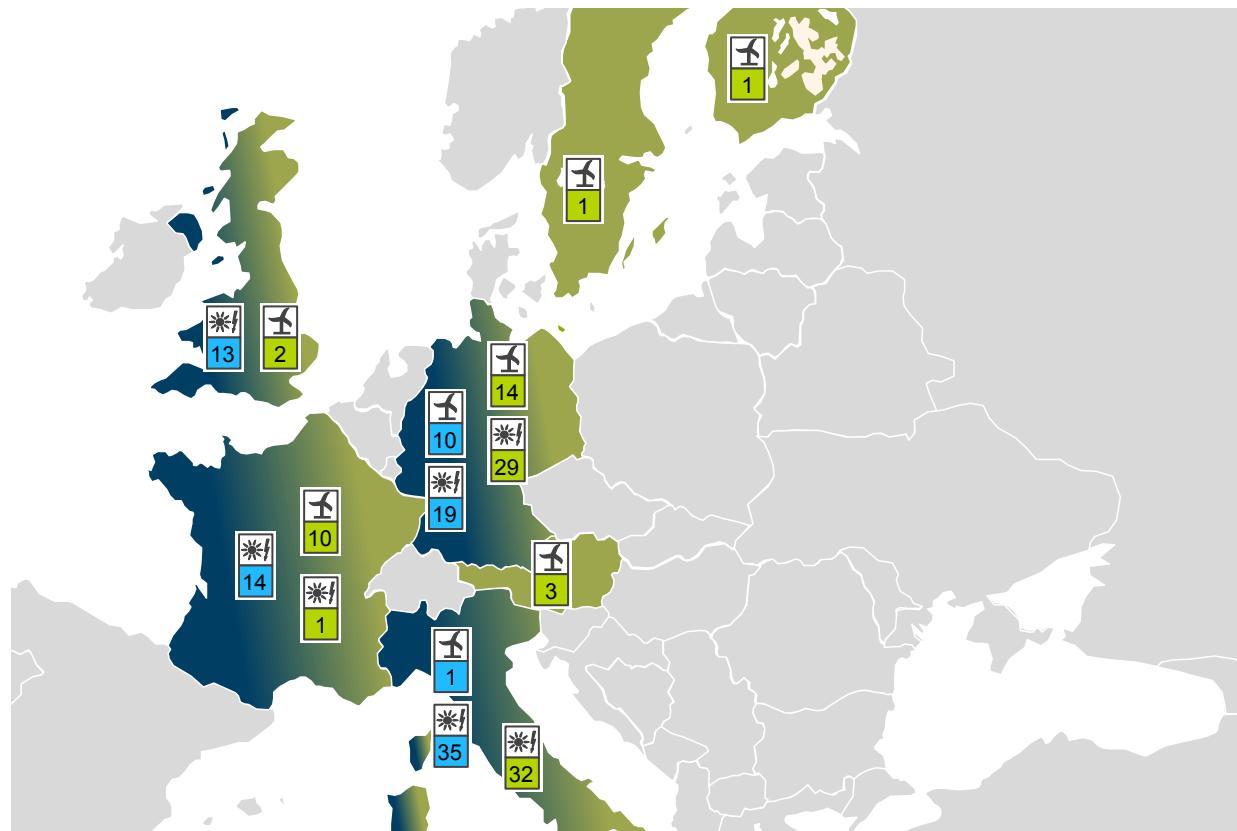
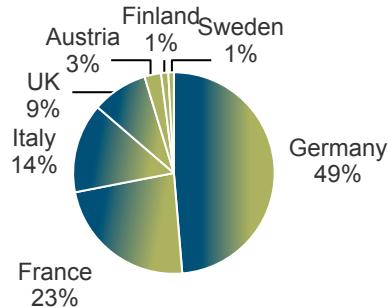
# Complementary footprint by geography

Combined strong position in core markets Germany, France and Italy and added complementary market presence in the UK, Austria, Sweden and Finland

## Location of parks by country

- █ Current CHORUS presence
- █ Current Capital Stage presence
- ☀ Number of solar parks
- ⚡ Number of wind parks

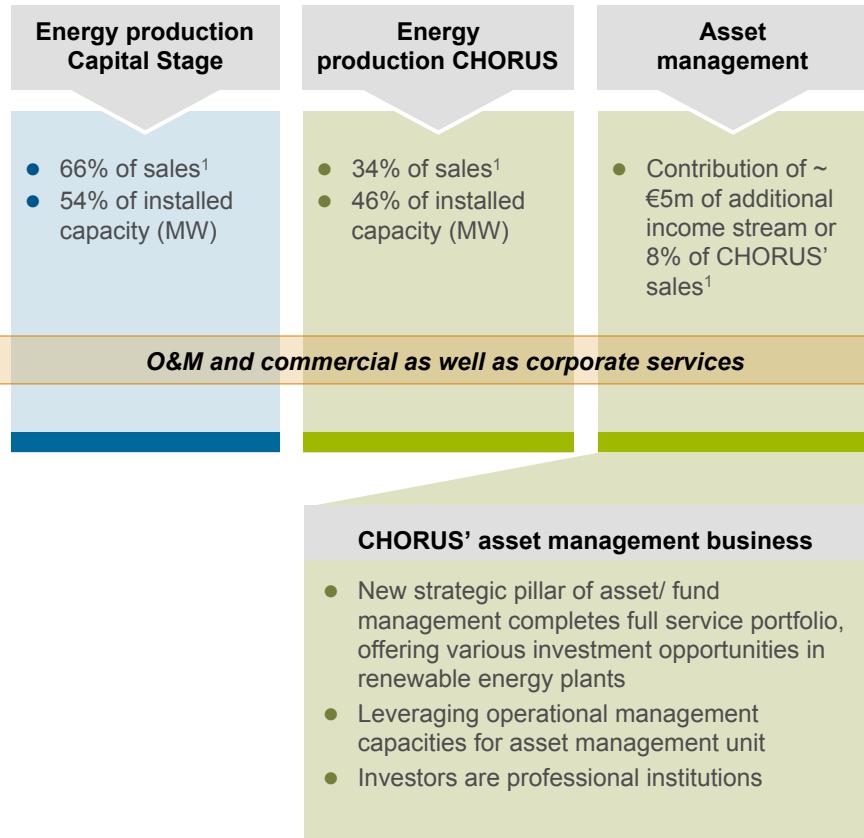
## Installed capacity by geography



2

## Enlarged platform for growth

Combined platform to allow for an additional source of growth



### Secured pipeline additions



- Addition of a 60 MW solar park in France secured in 2015 to be connected to the grid end of 2016 / beginning of 2017



- Expected growth of assets under management of more than 20 MW (transaction process started)
- Further capital commitments in Asset Management business of >€100m under negotiation

### Key investment criteria

- I Low country risk
- II Reliable compensation schemes (FITs / PPAs)
- III Professional market environment
- IV Attractive financing conditions
- V High quality components
- VI Special access to a project/deal

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# Optimization and best practice

Experienced management team to create further value of the combined entity by unlocking operational and financial synergies

## Operational synergies

### Technical & commercial management

- Benefit from internal technical management capabilities and better market access to third-party technical and commercial service providers
- Sequent transfer of technical O&M contracts for > 100 MW in Germany and > 50 MW in Italy (existing CHORUS portfolio) from external service companies to Capital Stage Solar Service

### Best practice in operations

- Synergistic dialogue and collaboration of combined teams throughout all areas and functions working on a stronger international platform

## Financial synergies

### Cost of capital

- Improved business profile of the combined entity with the goal to lower cost of capital / debt financing

### Improved combined capitalization

- Improved capitalization, benefiting from an improved net leverage/ equity ratio

### Diversification of funding base

- Access to a broader spectrum of financing instruments with further potential to reduce cost of debt

## Envisaged management team of Capital Stage



**Prof. Dr. Klaus-Dieter Maubach**  
CEO



**Dr. Christoph Husmann**  
CFO



**Holger Götze**  
COO

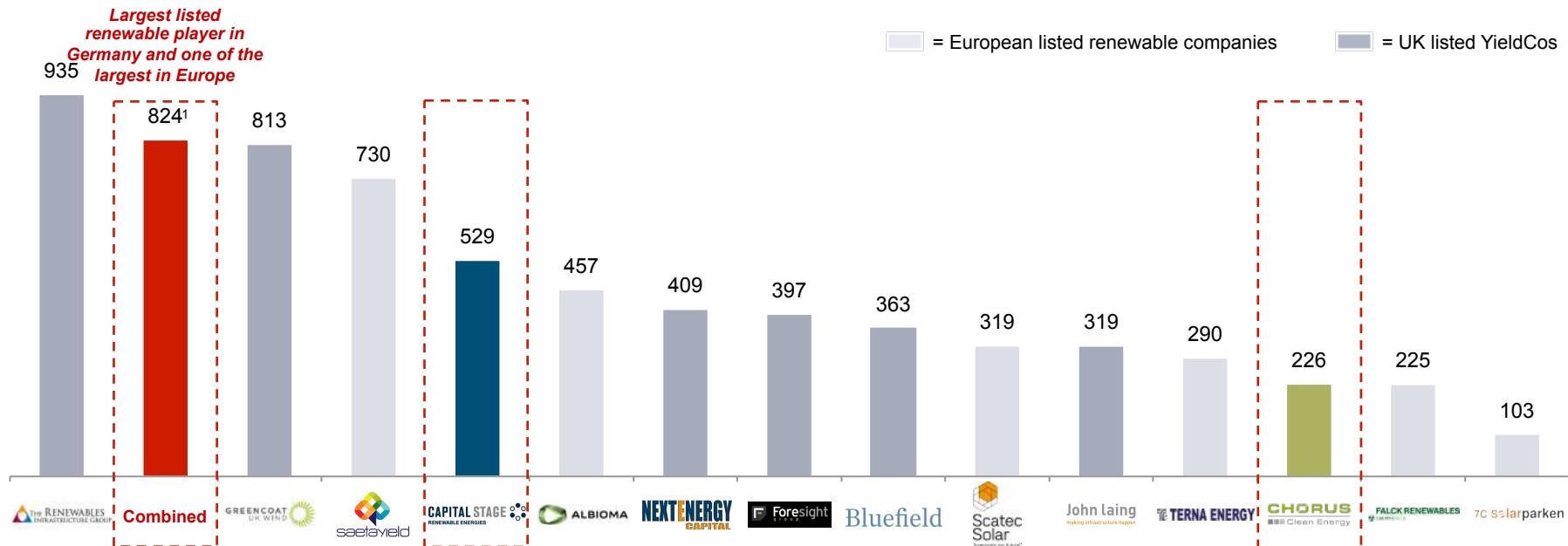
- Joined CHORUS in 2012
- Previously held senior management positions at a German subsidiary of an international bank, a leading German leasing company and LHI

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## Improved capital markets profile

Combined entity to become one of the largest European listed independent players in the renewable space

### Benchmarking by market capitalization (€m)



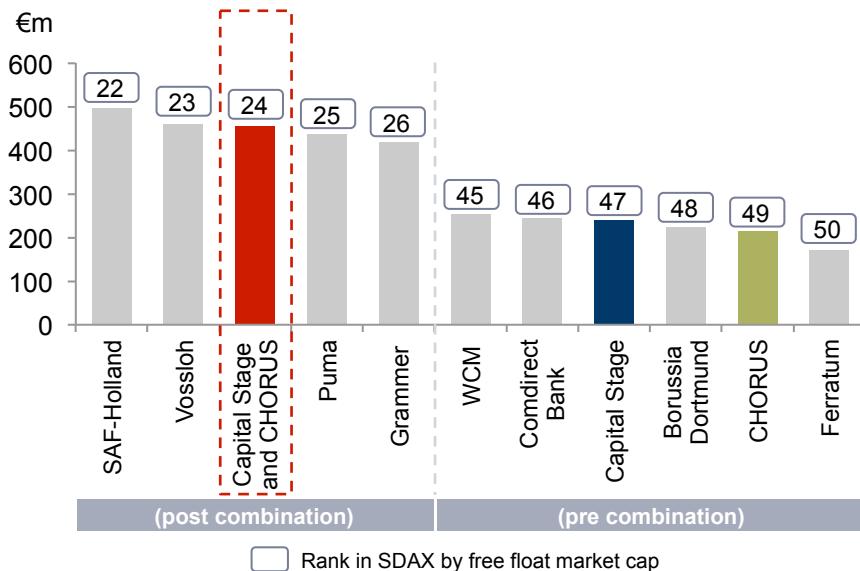
**The combination of Capital Stage and CHORUS creates the largest German listed independent renewable player and one of the largest in Europe**

4

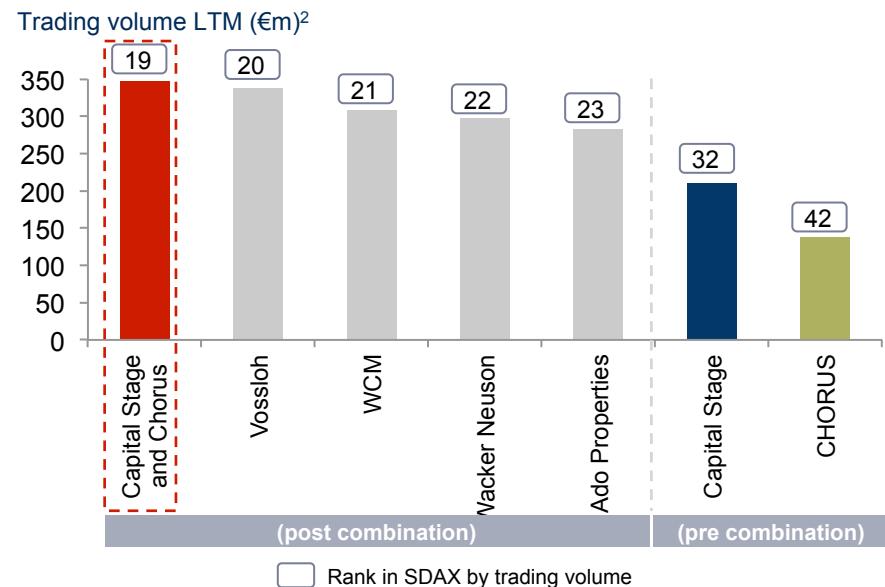
## Improved capital markets profile

Combined Capital Stage and CHORUS significantly increases visibility, improves index rating and widens research coverage

### Moving up in the SDAX by free float market cap<sup>1</sup>



### Creating a more liquid stock



- **Increased free float market cap and liquidity** - A combined Capital Stage and CHORUS increases market capitalization – both in terms of total market capitalization and free float market capitalization
- **Improved index ranking** - Combined entity enhances SDAX ranking with the chance to become part of the German MDAX in the mid-term
- **Wider research coverage** due to increased market capitalization and liquidity
- **Potential broadening of international institutional investor base**

## Strategic goals and benefits for both shareholder groups



Strengthen its positioning as **a relevant independent energy producer in Europe** and potentially tap new markets

Continuing to focus on **sustainable renewable energy** and growing further its **already meaningful installed capacity of > 1 GW**

**Active participation** in the acquisition of new capacities as well as **consolidation** through value-enhancing M&A opportunities

To be the **stock of choice and trusted asset management partner** for domestic and international institutional investors

**Important stakeholder** in ongoing and future discussions and development of **the energy industry**

Balanced solar and wind park portfolio ensures **stable and visible cash flows** to shareholders

Current shareholder-friendly **dividend policy** of Capital Stage **to remain in effect** post transaction



Capital Stage AG  
Thank you for your attention!

September 1, 2016



Capital Stage AG  
Q&A Session

September 1, 2016



Capital Stage AG  
Appendix

September 1, 2016

## Financial Calender 2016

Date	Event
15 September 2016	Small Cap Conference, Bankhaus Lampe, Düsseldorf
16 September 2016	Macquarie's 9th Alternative Energy Conference, London
19/21 September 2016	5th German Corporate Conference, Berenberg und Goldman Sachs, München
21/23 November 2016	Deutsches Eigenkapitalforum, Frankfurt am Main
30 November 2016	Q3 report FY2016

# Contact

## IR Contact

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# Backup

## Capital Stage – DPR audit process (from 2012) completed in March 2016

DPR objections		Accounting / reporting objection	Adjustment
1	Disclose purchase prices and information on the PPA profits	Reporting	Disclosure in the notes to the Group's consolidated financial statements
2	Cash services and project reserve accounts should not be included in the item "cash and cash equivalents" of the Group's cashflow statement	Reporting	Cash and cash equivalents are reduced by the capital services and project reserve account balances
3	Setting the useful life of electricity feed-in contracts to 30 yrs is too high, it should correspond to the time of the feed-in tariff (generally 20 years)	Accounting	Retroactive reduction of all depreciation periods for the affected intangible assets to the corresponding remaining term of the feed-in contract.  Accounting for the effect on earnings, including deferred taxes in FY2015
<b>Total net accounting effect on the FY2015 consolidated statements (in TEUR): 5,045</b>			
<b>DPR audit process officially completed on 30 March 2016</b>			