



Press release

Capcora and Terre et Lac advise Plain Energy on the issuance of Junior Bond in the amount of EUR 10 million.

Frankfurt am Main, 03.08.2017

Plain Energy GmbH, Munich, has successfully concluded a mezzanine transaction to recapitalize its tied-up equity and to repay its outstanding shareholder loans in an operating cross-border photovoltaic portfolio. The mezzanine financing was implemented by issuing a structurally subordinated project bond of EUR 10 million at holding level. The portfolio consists of operational photovoltaic power plants in Germany, the Czech Republic and Italy with a total capacity of 10.85 MWp. The consulting firm Capcora, specialized on real assets, has accompanied the transaction in collaboration with the French consultancy Terre et Lac as exclusive financial advisors.

Plain Energy GmbH, which is the holding company of the projects, has successively built up the portfolio since 2007. The projects, which are held in six project companies, are the „Vespasian“ roof-top plant with 1.05 MWp from 2007 in Gundelfingen, Germany, the projects „Hostovice“ with 4.8 MWp and „Trebovice“ with 1 MWp in the Czech Republic with commissioning in 2010/2011, the photovoltaic installations „Epuron 7“ and „Epuron 11“ with 1 MWp each and „Epuron 8“ with 2 MWp in Italy, also in operation since 2010/2011. All PV power plants have been constructed by prestigious EPCs such as juwi and Conergy, which are still largely responsible for the technical operational management.

The recapitalization of EUR 10 million with a fixed interest rate was implemented in form of an unsigned bearer bond through a private placement on the initiative of the mezzanine provider, who financed the entire volume through one of its vehicles. The maturity of the bond is 10 years and is based on the remaining term of the feed-in tariffs of the assets. In conjunction with the good availability of the actual yield data collected over the last few years, the bond benefits from a very stable and well-predictable cash flow profile, which ensures the total repayment of funds over the bond term. In order to maintain a certain degree of flexibility, an individual and variable redemption profile was agreed in close consultation with the investor.

The bond secured on the holding company („HoldCo“) is subordinated to the debt financing on the respective project companies, which have already been redeemed to a certain extent. As is customary for a HoldCo financing, the shares on HoldCo level serve as collateral for the bond, thereby avoiding a major discussion on the collateral between the subordinated financier and the senior lender.

By selecting this financing instrument, Plain Energy is given the opportunity to release the tied-up liquidity without selling any projects from the portfolio. As a result, Plain Energy continues to benefit from the later „upside“ of the projects. At the same time, the bond investor receives an attractive, risk-adequate return, backed by a diversified portfolio.

„We had been considering this step since several years. The current low interest rate environment and the increased supply diversity in the market for project mezzanine gave us the impetus for the implementation of the transaction. We believe that with this product, we offer our investor an attractive long-term and fixed interest rate investment opportunity“, explains Constantin Schwaab, Managing Partner of Plain Energy GmbH.

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„This transaction is a good example of the enormous business potential in secondary markets and brownfield projects. Transactions of this kind will grow strongly in the future and require good preparation as well as professional support“, said Alexander Enrique Kuhn, Managing Partner of Capcora and responsible for Capcora’s energy and infrastructure division.

„The successful completion of this transaction shows that new innovative bond structures can offer attractive equity refinancing opportunities to operators of solar or onshore wind farms“, said Edouard Lamy, founder and former Managing Director of Terre et Lac.

In addition to Capcora and Terre et Lac, Dr. Zoltan Bognar (formerly Capital Stage) and Oliver Wuertenberger have been involved as consultants supporting Terre et Lac on behalf of Plain Energy. Legally, Plain Energy was accompanied by CORVEL LLP from Hamburg (contract negotiation) under the direction of Dr. Sven Schubert.

About Plain Energy:

Plain Energy is an independent power producer (IPP) and operator of photovoltaic power plants in Germany, the Czech Republic and Italy. The entrepreneur and managing partner Constantin Schwaab founded Plain Energy in 2007. He is also the founder and CEO of kinoheld, the market-leading platform for cinema tickets, which he partly sold to the German CTS Eventim AG, the world’s leading company in the field of live entertainment in 2015.
www.plain-energy.com

About Capcora:

Capcora is a consulting firm Capcora, specialized on real assets and procures equity, mezzanine and debt for energy and infrastructure projects, real estate, and medium sized companies. The focus is on mezzanine financing for the recapitalization of tied-up liquidity in existing portfolios as well as for bridge financing of developments and construction measures in the area of renewable energies (photovoltaics, onshore wind) and real estate through alternative financing sources.
www.capcora.com



About Terre et Lac:

TERRE ET LAC is an independent consultancy and solutions provider, founded by a team of professionals of the renewable energy industry, with over 50 years of cumulated experience in the development, funding, construction and operations of renewable energy power plants. The senior team members have together developed, built, commissioned and/or secured funding for a total cumulated nominal power of wind power, solar power and of hydro power of about 700 MW. TERRE ET LAC advises project developers, renewable power producers and investors on the development, the construction, the funding, the financing, the commissioning and the operations of wind power, solar power and hydro power plants mainly in continental Europe. The company operates from offices in Lyon and Béziers in France.

www.terreetlac.com

About CORVEL LLP:

CORVEL is a law firm with a focus on business law. CORVEL specializes in the legal support of transactions in Germany and abroad, particularly in the areas of M & A, joint ventures, infrastructure projects and investments in energy projects. In the area of renewable energies, CORVEL has accompanied over 100 projects with a total capacity of over 5,000 MW. CORVEL advises on all legal matters, in particular in corporate law, on the drafting of contracts (for example, plant construction contracts, EPC contracts, management contracts, lease contracts and land purchase contracts) and all aspects of bank financing.

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