

# NEOEN | MEDIA RELEASE

Paris, May 27, 2020

## Neoen launches the first ever European Green Convertible Bond issue for a maximal nominal amount of €170 million

- With this first ever European green bonds convertible into new shares and/or exchangeable for existing shares ("**OCEANE Verte**"), Neoen further reinforces its commitment to be at the forefront of sustainable finance
- Neoen's green convertible bonds due 2025 will be issued at par for a maximal nominal amount of €170m and will bear interest at a rate ranging from 2.0% to 2.5% from the Issue Date. The nominal unit value of the Bonds will be set at a premium of 35% to 40% above Neoen's reference share price
- Proceeds of the Neoen's green convertible bonds will be allocated to finance or refinance renewable energy production (solar PV, wind power) or storage activities in consistency with EU taxonomy requirements and with the Framework released today and available on Neoen website
- Vigeo Eiris has provided an independent opinion ("**Second Party Opinion**") on the Neoen Green Bond Framework and confirms its alignment with the Green Bond Principles 2018 and the EU Green Bond Standards<sup>1</sup>

Neoen (ISIN Code: FR0011675362, Ticker: NEOEN, Vigeo ESG Rating 61/100) (the "**Company**"), one of the world's leading and fastest-growing independent producers of exclusively renewable energy, announces today the launch of the first ever European senior unsecured OCEANE Verte, (the "**Bonds**"), being offered to qualified investors only, in accordance with Article L. 411-2, 1° of the French monetary and financial code (*Code monétaire et financier*), for a maximal nominal amount of €170 million (the "**Offering**").

Proceeds of the Neoen's green convertible bonds will be allocated to finance or refinance renewable energy production (solar PV, wind power) or storage activities in consistency with EU taxonomy requirements and with the Framework released today and available on Neoen website. It will thus contribute to finance growth towards Neoen's target of having more than 5 GW in capacity in operation or under construction by the end of 2021, while optimizing balance sheet within the guidelines given by the Company regarding an average leverage ratio of approximately 80-85% of invested capital on an all-in basis including all Group debt, whether corporate, junior or senior.

Xavier Barbaro, Chairman and CEO of Neoen, comments: *"We are extremely happy to innovate with the launch of this first ever European green convertible bond issue. This confirms Neoen's commitment to be at the forefront of sustainable finance, having made the choice of focusing mainly on mature carbon-free technologies, with a mission to produce the most competitive renewable electricity, sustainably and on a large scale. This transaction will contribute financing our investments in sustainable growth. This issue also provides an opportunity for investors to participate actively in the global combat against greenhouse gas emissions and climate change".*

### Neoen Green Bond Framework

Sustainable development is at the heart of Neoen's activity and an integral part of its business model. Since 2019, with a view to transparency, the Group has committed voluntarily to the preparation of a declaration of extra-financial performance, available in its 2019 Financial report. In that context, at the same time as the Bond issuance and for transparency purposes, Neoen released today on its website its Green Bond Framework (the "**Framework**"), that was established in accordance with the Green Bond Principles 2018 published by the International Capital Market Association (ICMA) and the main provisions of the EU Green Bond Standards. The external review of the Framework by Vigeo Eiris, as Second Party Opinion provider, is available, together with the Framework, on Neoen's website.

Within the Framework, Neoen lays out, in alignment with the EU Green Bond Standards recommendations:

1. Its sustainable strategy and rationale for issuing a green bond contributing to climate change mitigation and adaptation objectives of the EU taxonomy.

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<sup>1</sup> As recommended by the TEG (Technical Expert Group on Sustainable Finance set up by the European Commission)

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2. Its green bond committee, composed of members of the executive committee as well as the head of financing and a representative of the CSR function, which will be responsible for selecting eligible green projects.
3. The allocation of the proceeds of the Bonds to the financing or refinancing of renewable energy production (solar PV, wind power) or storage activities in consistency with EU taxonomy requirements and with the Framework.
4. Its reporting commitments including allocation of the proceeds and impact of the financed projects.
5. The external reviews of the Framework and reporting.

The Framework aims to formalise the single approach that Neoen will use for any potential future green bond issuances and the extension of its programme to new types of eligible projects. Going forward, the Framework may be updated from time to time.

For all issuances under the Framework, including for the Bonds, Neoen intends to prepare an allocation report as well as an impact report annually until full allocation of the proceeds.

## Main terms of the Bonds

The Bonds will be issued at par and will bear interest at a rate ranging from 2.0% to 2.5% from the Issue Date, payable semi-annually in arrears on December 2<sup>nd</sup> and June 2<sup>nd</sup> of each year (or on the following business day if this date is not a business day), and for the first time on December 2<sup>nd</sup>, 2020.

The nominal unit value of the Bonds will be set at a premium of 35% to 40% above the reference share price which is expected to be set as the clearing price of the concurrent placement (by way of an accelerated bookbuilding process, the “**Concurrent Accelerated Bookbuilding**”) of existing shares of the Company organised by the joint global coordinators, to facilitate hedging for certain subscribers of the Bonds. The number of shares sold as part of the Concurrent Accelerated Bookbuilding is estimated to be no more than 900,000 shares. The Company and Impala SAS, which holds 49.96% of the share capital and voting rights of the Company, have indicated their intention to participate by placing orders in the Concurrent Accelerated Bookbuilding, each of them representing approximately 10% of the total size of the placement.<sup>2</sup>

The final terms of the Bonds and the price of the shares sold in the Concurrent Accelerated Bookbuilding are expected to be announced later today and the settlement-delivery of the Bonds and of the shares are expected to take place on June 2<sup>nd</sup>, 2020 (the “**Issue Date**”).

Unless previously converted, exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on June 2<sup>nd</sup>, 2025 (or on the following business day if this date is not a business day) (the “**Maturity Date**”).

The Bonds may be redeemed prior to maturity at the option of the Company and at the option of the bondholders under certain conditions.

In particular, the Bonds may be fully redeemed earlier at par plus accrued interest, at the Company's option at any time from June 23<sup>rd</sup>, 2023 until the Maturity Date, subject to a minimum of 30 (but not more than 90) calendar days prior notice, if the arithmetic average, calculated over a period of 20 consecutive trading days chosen by the Company from among the 40 consecutive trading days preceding the publication of the early redemption notice, of the products of the volume weighted average price of the Company's shares on the regulated market of Euronext in Paris (“**Euronext Paris**”) on each trading day of the considered period and the applicable conversion/exchange ratio on each such trading day exceeds 130% of the nominal value of the Bonds.

Upon a Change of Control of the Company, a Free Float Event or a Delisting of the shares of the Company (as these terms are defined in the terms and conditions of the Bonds), all bondholders will have an option to request the redemption before the Maturity Date of the Bonds at their nominal amount plus accrued but unpaid interests.

Bondholders will be granted a conversion/exchange right of the Bonds into new and/or existing shares of the Company (the “**Conversion/Exchange Right**”) which they may exercise at any time from the Issue Date and until the 7<sup>th</sup> trading day (inclusive) preceding the Maturity Date or the relevant early redemption date.

The conversion/exchange ratio is set at one share per Bond subject to standard adjustments as described in the terms and conditions of the Bonds. Upon exercise of their Conversion/Exchange Right, bondholders will receive at the option of the Company new and/or existing Company's shares carrying in all cases all rights attached to existing shares as from the date of delivery.

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<sup>2</sup> Such orders will be placed “at price” subject to, as regards the Company, a maximum price equal to the close price of the shares on Euronext Paris as of May 27<sup>th</sup>, 2020 in accordance with rules applicable to share buy backs.

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Application will be made for the listing of the Bonds on Euronext Access™ of Euronext in Paris to occur within 30 calendar days from the Issue Date.

## Lock-up undertakings

In the context of the Offering, the Company and Impala SAS agree respectively to a lock-up undertaking on the issuance or sale of shares or of securities giving access to the share capital for a period starting from the announcement of the transaction and ending 90 calendar days after the Issue Date, subject to certain customary exceptions or waiver from the Joint Global Coordinators.

## Dilution

For illustrative purposes, based on a €170m Offering, a 34.65 reference share price<sup>3</sup> and a 37.5% conversion premium corresponding to the mid-range of conversion/exchange premium, the potential dilution would represent approximately 4.2% of the outstanding share capital, should the Company decide to exclusively deliver new shares upon full conversion of the Bonds.

## Legal framework of the Offering and placement

The Offering of the Bonds will be conducted solely by way of an accelerated bookbuilt placement in France and outside of France (excluding in particular the United States of America, Canada, Australia and Japan), to qualified investors only, in accordance with Article L. 411-2 1° of the French monetary and financial code (*Code monétaire et financier*), as per the 19<sup>th</sup> resolution approved by the Company's extraordinary general meetings held on May 26<sup>th</sup>, 2020.

Existing shareholders of the Company shall have no preferential subscription rights (nor priority subscription period) in connection with the issuance of the Bonds or the underlying new shares of the Company issued upon conversion.

Neoen's Framework and the Second Party Opinion are available online at:

- <https://www.neoen.com/en/financial-information>

## Available information

The Offering of the Bonds is not subject to a prospectus approved by the French Financial Market Authority (*Autorité des marchés financiers*) (the "AMF"). Detailed information on Neoen, including its business, results, prospects and related risk factors are described in the Company's universal registration document (*document d'enregistrement universel*) filed with the AMF on April 28<sup>th</sup>, 2020 under number D.20-0386 which is available, together with all the press releases and other regulated information about the Company, on Neoen's website ([www.neoen.com](http://www.neoen.com)). The description of the share buyback program of the Company implemented pursuant to the sixteenth resolution adopted by the general meeting held on May 26<sup>th</sup>, 2020 is available on the Company's website at the address: <https://www.neoen.com/var/fichiers/20200527-neoen-description-of-share-buy-back-programme.pdf>

## Important information

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell securities to any person in the United States, Australia, Canada or Japan or in any jurisdiction to whom or in which such offer is unlawful, and the Offering of the Bonds is not an offer to the public in any jurisdiction, including France, other than to qualified investors.

### About Neoen

Neoen is one of the world's leading and fastest growing independent producers of exclusively renewable energy. With a capacity of more than 3 GW in operation or under construction, Neoen is a high-growth company. Neoen is notably active in France, Australia, Mexico, El Salvador, Argentina, Finland, Portugal, Ireland, Zambia, Jamaica and Mozambique. In particular, Neoen operates France's most powerful solar PV farm (300 MWp) in Cestas, and the world's largest lithium-ion power reserve (150 MW/193.5 MWh storage capacity) in Hornsdale, Australia. Neoen is targeting at least 5 GW capacity in operation or under construction by end of 2021. Neoen (ISIN Code: FR0011675362, ticker: NEOEN) is listed in Compartment A of the regulated market of Euronext Paris.

<sup>3</sup> i.e. Neoen's share price on Euronext Paris, at close of trading on May 26<sup>th</sup>, 2020.

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For more information: [www.neoen.com](http://www.neoen.com)

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*No communication or information relating to the offering of the Bonds may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of Neoen and the financial intermediaries assumes any liability in connection with the breach by any person of such restrictions.*

*This press release is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 (the "Prospectus Regulation"). This press release is not an offer to the public other than to qualified investors, an offer to subscribe or designed to solicit interest for purposes of an offer to the public other than to qualified investors in any jurisdiction, including France.*

*The Bonds will be offered only by way of an offering in France and outside France (excluding the United States of America, Australia, Canada and Japan), solely to qualified investors as defined in article 2 point (e) of the Prospectus Regulation and in accordance with Articles L. 411-1 and L. 411-2 of the French monetary and financial code (Code monétaire et financier). There will be no public offering in any country (including France) in connection with the Bonds, other than to qualified investors. This press release does not constitute a recommendation concerning the issue of the Bonds. The value of the Bonds and the shares of Neoen can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the Bonds for the person concerned.*

### Prohibition of sales to European Economic Area and United Kingdom retail investors

*No action has been undertaken or will be undertaken to make available any Bonds to any retail investor in the European Economic Area and in the United Kingdom. For the purposes of this provision:*

- (a) *the expression "retail investor" means a person who is one (or more) of the following:*
- (i) *a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or*
  - (ii) *a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or*
  - (iii) *not a "qualified investor" as defined in the Prospectus Regulation; and*
- (b) *the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.*

*Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the European Economic Area or in the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the European Economic Area or in the United Kingdom may be unlawful under the PRIIPs Regulation.*

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*MIFID II product governance / Retail investors (France only), professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is French retail investors, eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to French retail investors, eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, even if the target market includes French retail investors, the manufacturers have decided that the Bonds will be offered, as part of the initial offering, only to eligible counterparties and professional clients.*

### France

*The Bonds have not been and will not be offered or sold or cause to be offered or sold, directly or indirectly, to the public in France other than to qualified investors. Any offer or sale of the Bonds and distribution of any offering material relating to the Bonds have been and will be made in France only to qualified investors (investisseurs qualifiés), as defined in article 2 point (e) of the Prospectus Regulation, and in accordance with Articles L.411-1 and L.411-2 of the French monetary and financial code (Code monétaire et financier).*

### United Kingdom

*This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (iii) to high net worth companies, and other persons to whom it may lawfully be communicated, falling within by Article 49(2) (a) to (d) of the Order (the persons mentioned in paragraphs (i), (ii) and (iii) all deemed relevant persons (the "**Relevant Persons**")). The Bonds and, as the case may be, the Shares to be delivered upon exercise of the conversion rights (the "**Financial Instruments**"), are intended only for Relevant Persons and any invitation, offer or agreement related to the subscription, tender, or acquisition of the Financial Instruments may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.*

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