



Investor Relations Presentation

August 2018



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I.	Company Profile & Business Model	4
II.	Market & Strategy	11
III.	Highlights H1 2018 & Financials	25

PNE WIND becomes PNE – Pure New Energy



PNE
pure new energy

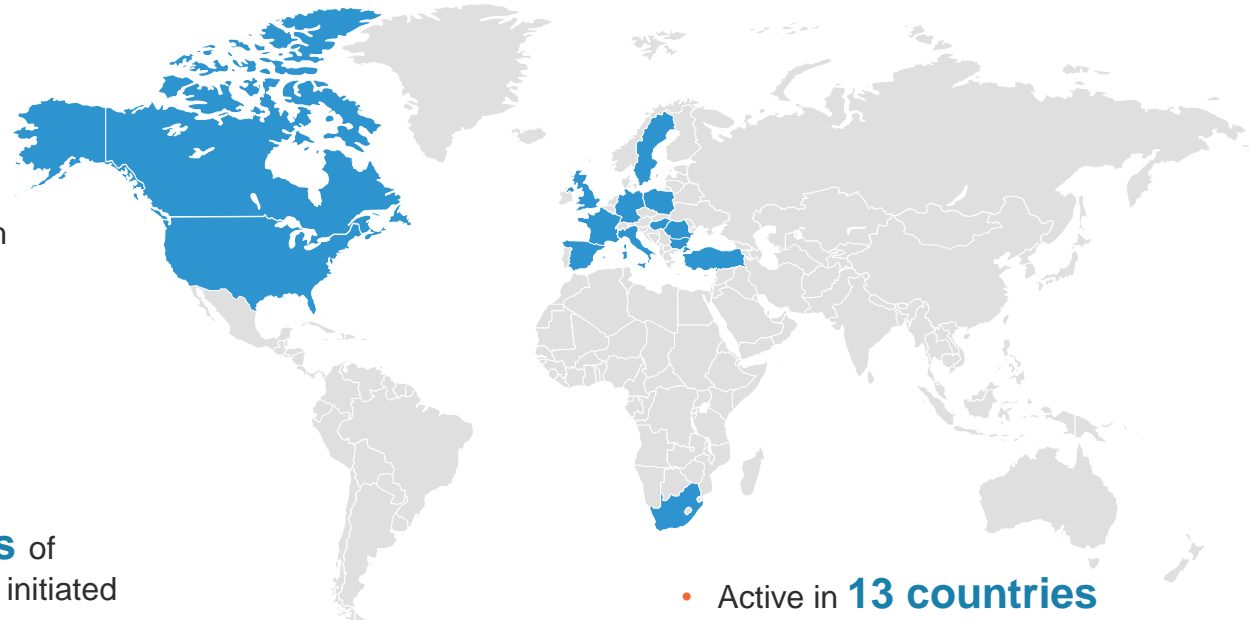
We are a leading developer of wind energy projects...

- PNE Group, consisting of the companies PNE AG and WKN AG, is a leading wind farm developer located in Northern Germany
>2,600 MW realised onshore

- Germany's most successful project developer with
8 Offshore projects sold totaling 2,852 MW

- Nr. 2 player in operations & management in Germany with
>1,500 MW under management

- **> € 9bn Euros** of investment done or initiated



- Active in **13 countries on 3 continents**

...with a strong market position – nationally and internationally

We have a dedicated & experienced management team

- Seasoned wind energy pioneers with strong industry knowledge and large network



- CEO since May 2016
- COO 2011 - 2016
- Industry experience since 2000
- Sales, M&A, Procurement, Offshore, Human Resources, Communication



- CFO since April 2011
- Industry experience since 1999
- Finance and Accounting, Controlling, Risk Management, Legal



- COO since September 2016
- Industry experience since 1995
- Project Development, Implementation, International Markets

We have a successful business model



- Acquisition of the site
- Wind analysis
- Selection of equipment
- Permits

- Financial analysis
- Legal concept
- Sales/ marketing
- Project financing

- Grid connection
- Infrastructure
- Assembly
- Start-up of operations

- IPP
- Utility
- Infrastructure fund

- Technical and commercial management

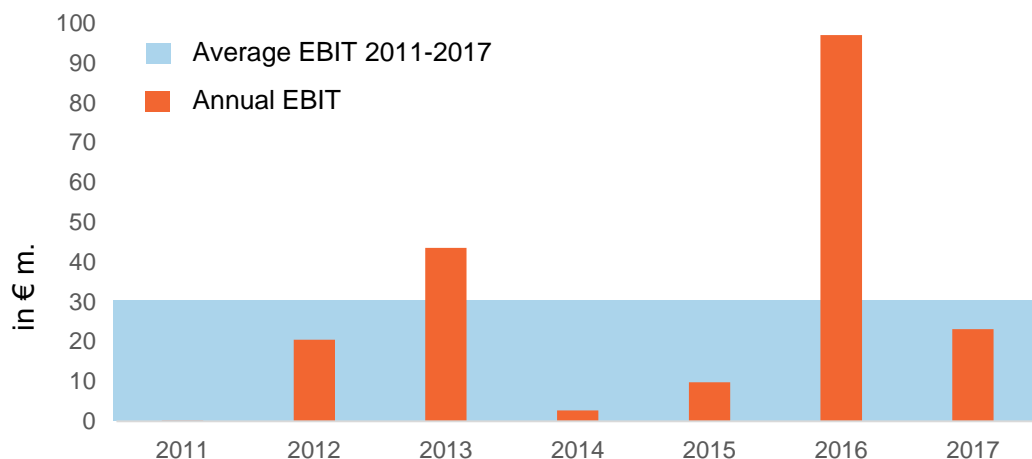
Development, planning, construction and operation of wind farms onshore and offshore

Premium, bankable projects with high certainty of realization

Covering the entire value chain – from a single source

What we achieved

We generated strong earnings from 2011 – 2017...



Ø EBIT of € 28.1m

- In average, an EBIT of € 28.1m was achieved per year




Ø EPS of € 0.29

- In average, an EPS of € 0.29 was achieved over the last seven years

Ø Dividend of € 0.08/share

- An average dividend of € 0.08/share was paid per year

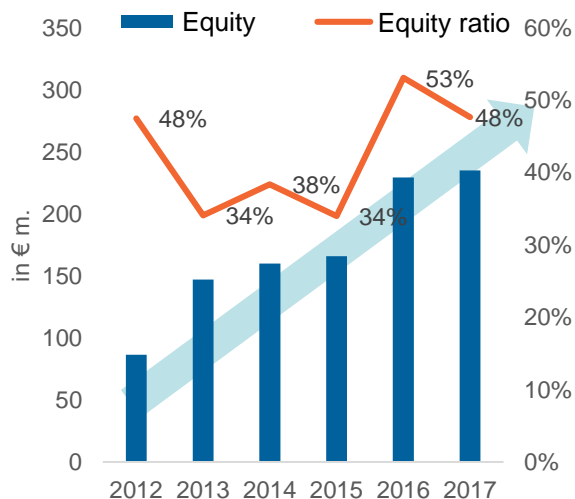
...and consistently delivered on our targets

GUIDANCE	GOAL	ACHIEVED
2011 – 2013	€ 60 – 72m	€ 64m 
2014 – 2016	€ 110 – 130m	€ 110m 
2017	€ 17 – 23m (old: 0 – 15m)	€ 23.1m 

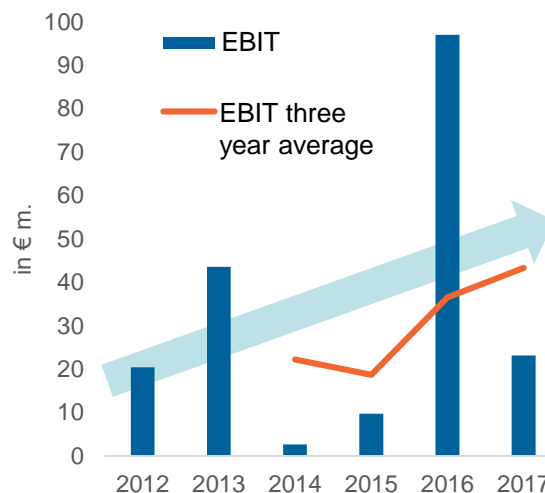
What we achieved

Financials improved significantly since 2011

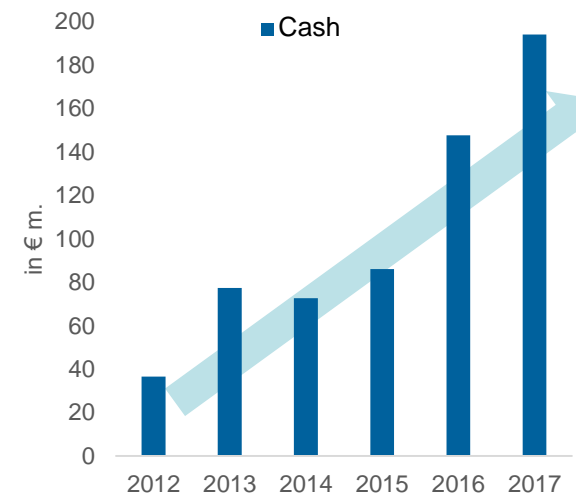
Equity



Output & Earnings



Liquidity

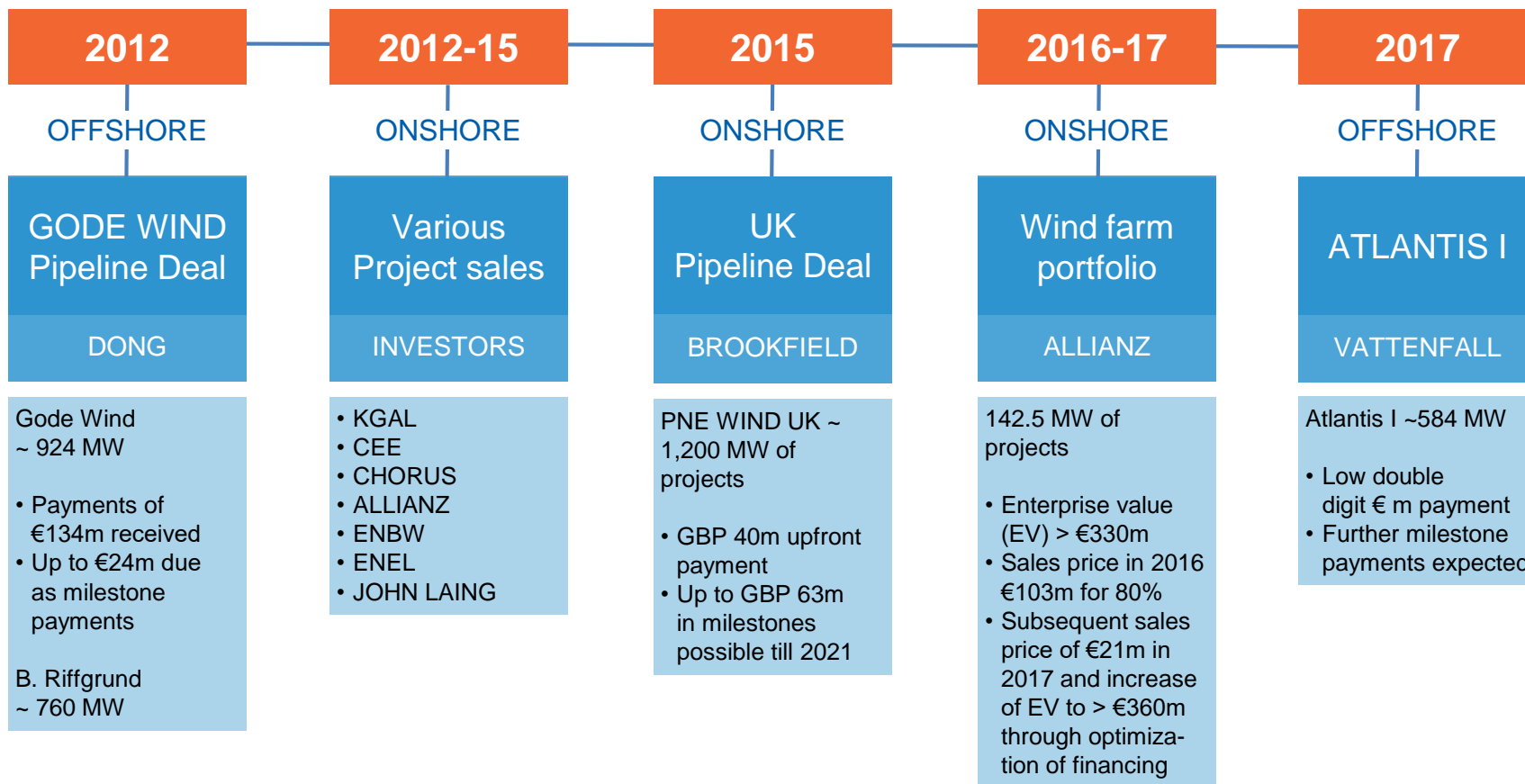


- ✓ Equity increased by more than € 150m
- ✓ Solid equity ratio despite volatile earnings

- ✓ Total output clearly increased
- ✓ Ø EBIT of more than € 28m between 2011 and 2017
- ✓ Cumulative EBIT of ca. € 130m over the last three years

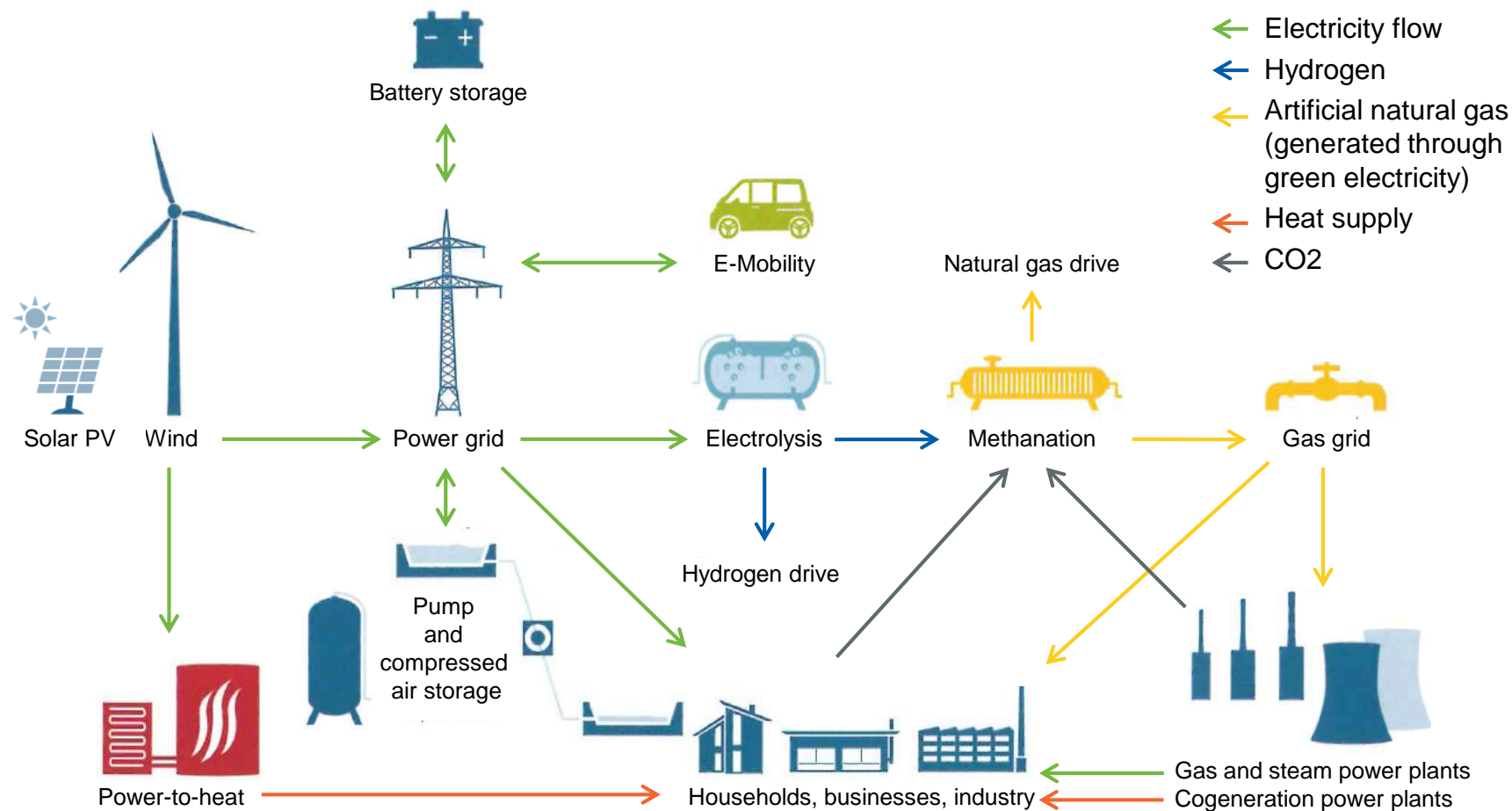
- ✓ Continuous increase of liquidity

Major deals in recent years



- | | | |
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| I. | Company Profile & Business Model | 4 |
| II. | Market & Strategy | 11 |
| III. | Highlights H1 2018 & Financials | 25 |

Markets are becoming more integrated...

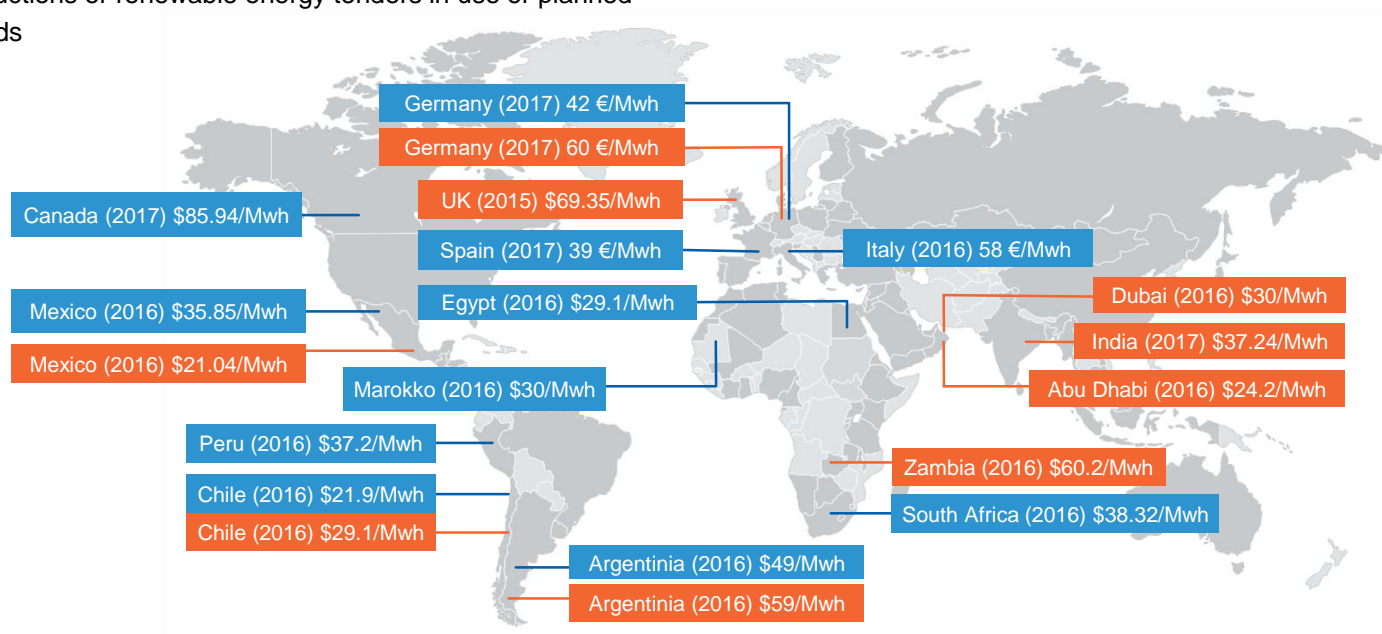


Source: e/m/w 2017, PNE AG

Auction systems become the norm...

Global overview of renewable energy auctions

- Countries with auctions or renewable energy tenders in use or planned
- Onshore wind bids
- Solar PV bids



Challenges in the current market

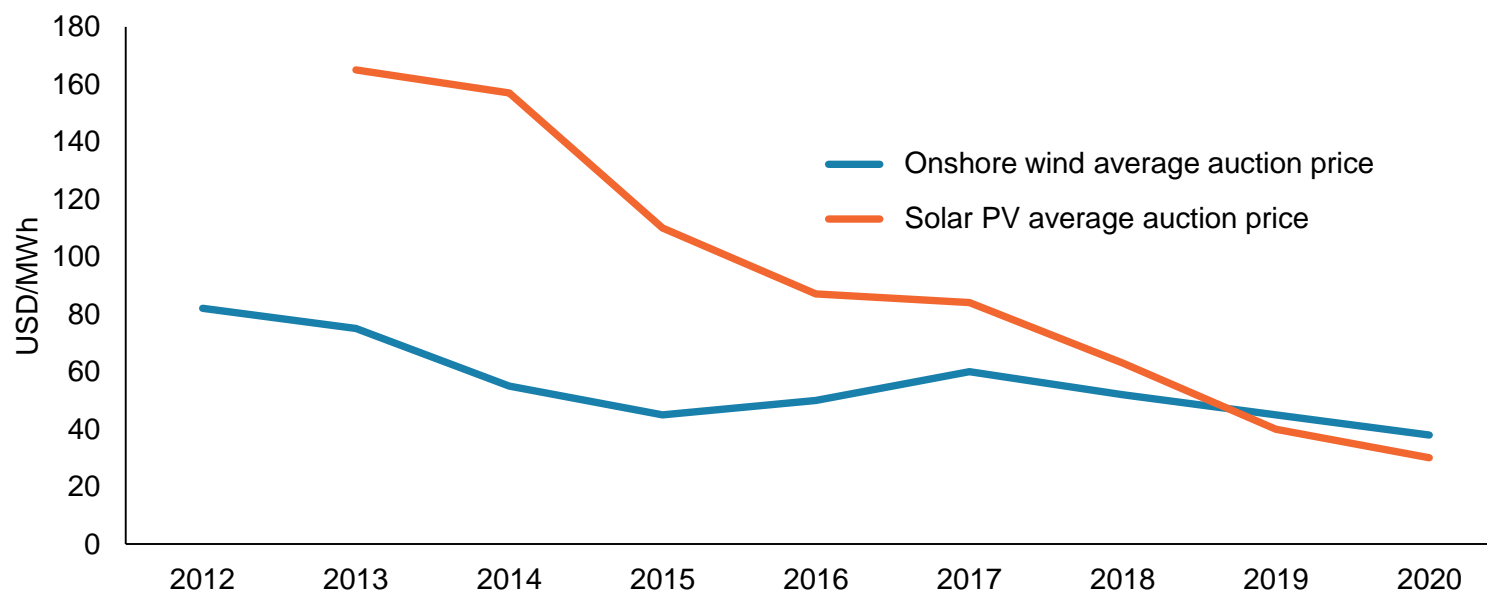
- Regulatory uncertainties
- Auctions for grid connections and tariffs
- Growth (in MW) in established markets is stagnating, returns are decreasing

Source: Bloomberg New Energy Finance

... and are significantly impacting project pricing

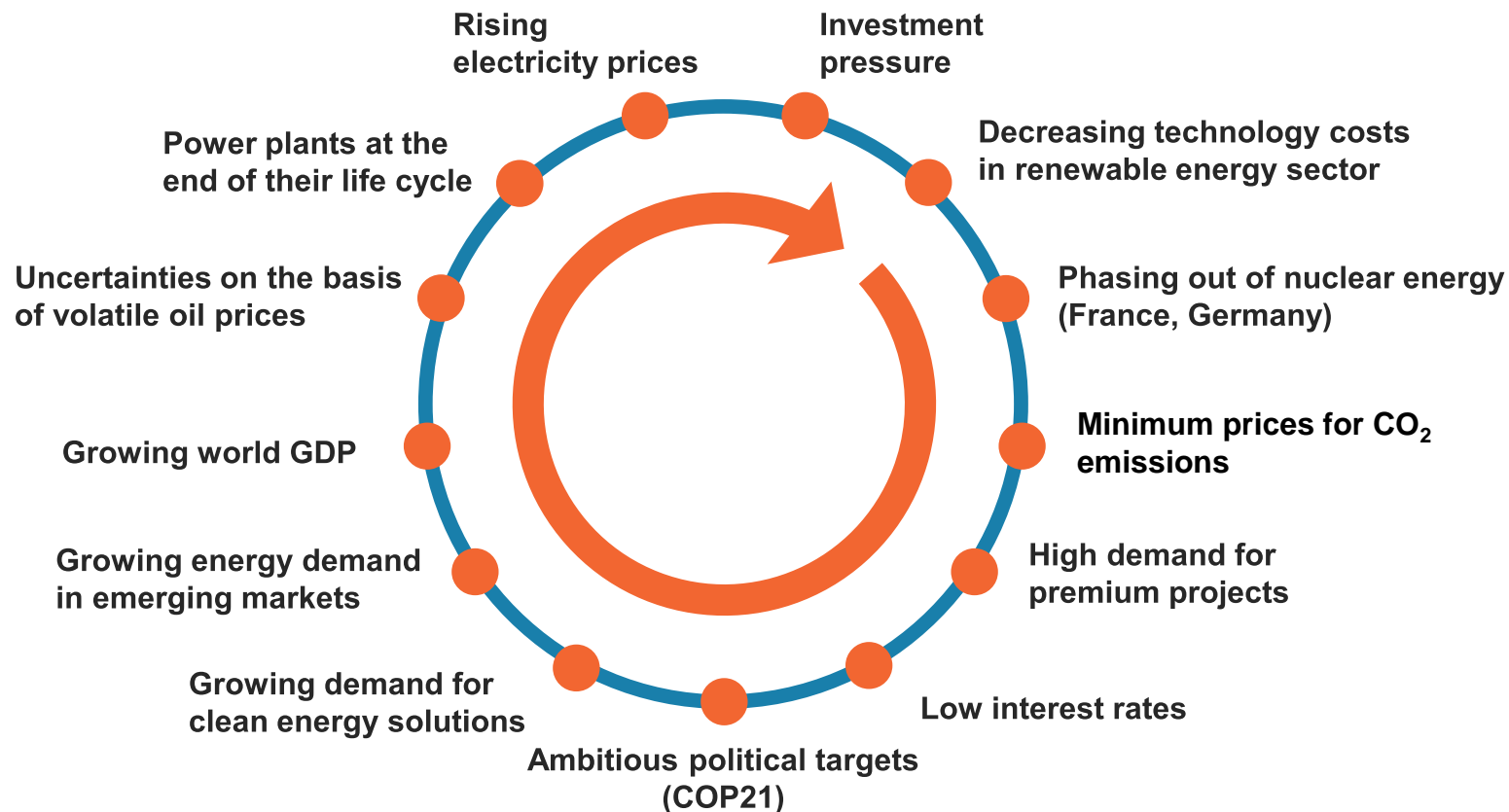
- Increasing market competition, also between various technologies in the renewable energy sector
- Fast decreasing tariffs in auctions – Solar PV is catching up
- Current price trends in tender markets partly anticipate future technological developments and cost reduction effects
- Larger projects require higher security deposits and greater need for pre-financing

Announced wind and solar PV auction prices by commissioning date



Source: Renewables 2017, IEA

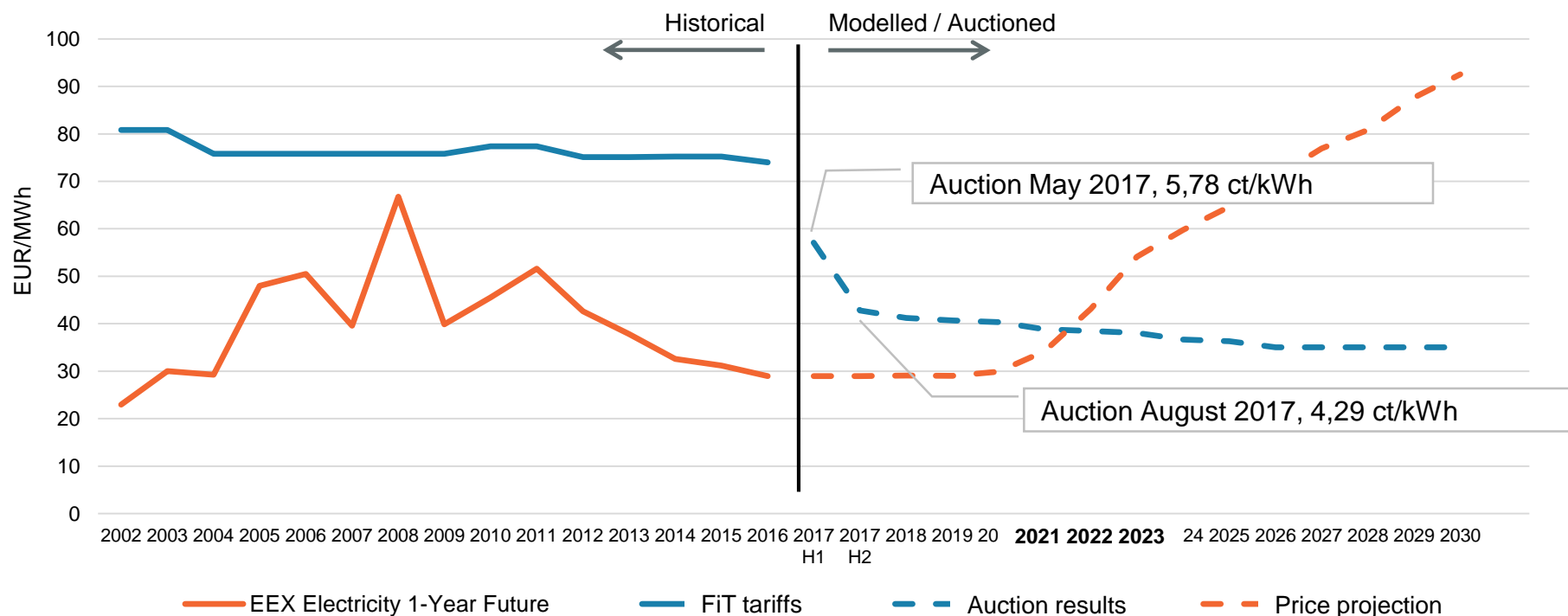
...But growth drivers are fully intact



Electricity prices will increase

- Electricity prices will increase as nuclear power plants will go offline in Germany and France
- Prices of CO2 certificates will increase
- This will open up new business opportunities (e.g. project sold in Sweden relies solely on forecasted energy pricing)

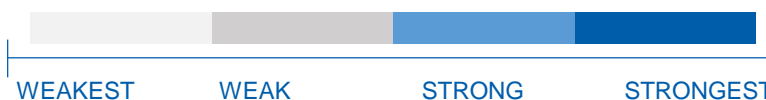
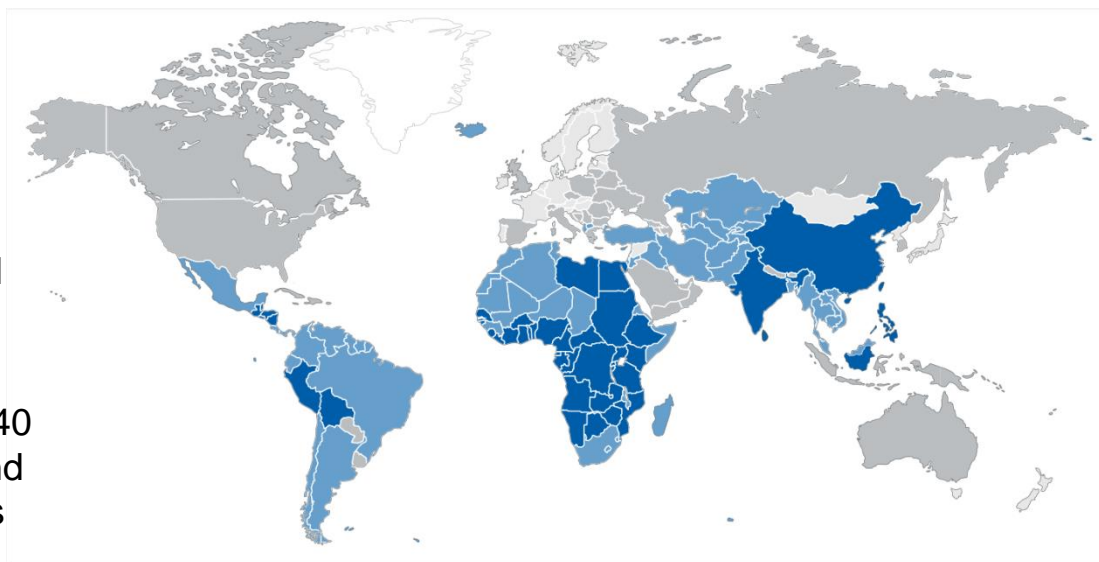
Electricity prices Germany



Source: PNE AG

While established markets are stagnating, growth will be mainly driven by emerging markets

- By 2020 more than 40 countries could each install >1GW of wind energy
- Diverse development stages in the different markets offer different risk / reward profiles
- Emerging markets will experience a strong increase in energy demand due to growing populations and economies
- Ca. 7,200 GW are necessary by 2040 to meet increasing electricity demand and planned power plant shutdowns

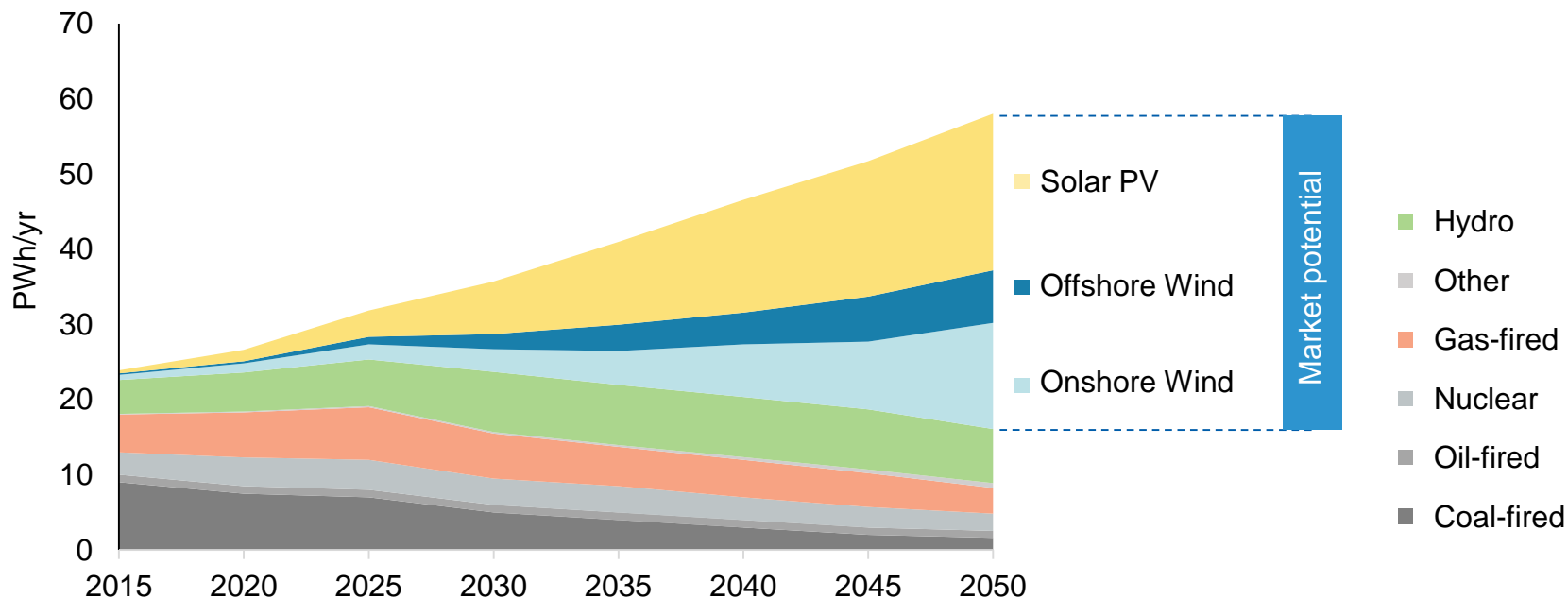


Source: Bloomberg New Energy Finance, Make Consulting, Baringa Analysis

Growth trend of renewable energies remains unbroken and will continue in the future

- Wind and Solar PV will grow significantly and offer huge market potential in the short, mid and long term
- Will increasingly replace electricity generation from conventional energy sources

Global electricity production by generation type



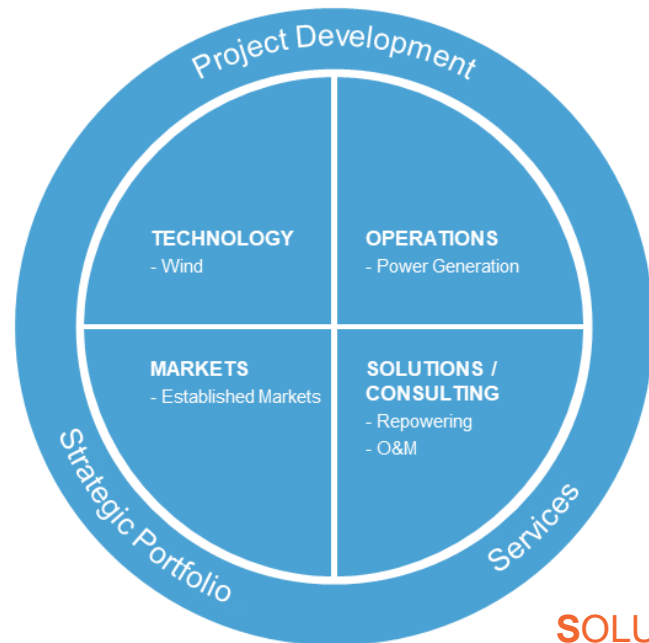
Source: DNV GL 2017

We are setting the course for the future:



We are developing
into a **Clean Energy
Solution Provider**

We are expanding our business:

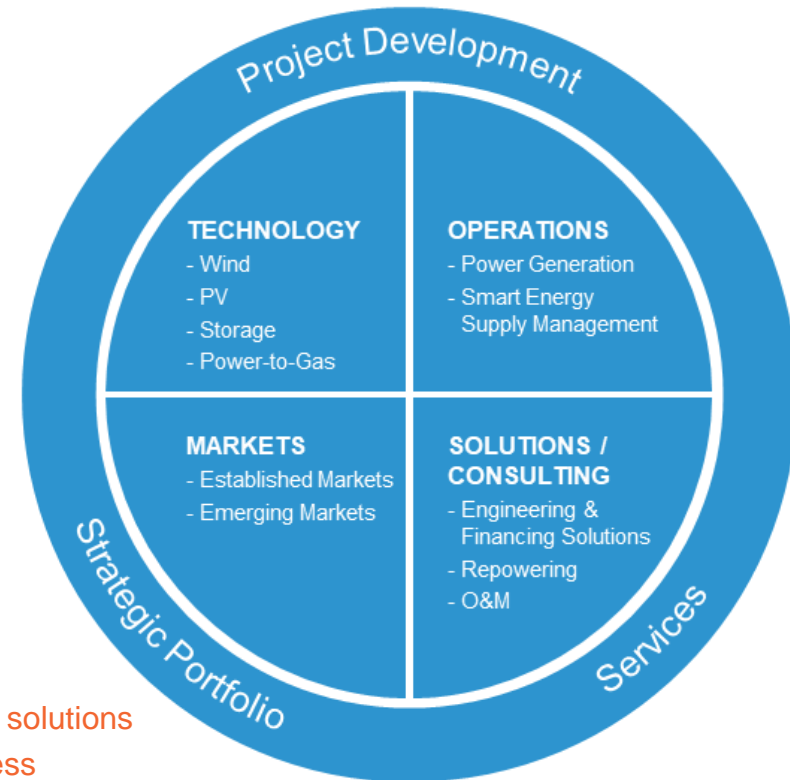


PROJECT DEVELOPER

We develop and implement wind farms onshore as well as offshore.



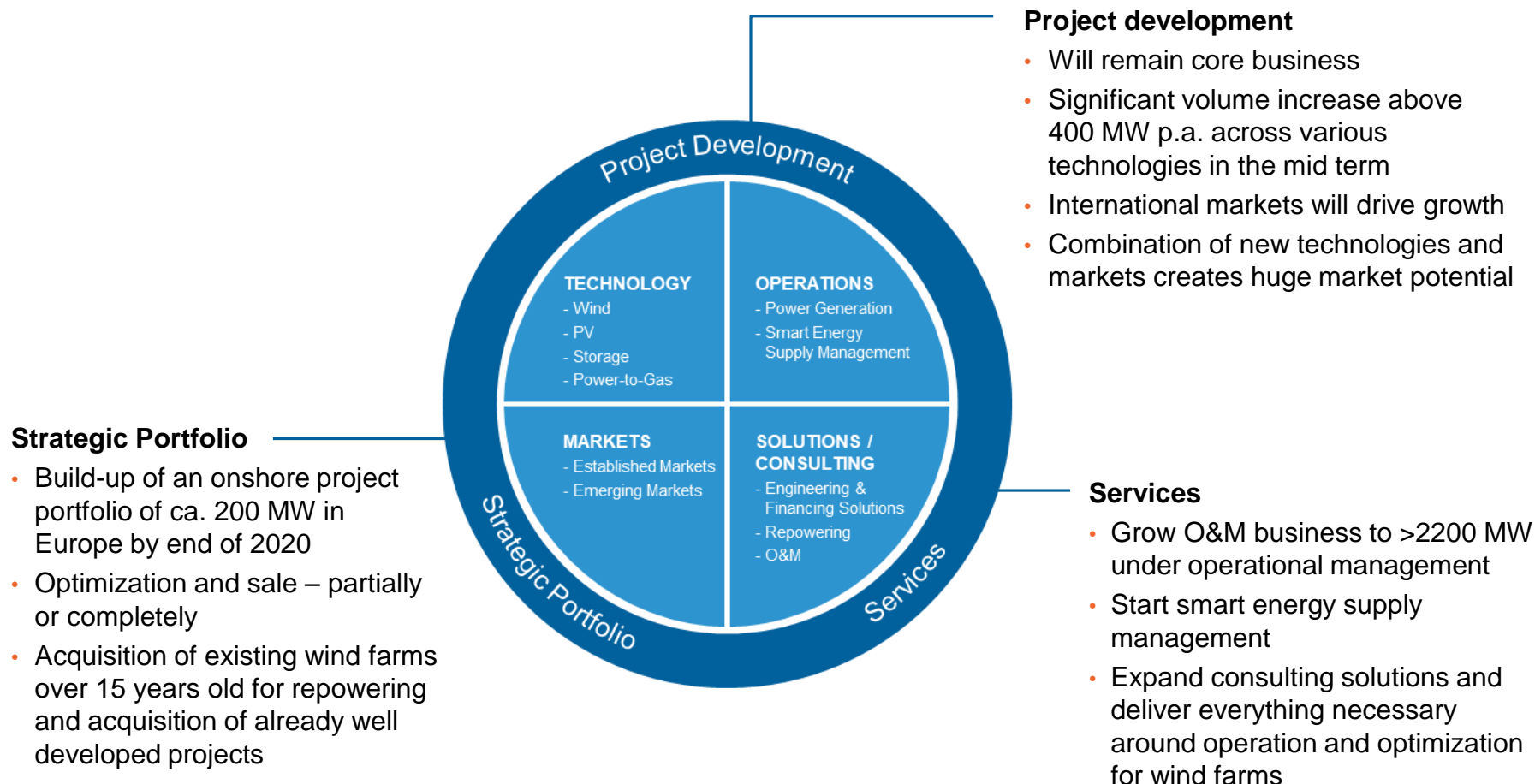
SOLUTIONS Provide clean energy solutions
CORE Grow our core business
ADAPT Optimize our structures
LEVERAGE Leverage our expertise
EXPAND Expand along the value chain



CLEAN ENERGY SOLUTION PROVIDER

We develop and implement projects and solutions for the planning, construction and operation of renewable energy power plants.

We capitalize on our core competencies...



...to open up further elements of the value chain

We will drive down costs...

Reduction of Project costs



1. Economies of Scale

- Increase development output to 400 MW p.a. across all technologies
- Increase Strategic Portfolio size to 200MW
- Increase MW under operational management to >2,200

2. Cost Reductions

- e.g. through cooperations with wind turbine manufacturers
- DEVEX
- CAPEX
- OPEX

3. Higher Energy Output

- More efficient wind turbines

Reduction of Overhead costs



- Reduction of personnel costs
- Reduction of other expenses
- Procurement synergies
- Strengthening of core processes
- New IT solutions to improve efficiency and communication



...and invest to increase our competitiveness



Smart Capital Allocation

- Optimisation of financing structure
 - € 100m corporate bond (8% coupon) paid back successfully
 - € 50m growth financing secured through successful placement of new corporate bond with 4% coupon
 - This results in a reduction of financing costs of € 6m
 - € 25m <4% additionally secured for wind farm equity
- Increase of recurring revenue basis, leading to improved credit terms
- Higher margin potential in emerging markets, especially with government funding and loans (EKF, KfW, Hermes, EIB, Weltbank, IPEX etc.)
- Partnering / Cooperations with partners who guarantee low refinancing costs



Investment

Investment of € 10m p.a. on average for:

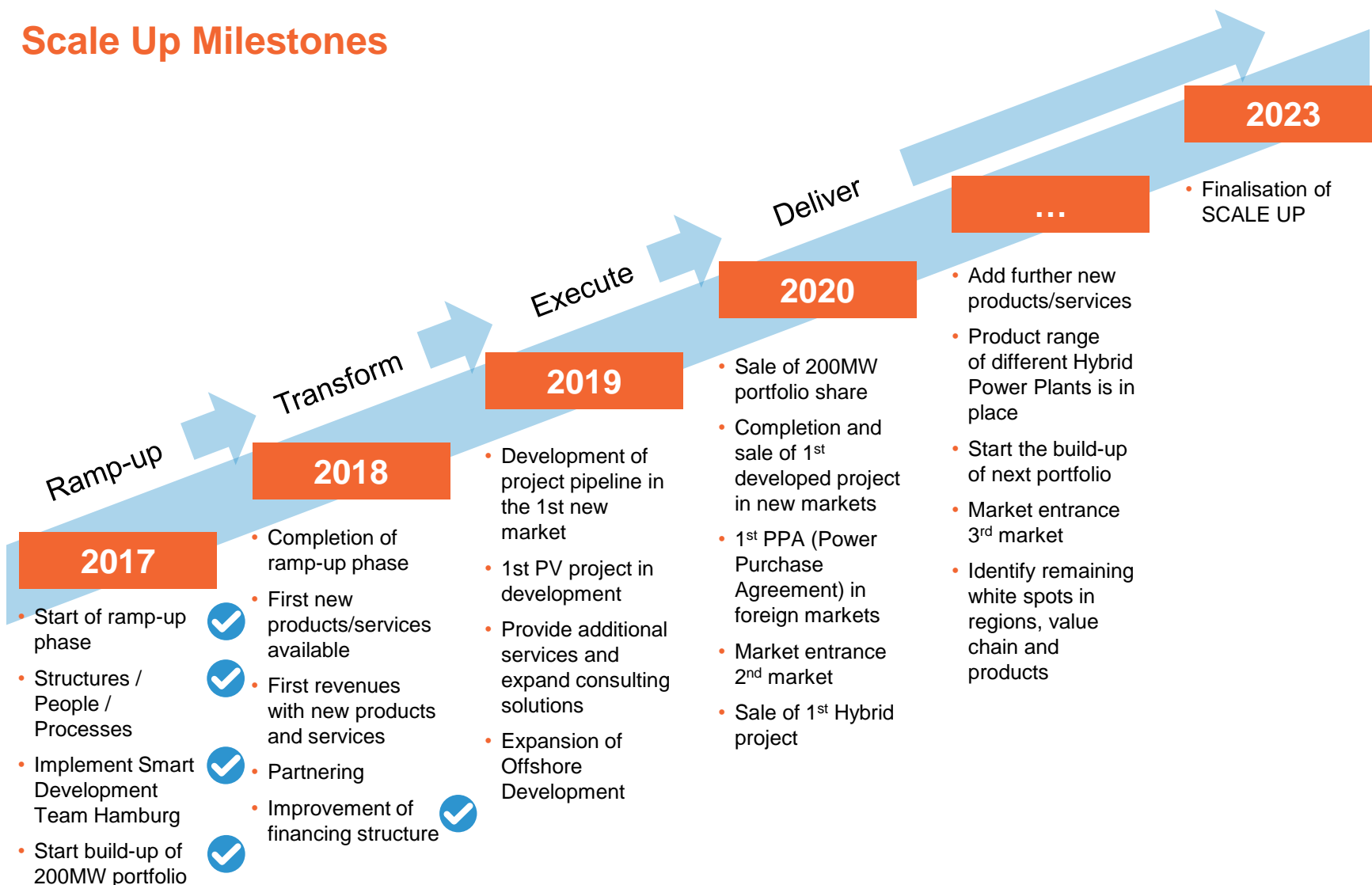
- Acquisitions of companies at attractive multiples before synergies
- Acquisition of project rights to expand the pipeline
- Investment in high potentials and experts in markets and technologies
- Investment in additional (regional) offices and equipment

Additional Investment:

- Acquisition of projects as a basis for repowering
- Participation in citizen wind energy projects



Scale Up Milestones



I.	Company Profile & Business Model	4
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Operational Highlights H1 2018

Successes in the onshore business

- Projects completed (37.5 MW): Looft, St. Martin-L'Ars, Wangerland
- Projects under construction (66 MW): Gerdau-Schwienau, Laxaskogen, project in France
- New permits received (41.3 MW): Schlenzer, Kittlitz, Demeraucourt
- Tender wins (49.1 MW): Gerdau-Schwienau, Schlenzer, Kittlitz

Successes in the offshore business

- Further milestone payment of approx. € 4m for Gode Wind 3 from Ørsted booked
- Gode Wind 4 successful in first German Offshore tender in 2018
- Construction of Borkum Riffgrund 2 started

Progress in build up of new Wind Farm Portfolio 2020

- Repowering project Gerdau-Schwienau (21.6 MW) successful in first German onshore tender in 2018, construction has already started

Strategy SCALE UP

- First successes in the service segment, e.g. construction management and financing for the project Wangerland
- WKN stake increased to 100% [July] - Additional synergies and productivity increases expected

Financial Highlights H1 2018

H1 results according to plan, earnings improve significantly yoy

- EBITDA at € 8.7m (H1 2017: € -1.8m), EBIT at € 4.1m (H1 2017: € -5.0m)
- Significant earnings increase yoy despite preparations for project implementation as well as investments in the build-up of the „wind farm portfolio 2020“
- Earnings increase among others driven by offshore milestone payment and higher power generation

Resolutions of the AGM 2018

- PNE WIND becomes PNE – Pure New Energy
- Dividend of € 0.04 per share paid

Successful refinancing will reduce interest expenses by € 6m p.a.

- € 50m corporate bond successfully placed in the market at an attractive coupon of 4%
- € 100m / 8% corporate bond paid back on June 1

Financial basis remains strong

- Liabilities reduced by € 54.4m, Gross cash position at € 114.9m
- Equity ratio very solid at 53%

Positive outlook for FY 2018 confirmed

- EBIT of € 10-16m, EBITDA of € 20-26m expected

Onshore

Land	I-II	III	IV	Total MW
Germany	1399	131	22	1552
Bulgaria	121	0	0	121
France	321	124	19	464
United Kingdom	43	0	0	43
Italy	70	14	0	84
Canada	505	0	0	505
Poland	223	42	0	265
Romania	54	102	0	156
South Africa	230	30	0	260
Sweden	0	158	0	158
Turkey	629	71	0	700
Hungary	0	42	0	42
USA	232	200	0	432
Total	3827	914	41	4782

Phase I – II = Exploration & Development
 Phase III = Planning
 Phase IV = Implementation till handover

As of June 30, 2018

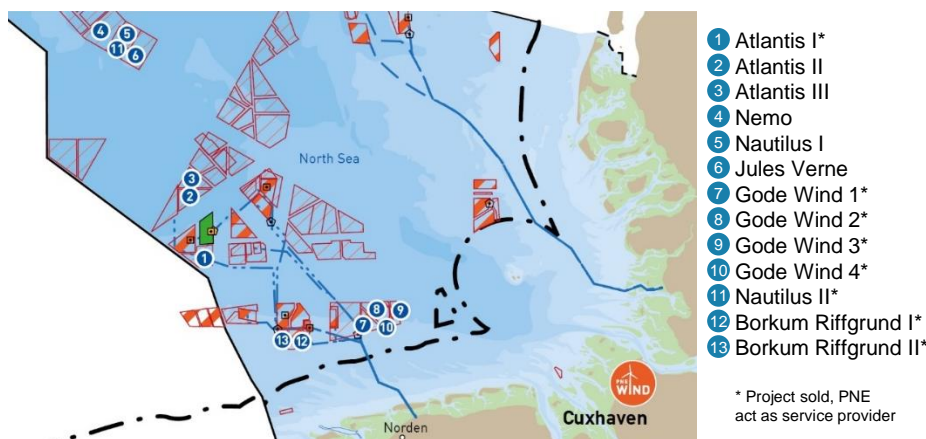
H1 2018 Highlights:

- **Germany**
 - Repowering project Looft (16.5 MW) completed
 - Wind farm Wangerland: construction completed
 - Repowering project Gerdau-Schwienau (21.6 MW) successful in 1st German onshore tender in 2018, construction has already started
 - Permits for projects Kittlitz (21 MW) and Schlenzer (6.5 MW) received
 - Projects Kittlitz (21 MW) and Schlenzer (6.5 MW) successful in 2nd German onshore tender in 2018
- **France**
 - Wind farm Saint-Martin-L'Ars (10.25 MW) put in operation
 - Construction of another French project (19.2 MW) has started
 - Permit for project Dameraucourt (14.1 MW) received
- **Sweden**
 - Project Laxaskogen (25.2 MW) under construction
 - Start of operation expected in Q1 2019
- **69 MW of own wind farms currently in operation**

Offshore

Zone	Sold projects	Phase	#WEA	Total MW	Sold to
1	Borkum Riffgrund 1	8	78	312	Ørsted (DONG)
1	Borkum Riffgrund 2	6	56	448	Ørsted (DONG)
1	Gode Wind 1 & 2	8 / 8	55 + 42	582	Ørsted (DONG)
1	Gode Wind 3 & 4	5 / 4	14 + 42	450	Ørsted (DONG)
2	Atlantis I	3	73	584	Vattenfall
4	HTOD5 (Nautilus II)	2	68	476	Ventizz/Hochtief
Total			428	2.852	

Phase 2 = Application conference held, 3 = Hearing held,
 4 = Approval granted, 5 = Grid connection, 6 = Investment decision,
 7 = Under construction, 8 = In operation



H1 2018 Highlights:

- **Milestone payment for Gode Wind 3 of around € 4m from Ørsted booked**
- **Gode Wind 4 successful in offshore tender**
- **Construction of Borkum Riffgrund 2 has started**
- **Active as service provider for projects sold**
 - Consultant agreements in place with Ørsted (DONG) and Vattenfall
- **Further milestone payments expected**
 - Up to € 19m from Borkum Riffgrund 2 and Gode Wind 4
- **Regulatory Changes: Constitutional complaint filed**
 - According to WindSeeG all projects in Zone 3 to 5 will be brought into the “Central Model” to be tendered off by the government
 - Legal opinions conclude that parts of WindSeeG are unconstitutional
 - A constitutional complaint has been filed in the end of July 2017 together with others

Income Statement H1 2018 (H1 2017)

H1 2018 Highlights:

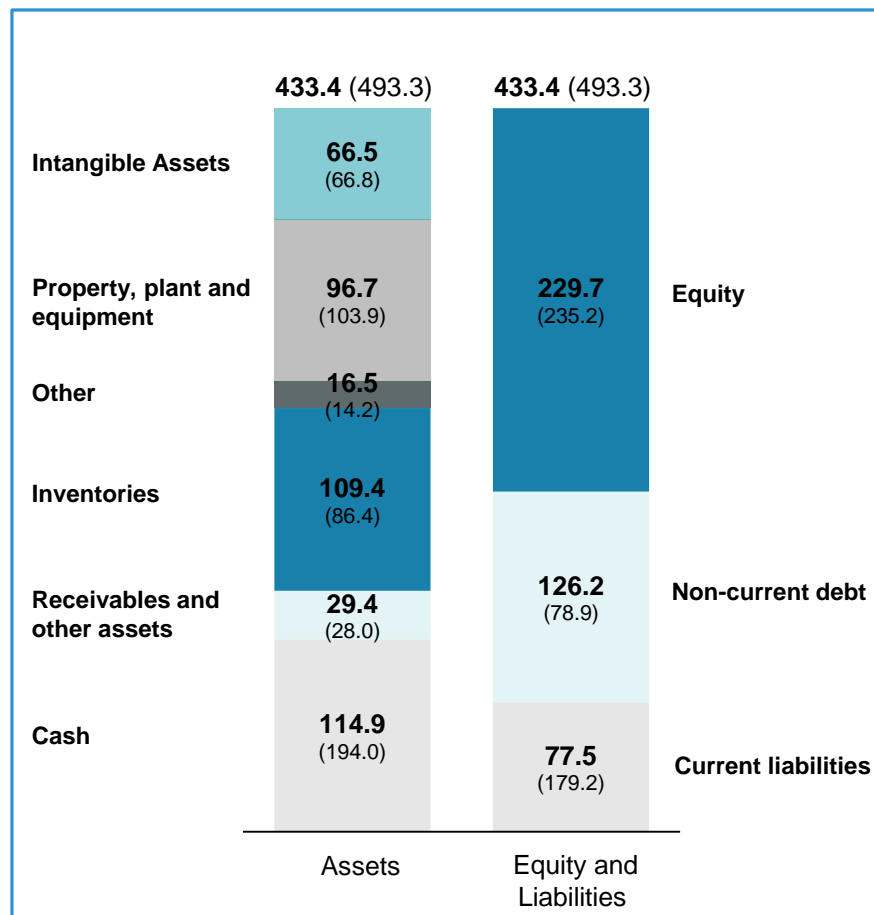
- H1 results according to plan
- Total output at € 38.2m (€ 50.0m)
- Earnings increase significantly yoy
 - EBITDA at € 8.7m (€ -1.8m)
 - EBIT at € 4.1m (€ -5.0m)
- Operating performance and earnings driven by:
 - Ongoing project development business and preparations for project implementation and project sales in the remainder of the fiscal year
 - Milestone payment for Gode Wind 3 (approx. € 4m)
 - Build-up of the „Wind farm portfolio 2020“ which is expected to be sold until 2020
 - Earnings accrued in the „Wind farm portfolio 2020“ to date – which have not been realised yet – amount to approx. € 18.8m (thereof approx. € 6.5m in H1 2018)
 - Power generation sales grow to approx. € 7.0m (€ 3.7m)

In € m	H1 2018	H1 2017
Sales	28.4	39.5
Work in progress	6.2	8.3
Other income	3.5	2.2
Total output	38.2	50.0
Cost of materials	-7.8	-28.7
Personnel	-13.3	-12.1
Others	-8.3	-11.0
EBITDA	8.7	-1.8
Depreciation	-4.7	-3.2
EBIT	4.1	-5.0
Financial result	-6.0	-4.8
EBT	-1.9	-9.7
Taxes	1.4	1.6
Non-controlling interests	-0.2	-1.6
Net income	-0.3	-6.5
EPS (in €)	0.00	-0.08
EPS (in €) Diluted	0.00	-0.08

Balance Sheet H1 2018 (IFRS)

H1 2018 Highlights:

- **Property, Plant and Equipment at € 96.7m**
 - Transformer stations € 12.4m
 - Land and building € 11.5m
 - Own wind farms € 65.9m
- **Inventories at € 109.4m**
 - Offshore € 24.7m
 - Onshore Germany € 30.4m
 - Onshore International € 40.1m
- **Strong liquidity position at € 114.9m**
 - Strong basis to fund implementation of Scale Up strategy



in € m as of June 30, 2018 (as of December 31, 2017)
(rounding differences possible)

- **Equity at € 229.7m**
 - Equity ratio very solid at 53% (48% as of 31 December 2017)
- **Non-current debt at € 126.2m**
 - New corporate bond 2018/23 (€ 50m, 4%) successfully placed in April
 - 2014/19 convertible bond € 6.4m
 - Liabilities to banks € 64.3m, which is mainly project financing (non recourse)
- **Current liabilities at € 77.5m**
 - 2013/18 corporate bond (€ 100m, 8%) paid back on June 1
 - Liabilities to banks € 20.7m, which is mainly project financing (non recourse)

Outlook

Onshore wind power

- Continue build-up of Wind Farm Portfolio 2020
- Continue to ride momentum in key international markets France and US (sales process for 200 MW Chilocco wind farm is underway)
- Examination of entrance into new markets (e.g. Asia, Latin America)

Offshore wind power

- Ongoing consultant agreements with Ørsted (formerly DONG) and Vattenfall
- Explore new markets (e.g. USA)

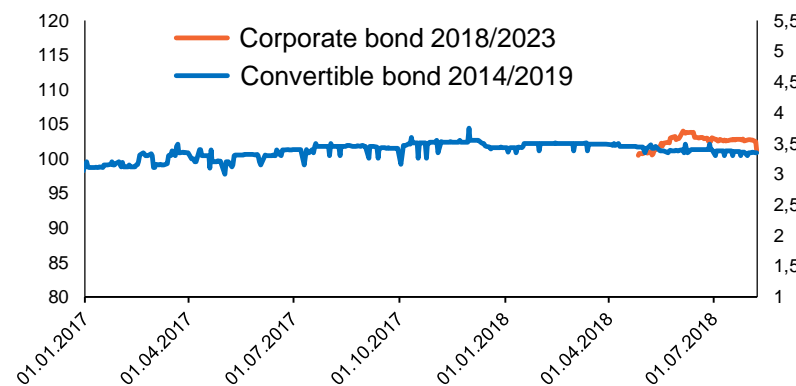
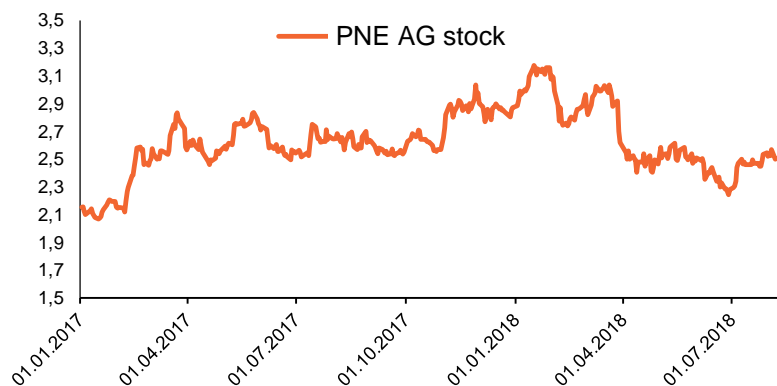
Strategy SCALE UP

- First cooperation already started with VPC related to regional clean energy solutions
- First new products/services to become available in 2018
- Significant improvement of financing structure after successful completion of refinancing process
- Examine opportunities for inorganic growth and cooperations

Positive outlook for FY 2018 confirmed

- EBIT of € 10-16m, EBITDA of € 20-26m expected

Stock & Bonds



WKN / ISIN	AOJBPG / DE000A0JBPG2
Number of shares (7 August 2018)	76,556,026
Market capitalization (7 August 2018)	€ 192m
Free Float	Approx. 76%
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX
Designated Sponsors / Market Maker	Commerzbank, ODDO Seydler Bank
Reuters / Bloomberg	PNEGn / PNE3

Corporate bond 2018/2023 (WKN: A2LQ3M)	Coupon 4% Total volume € 50m
Convertible bond 2014/2019 (WKN: A12UMG)	Coupon 3.75% Strike price € 2.9971 Total volume € 6.6m

Calendar

Publication of Quarterly Statement Q3	November 8, 2018
Analyst Conference	November 2018

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