



PNE WIND

Investor Relations Presentation

May 9, 2018

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AGENDA

I.	Company Profile & Business Model	5
II.	Market & Strategy	12
III.	Highlights Q1 2018 & Financials	26

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WHO WE ARE

WE ARE A LEADING DEVELOPER OF WIND ENERGY PROJECTS...

- PNE WIND Group, consisting of the companies PNE WIND 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 totalling 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

WHO WE ARE

WE HAVE A DEDICATED & EXPERIENCED MANAGEMENT TEAM

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



Markus Lesser
Chairman of the Board (CEO)

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



Jörg Klowat
Chief Financial Officer (CFO)

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

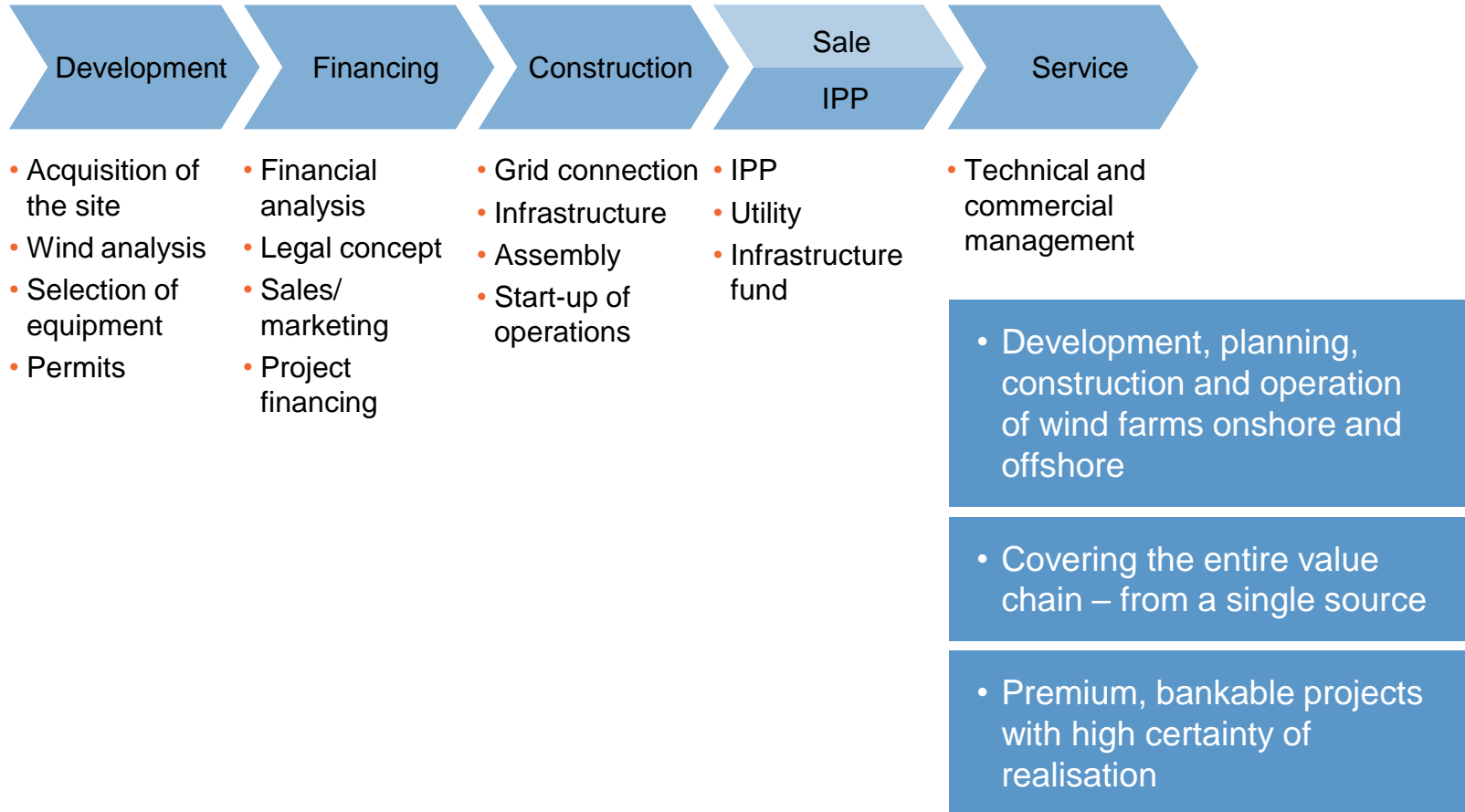


Kurt Stürken
Chief Operating Officer (COO)

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

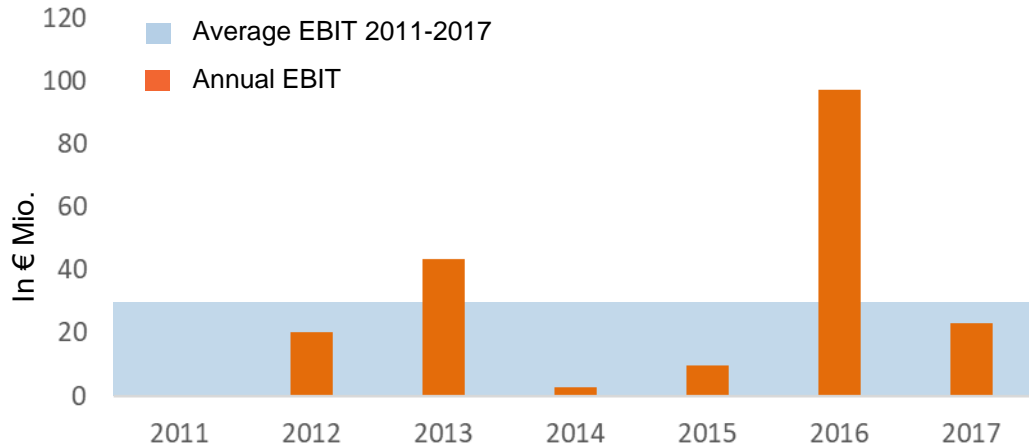
WHAT WE DO

WE HAVE A **SUCCESSFUL BUSINESS MODEL**



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
- Over the last six years, PNE WIND's average EPS was € 0.29

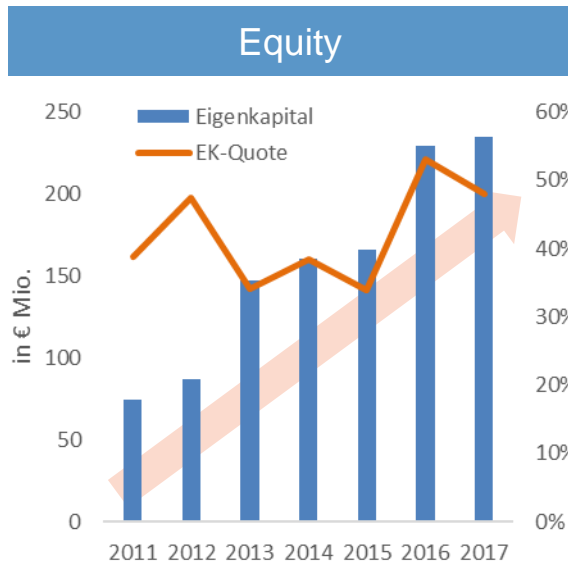
Ø Dividend of € 0.08/share
- An average dividend of € 0.08/share was paid per year

...AND CONSISTENTLY DELIVERED ON OUR TARGETS

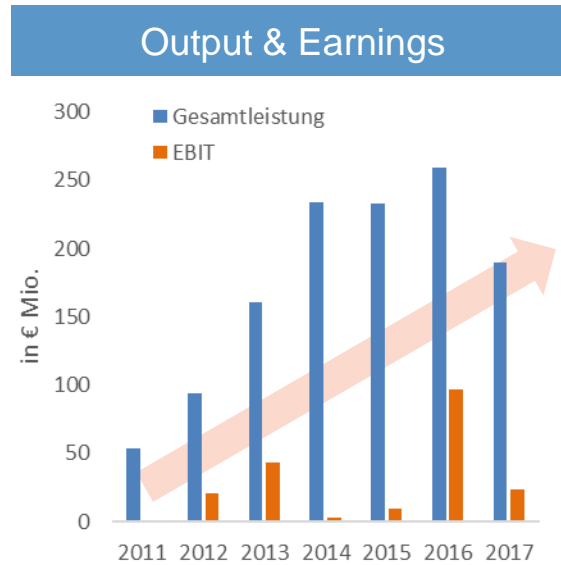
GUIDANCE	GOAL	ACHIEVED
2011 – 2013	€ 60 – 72m	€ 64m 
2014 – 2016	€ 110 – 130m	€ 110m 
2017	€ 17 – 23m (old: 0 – 15m)	€ 23.1m 

WHAT WE ACHIEVED

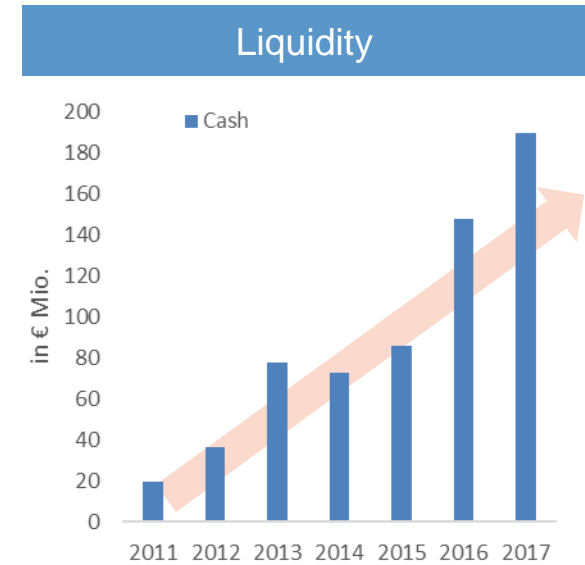
FINANCIALS IMPROVED SIGNIFICANTLY SINCE 2011



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



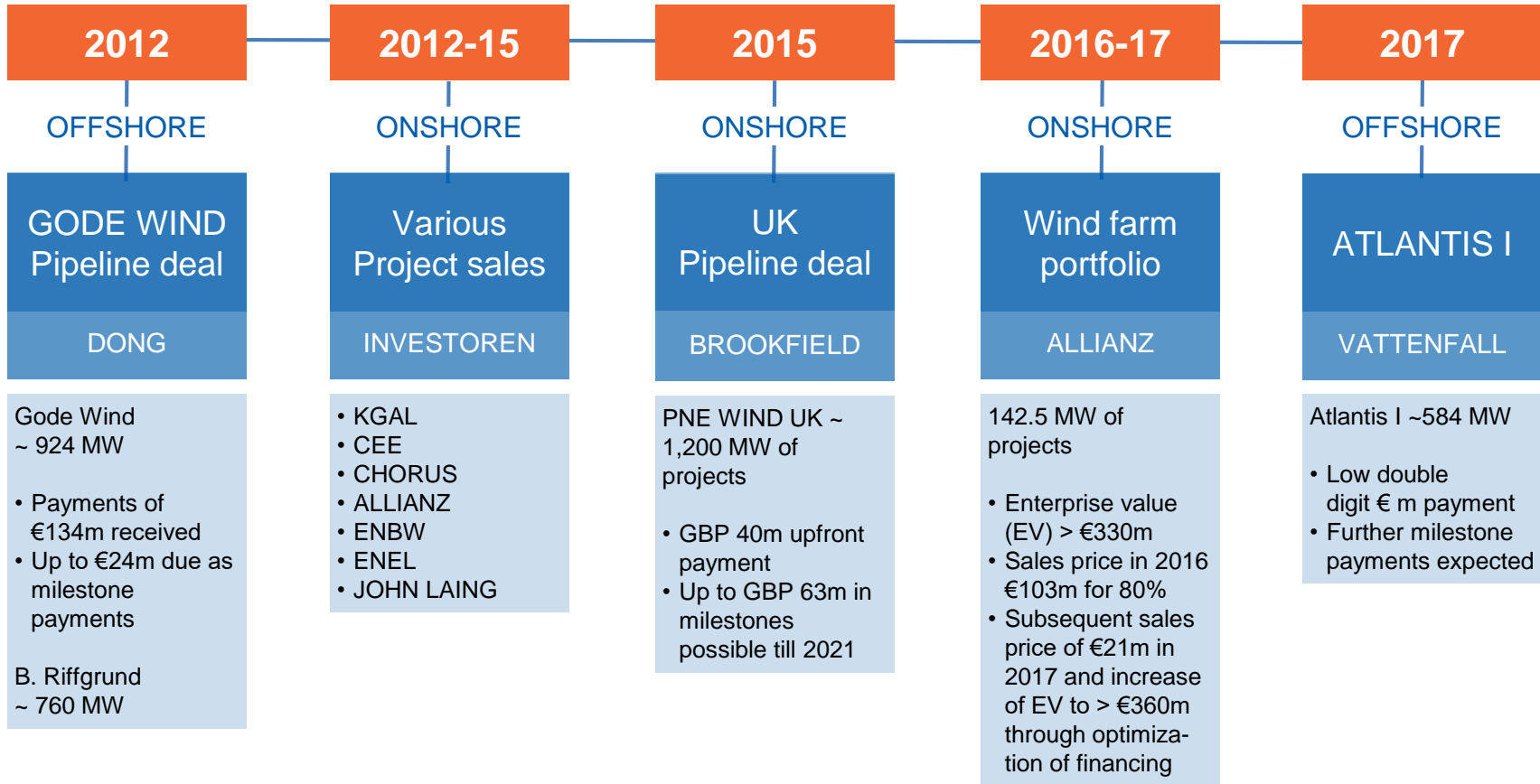
- ✓ Total output clearly increased
- ✓ Ø EBIT of more than € 28m between 2011 and 2017
- ✓ Cumulative EBIT of ca. € 130m over the last three years



- ✓ Continuous increase of liquidity

TRACK RECORD

MAJOR DEALS IN RECENT YEARS

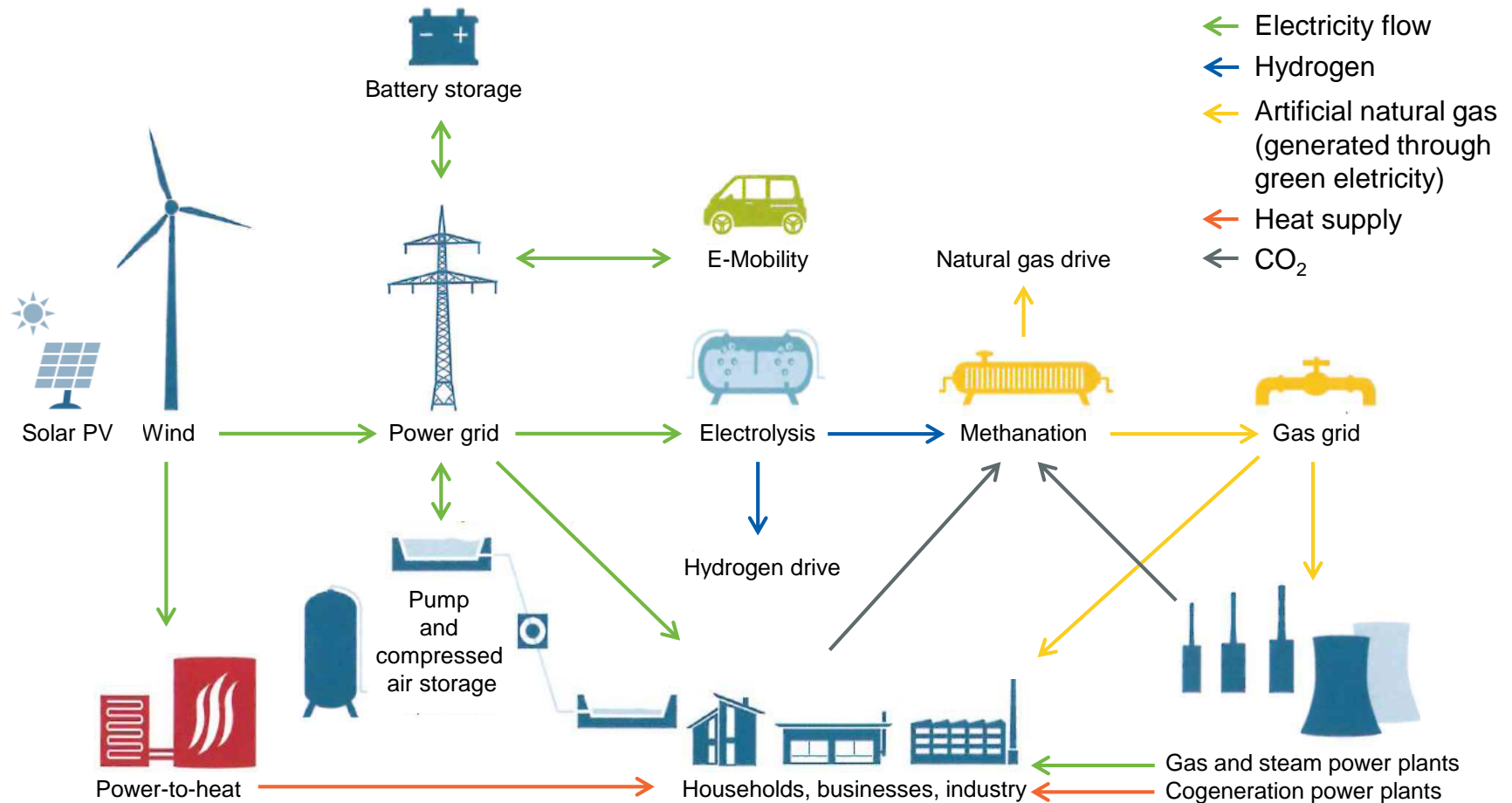


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MARKET & GROWTH DRIVERS

MARKETS ARE BECOMING MORE INTEGRATED...



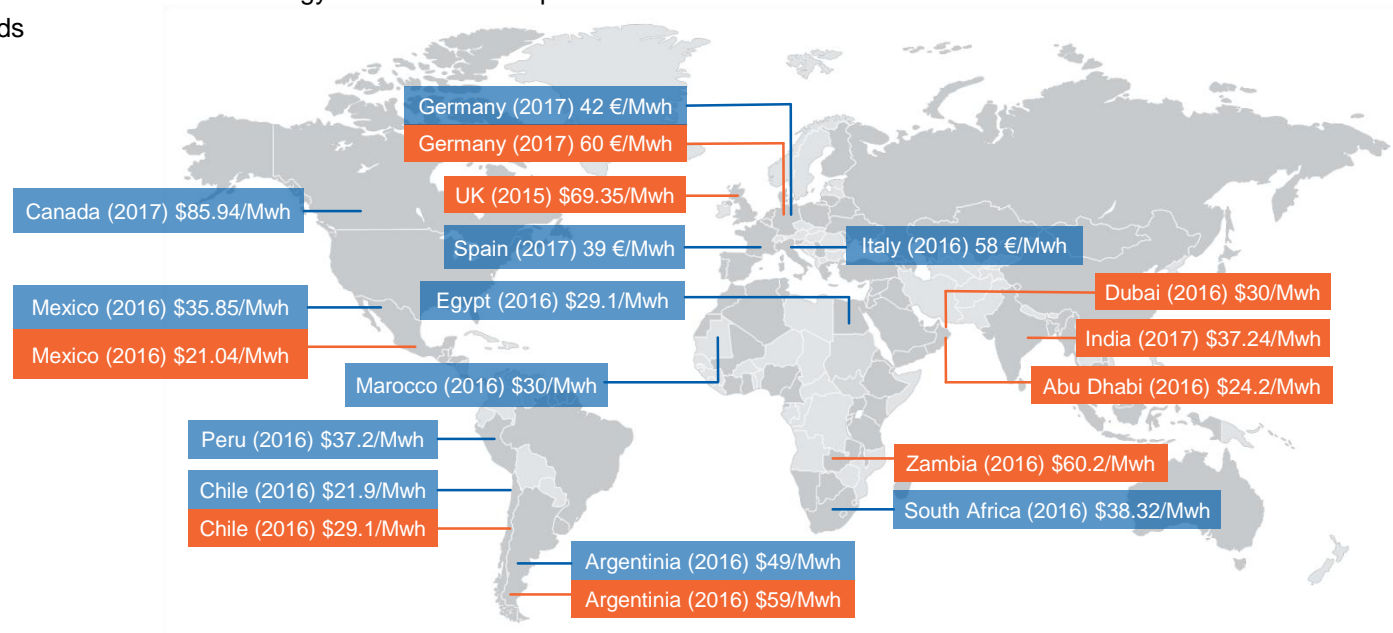
Source: e/m/w 2017, PNE WIND AG

MARKET & GROWTH DRIVERS

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

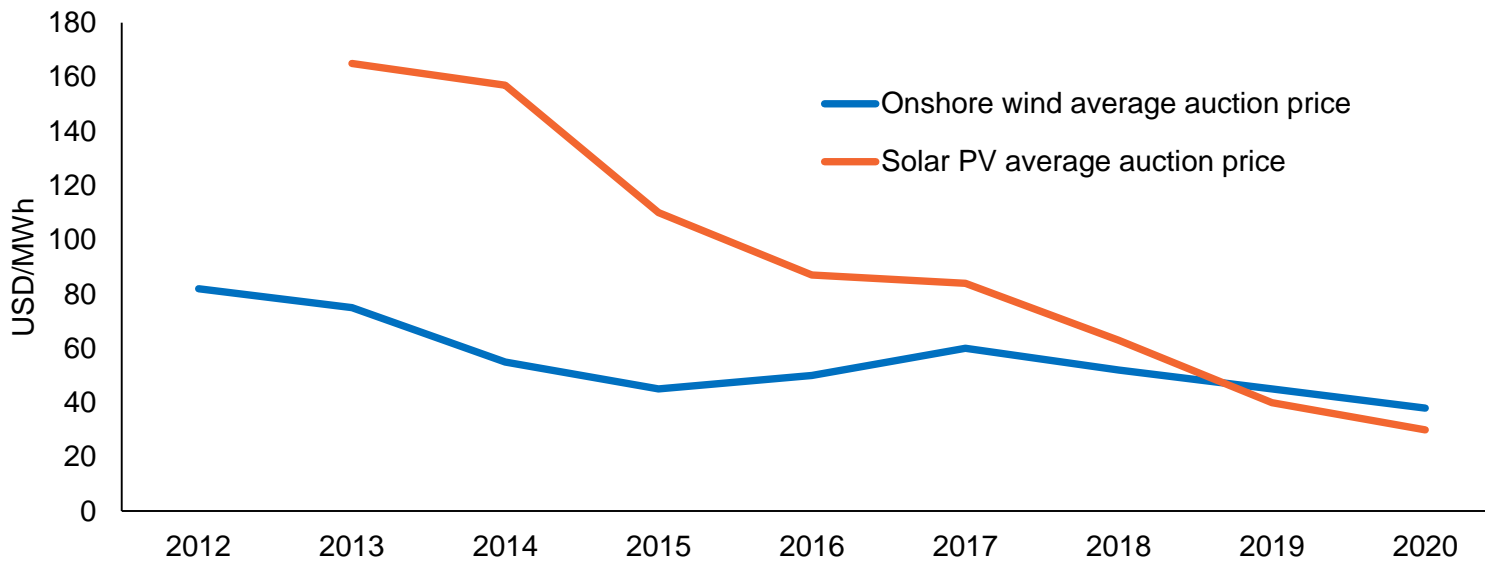
Source: Bloomberg New Energy Finance

MARKET & GROWTH DRIVERS

... 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

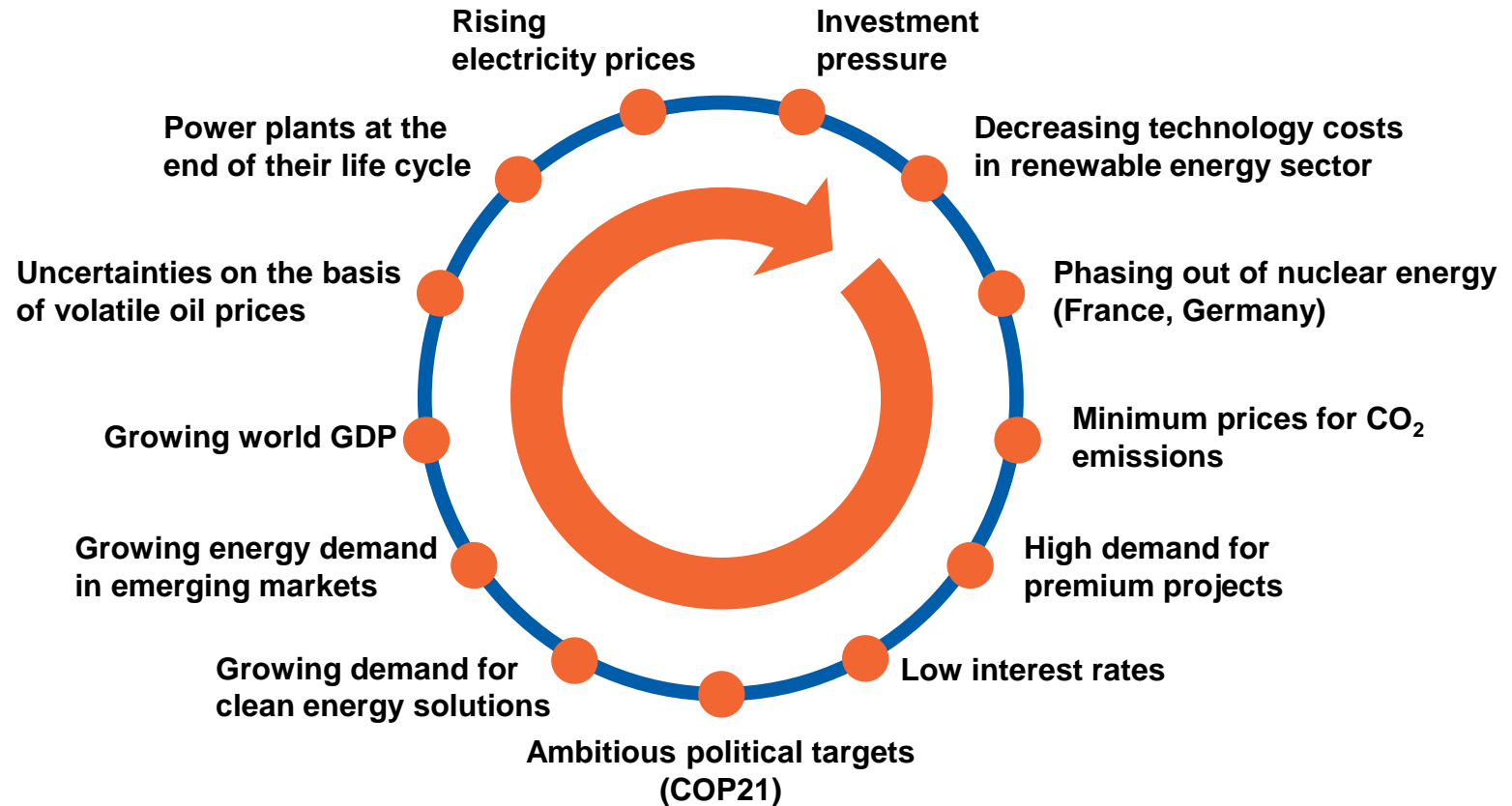
Announced wind and solar PV auction prices by commissioning date



Source: Renewables 2017, IEA

MARKET & GROWTH DRIVERS

...BUT GROWTH DRIVERS ARE FULLY INTACT

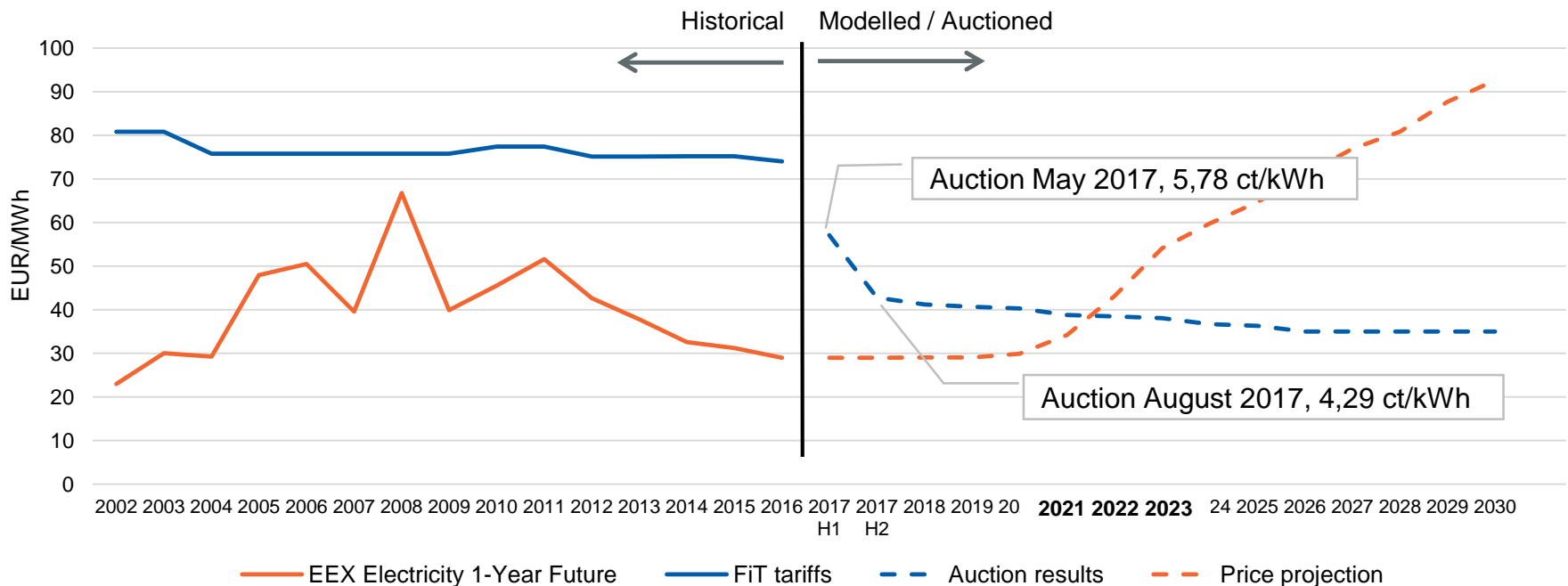


MARKET & GROWTH DRIVERS

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

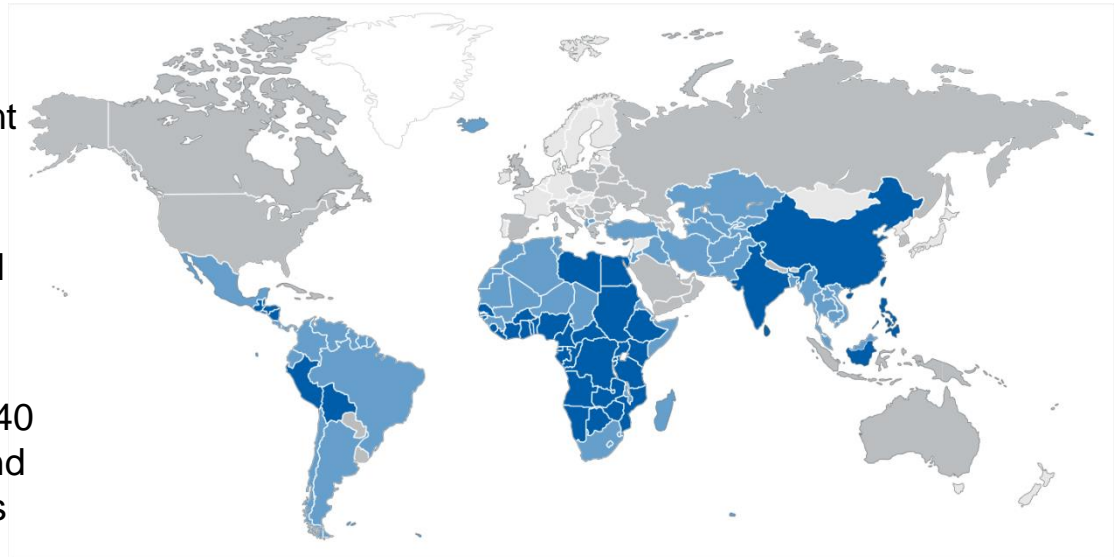


Source: PNE WIND

MARKET & GROWTH DRIVERS

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



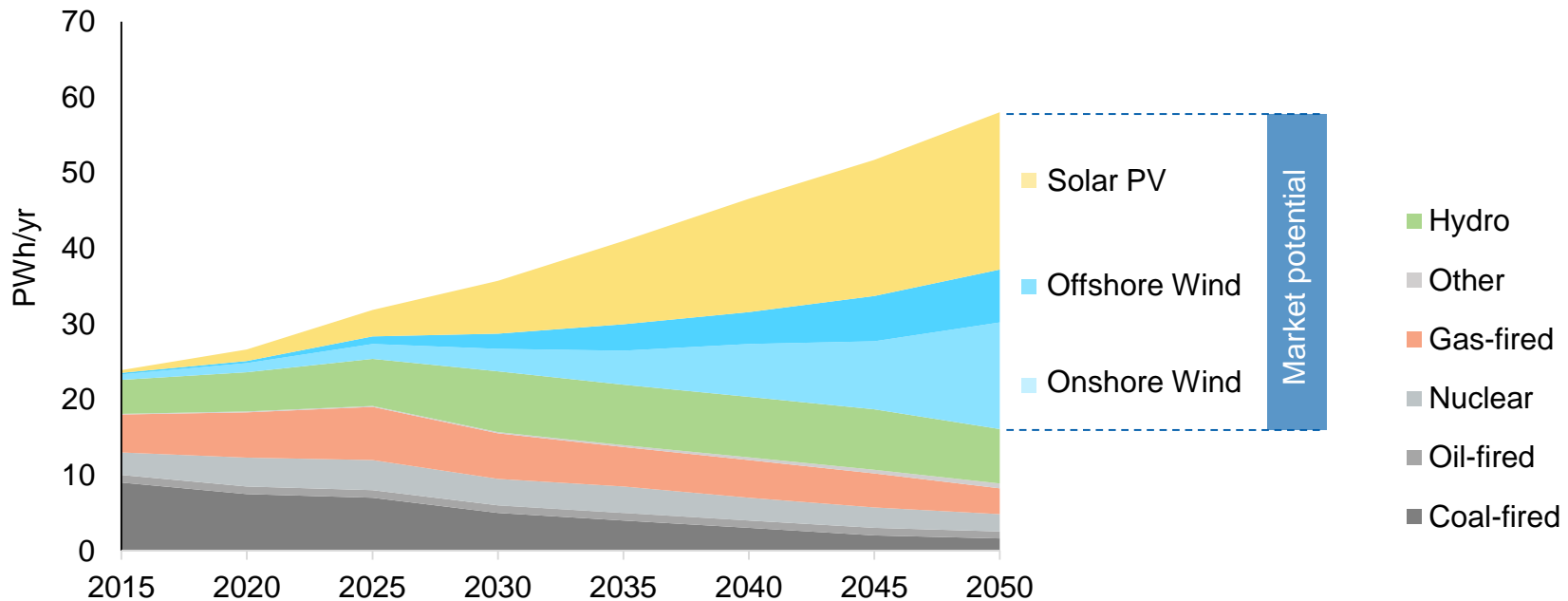
Source: Bloomberg New Energy Finance, Make Consulting, Baring Analysis

MARKET & GROWTH DRIVERS

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



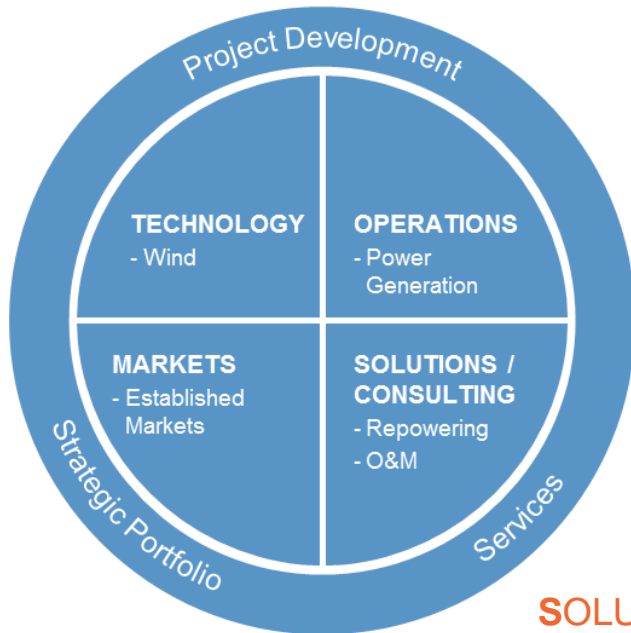
Source: DNV GL 2017

WE ARE SETTING THE COURSE FOR THE FUTURE:



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

STRATEGY



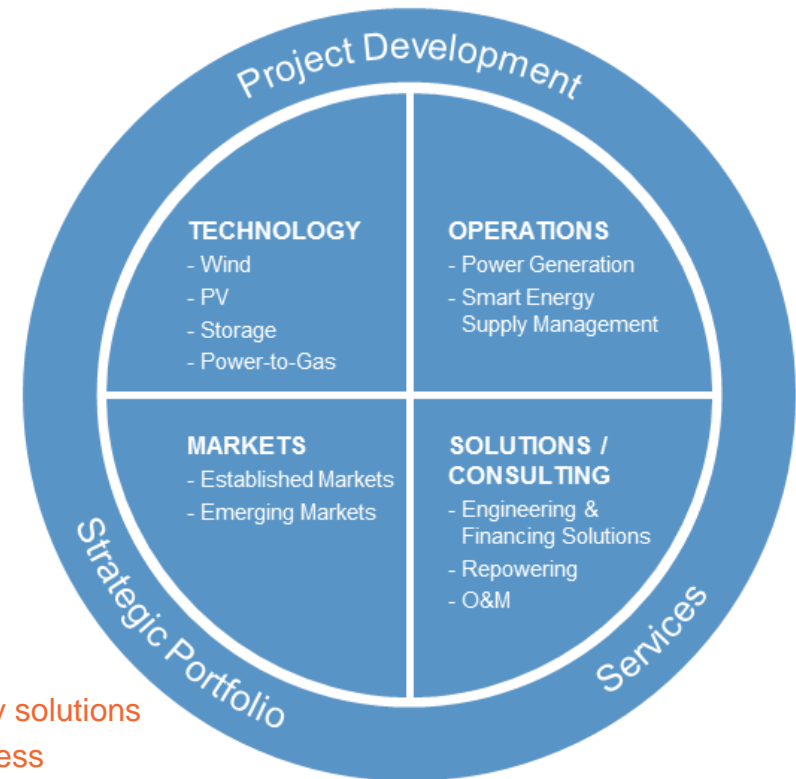
PROJECT DEVELOPER

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



SCALE UP

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

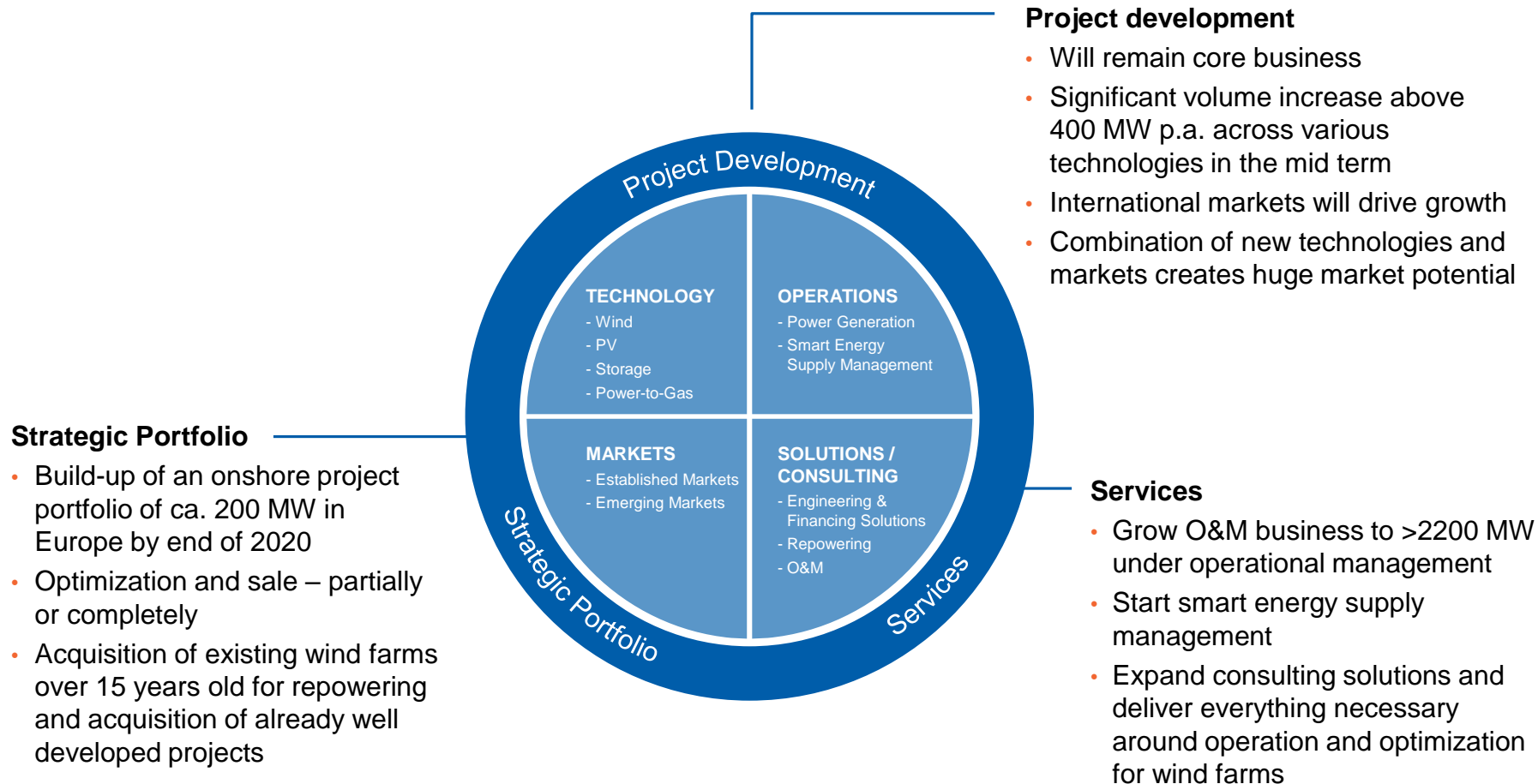


CLEAN ENERGY SOLUTION PROVIDER

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

STRATEGY “SCALE UP”

WE CAPITALIZE ON OUR CORE COMPETENCIES...



... TO OPEN UP FURTHER ELEMENTS OF THE VALUE CHAIN

STRATEGY “SCALE UP”

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



STRATEGY “SCALE UP”

...AND INVEST TO INCREASE OUR COMPETITIVENESS

Smart Capital Allocation

- Optimisation of financing structure
 - € 25m <4% for wind farm equity
 - € 25-50m additional growth financing
- Reduction of overall financing costs by 50% targeted, resulting in savings of € >4m
- 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:

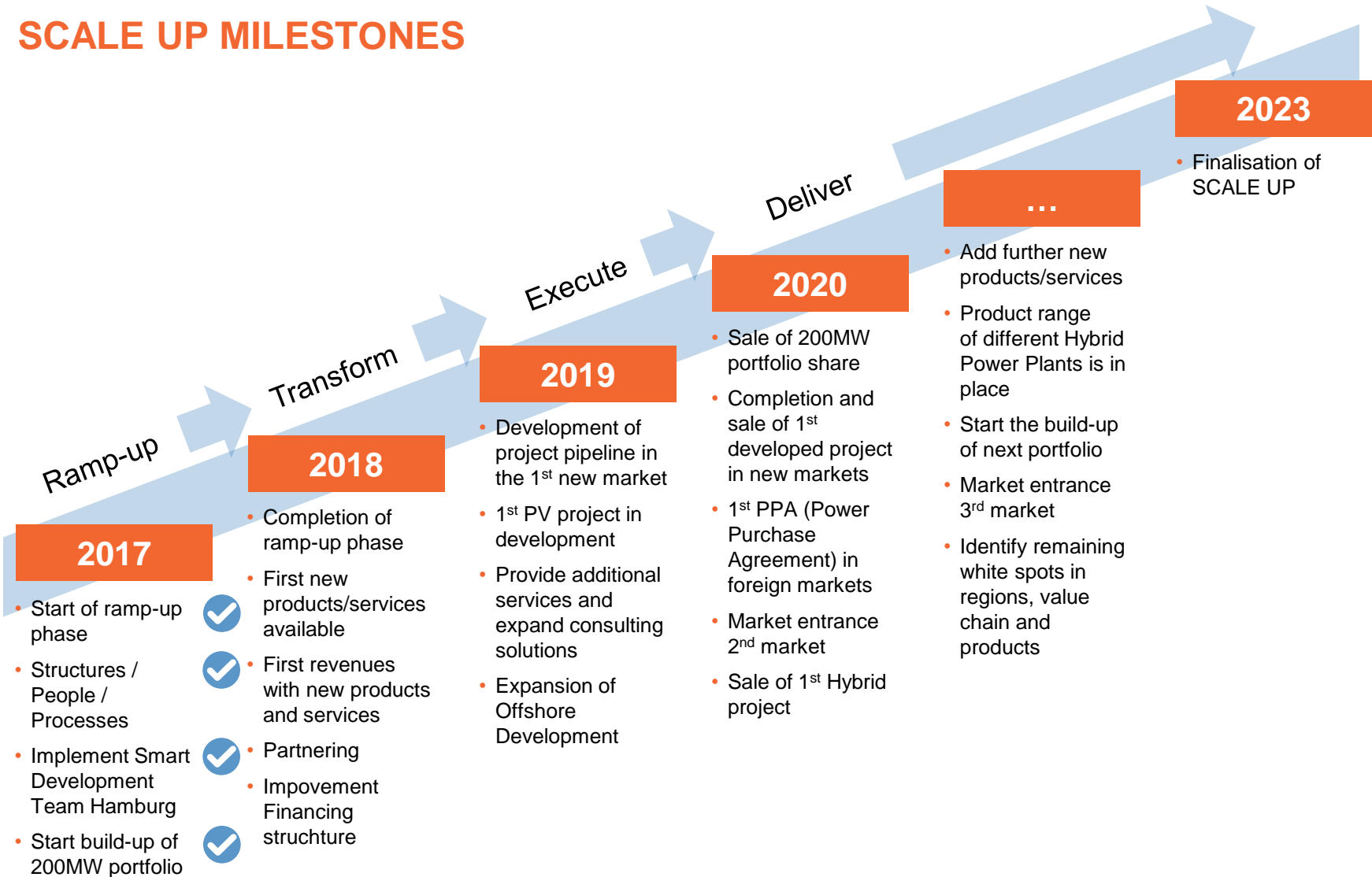
- Acquisitions of companies at attractive multiples before synergies
- Acquisition of project rights to expand the pipeline
- Investment in high potentials and experts in markets and technologies
- Investment in additional (regional) offices and equipment

Additional Investment:

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



SCALE UP MILESTONES



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OPERATIONAL HIGHLIGHTS Q1 2018

Successes in the onshore business

- Projects completed: Looft, St. Martin-L'Ars
- Projects under construction: Gerdau-Schwiebau, Laxaskogen, 19,2 MW project in France
- New permits received in Germany (21 MW) and France (7 MW)

Successes in the offshore business

- 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-Schwiebau (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

FINANCIAL HIGHLIGHTS Q1 2018

Corporate bond placed successfully

- € 50m corporate bond placed in the market at an attractive coupon of 4%

Strong financial basis

- Gross cash position at € 189.3m, Net cash position of € 0.6m
- Equity ratio remains solid at 47%

Q1 results according to plan – impacted by preparations and portfolio build up

- EBITDA at € 2.1m (€ 1.7m), EBIT bei € -0.2m (€ 0.3m)
- Operating performance and earnings situation in Q1 were influenced by preparations for project implementation and the sale of project rights for the remaining nine months of the fiscal year as well as
- the development of the „wind farm portfolio 2020“, since complete or partial sales to third parties will be postponed due to the expansion of the portfolio, and thus also the Group's earnings from these sales

Positive outlook for FY 2018 confirmed

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

ONSHORE

Land	I-II	III	IV	Total MW
Germany	1392	90	22	1504
Bulgaria	121	0	0	121
France	317	132	29	478
United Kingdom	43	0	0	43
Italy	102	14	0	116
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	3848	881	51	4780

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

As of March 31, 2018

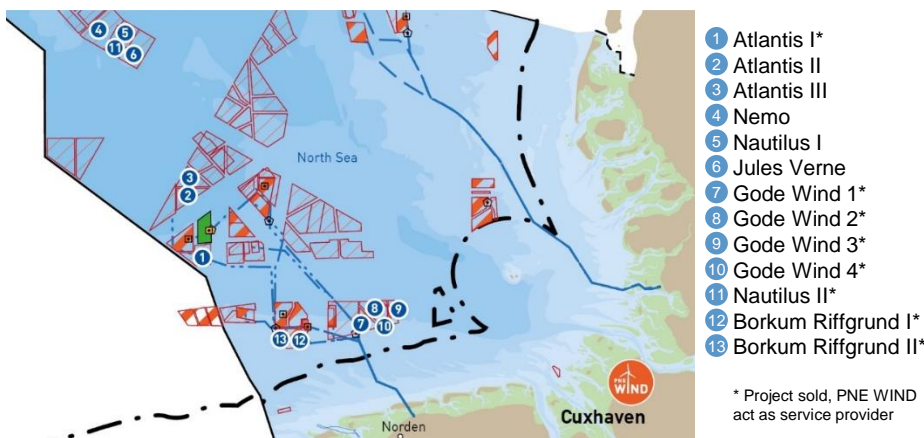
Q1 2018 Highlights:

- **Germany**
 - Repowering project Gerdau-Schwiebau (21,6 MW) successful in first German onshore tender in 2018, construction has already started
 - Repowering project Loofth (16,5 MW) completed in Q1
 - Wind farm Wangerland: construction is underway
 - Permit for project Kittlitz (21 MW) received
- **Increasing activities in France**
 - Permit for project Dargies 2 (7,05 MW) received
 - Wind farm Saint-Martin-L'Ars (10,3 MW) put in operation
 - Construction has started of another wind farm in Eastern France (19,2 MW)
- **Progress in 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	#WET	Total MW	Sold to
1	Borkum Riffgrund I	8	78	312	Ørsted (DONG)
1	Borkum Riffgrund II	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



Q1 2018 Highlights:

- **Gode Wind 4 successful in offshore tender [April 2018]**
- **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 € 24m from Borkum Riffgrund 2 and Gode Wind 3 and 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 (IFRS)

Q1 2018 Highlights:

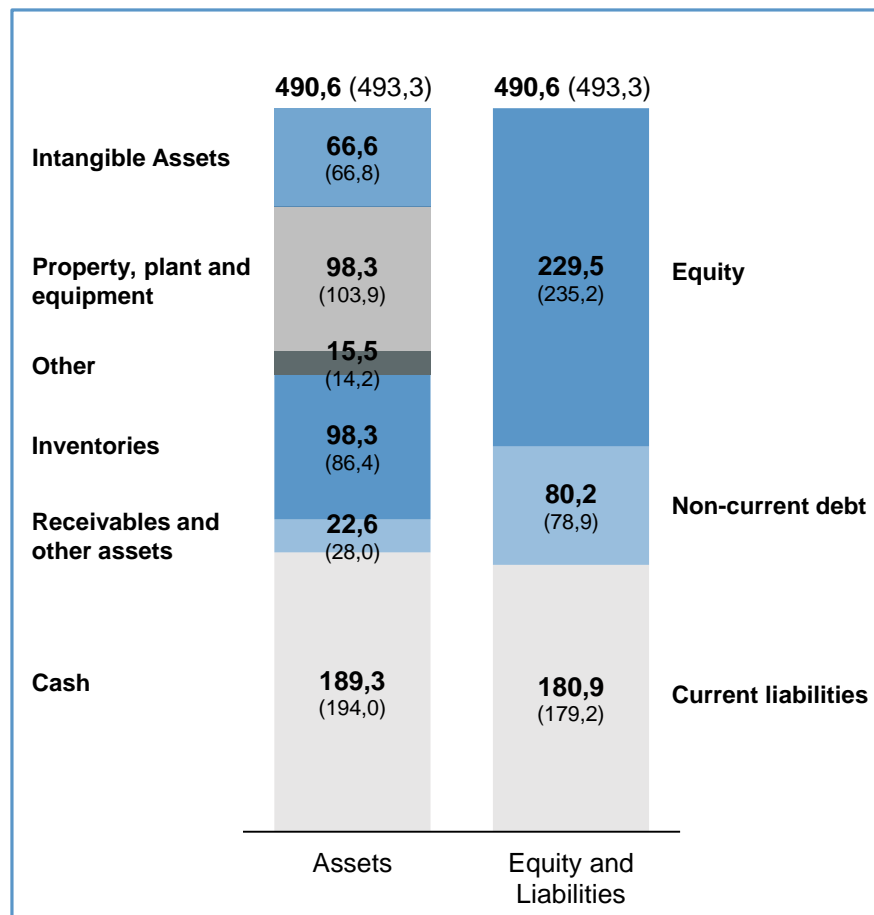
- **Q1 results according to plan**
- **Operating performance and earnings situation in Q1 were influenced by**
 - preparations for project implementation and the sale of project rights for the remaining nine months of the fiscal year
 - the development of the „wind farm portfolio 2020“, since complete or partial sales to third parties will be postponed due to the expansion of the portfolio, and thus also the Group’s earnings from these sales
 - The earnings before taxes accrued in the „wind farm portfolio 2020“ to date – eliminated at the Group level – amount to approx. € 3.7m in Q1 2018 (accumulated since 2017, approx. € 16.1m).
- **Total output at € 15,7m (€ 24,6m)**
 - Power generation segment contributed approx. € 3.9m to Group sales
- **EBITDA at € 2,1m (€ 1,7m)**

In € m	Q1 2018	Q1 2017
Sales	10.9	20.4
Work in progress	4.2	3.6
Other income	0.6	0.6
Total output	15.7	24.6
Cost of materials	-3.7	-12.3
Personnel	-5.6	-6.3
Others	-4.2	-4.3
EBITDA	2.1	1.7
Depreciation	-2.3	-1.4
EBIT	-0.2	0.3
Financial result	-3.7	-2.4
EBT	-3.9	-2.6
Taxes	0.5	-0.5
Non-controlling interests	-0.4	-0.6
Net income	-3.0	-2.0
EPS (in €)	-0.04	-0.03
EPS (in €) Diluted	-0.04	-0.02

BALANCE SHEET (IFRS)

Q1 2018 Highlights:

- **Property, Plant and Equipment at € 98.3m**
 - Transformer stations € 12.7m
 - Land and building € 11.6m
 - Own wind farms € 67.3m
- **Inventories at € 98.3m**
 - Offshore € 24.3m
 - Onshore Germany € 22.7m
 - Onshore International € 40.4m
- **Strong liquidity position still at very high level at € 189.3m**
 - Strong basis to fund future developments



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

- **Equity at € 229.5m**
 - Equity ratio remains very solid at 47% (48% as of 31 December 2017)
- **Non-current debt at € 80.2m**
 - 2014/19 convertible bond € 6.4m
 - Liabilities to banks € 67.3m, which is mainly project financing (non recourse)
- **Current liabilities at € 180.9m**
 - 2013/18 corporate bond (€ 100m) is being accounted for under current liabilities as due date is May 2018
 - Liabilities to banks € 13.7m, which is mainly project financing (non recourse)
- **Net cash at € 0.6m**

OUTLOOK

Onshore wind power – Good start into the year 2018

- Further projects far advanced in the permitting process, being prepared for upcoming tender rounds
- Continue build up of Wind Farm Portfolio 2020
- Continue to ride momentum in key international markets France and US
- Examination of entrance into new markets (e.g. Asia, Latin America)

Offshore wind power

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

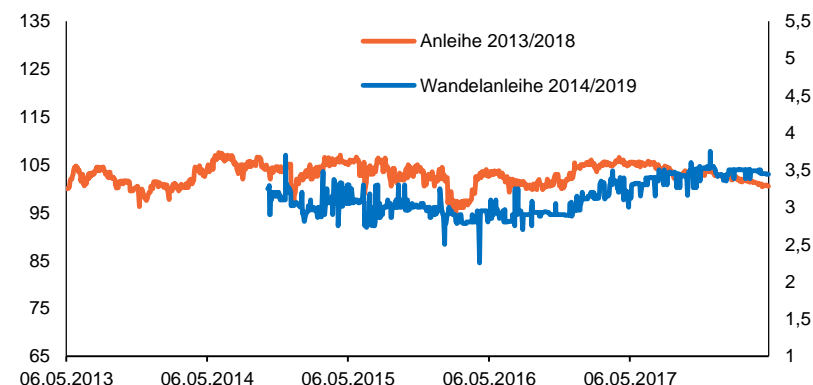
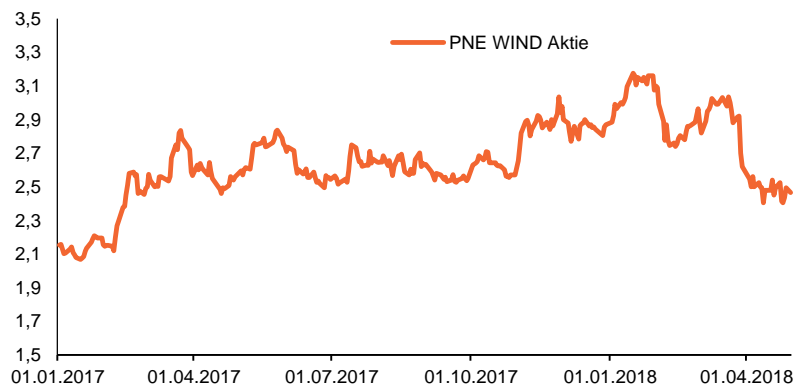
SCALE UP strategy

- 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 anorganic 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 (30 April 2018)	76,556,026
Market capitalization (30 April 2018)	€ 189m
Free Float	Approx. 79%
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
Corporate bond 2013/2018 (WKN: A1R074)	Coupon 8% Total volume € 100m
Convertible bond 2014/2019 (WKN: A12UMG)	Coupon 3.75%, Strike price €3.18 Total volume €6.6 m

Calendar

Annual General Meeting	June 6, 2018
Publication of Q2 Financial Report	August 9, 2018
Publication of Quarterly Statement Q3	November 8, 2018
Analyst Conference	November 2018

CONTACT

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