



PNE WIND

Investor Relations Presentation

March 28, 2018

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AGENDA

I.	Company Profile & Business Model	5
II.	Market & Strategy	12
III.	Highlights 2017 & 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

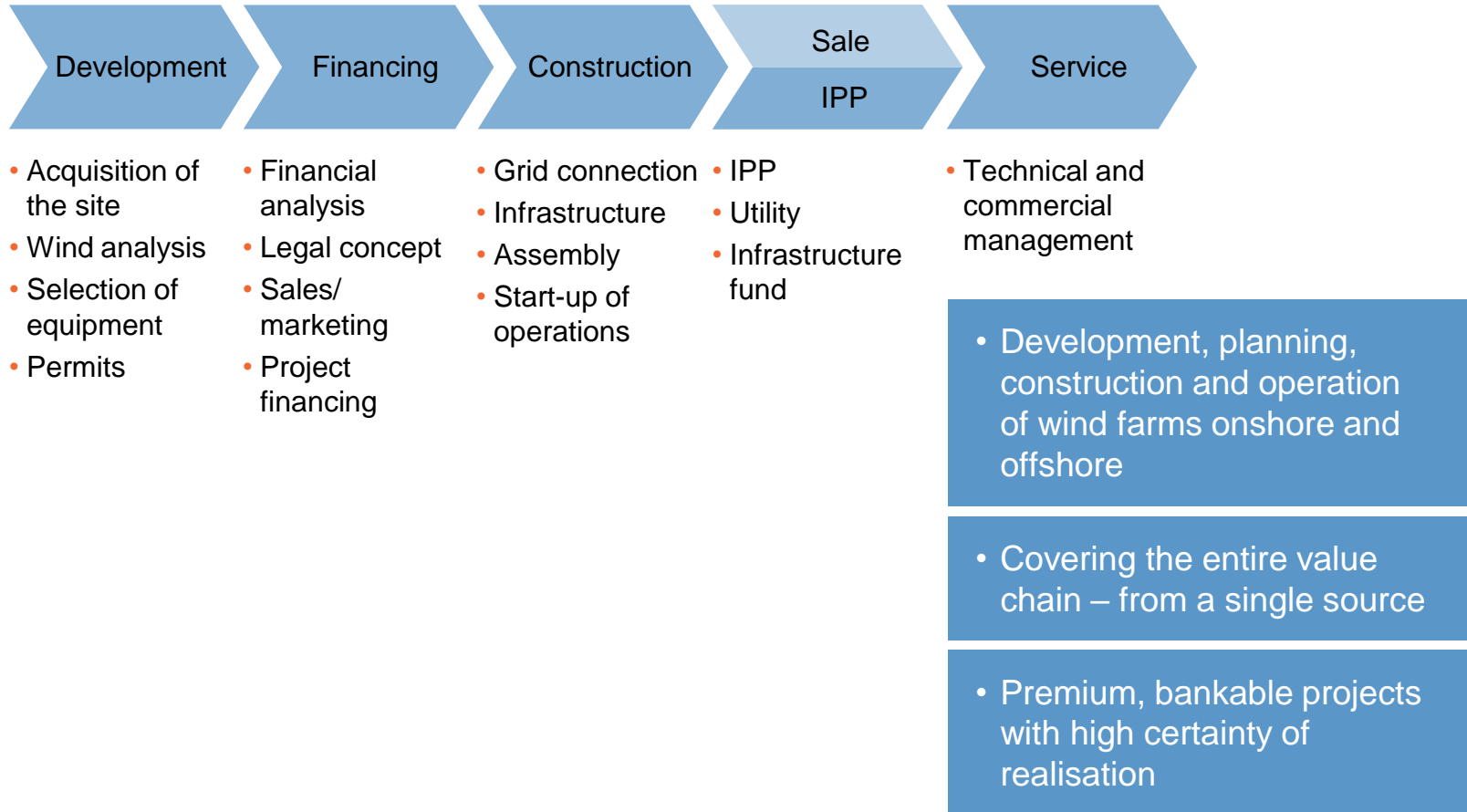


Kurt Stürken
Chief Operating Officer (COO)

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

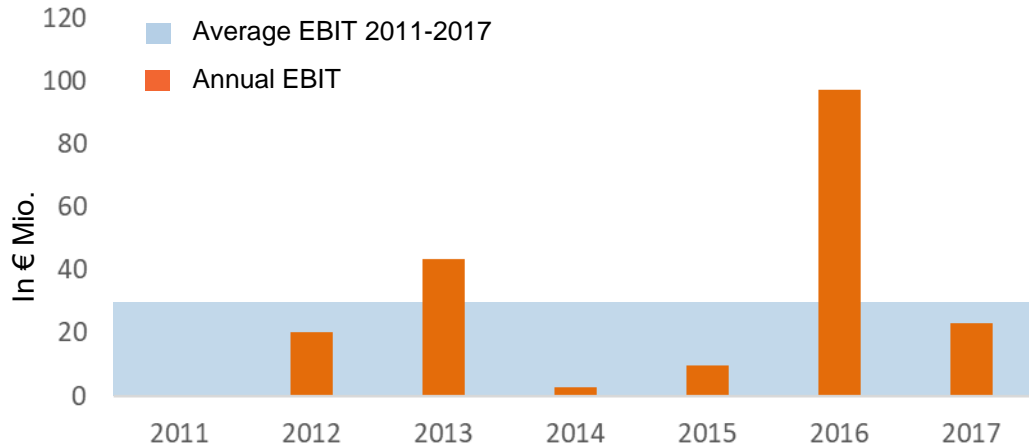
WHAT WE DO

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

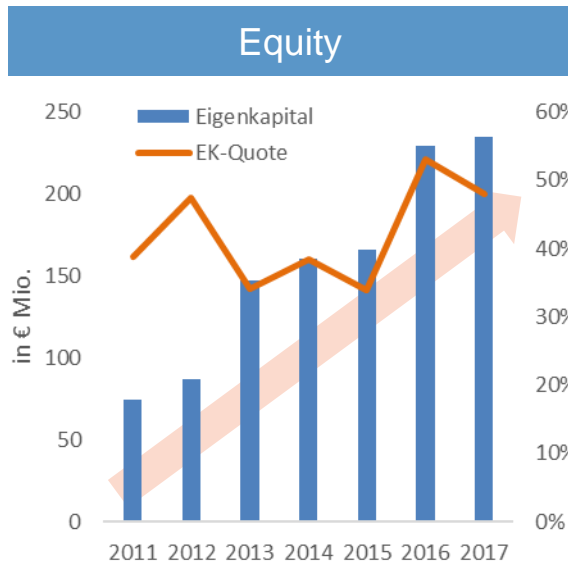
Ø Dividend of € 0.08/share
- An average dividend of € 0.08/share was paid per year

...AND CONSISTENTLY DELIVERED ON OUR TARGETS

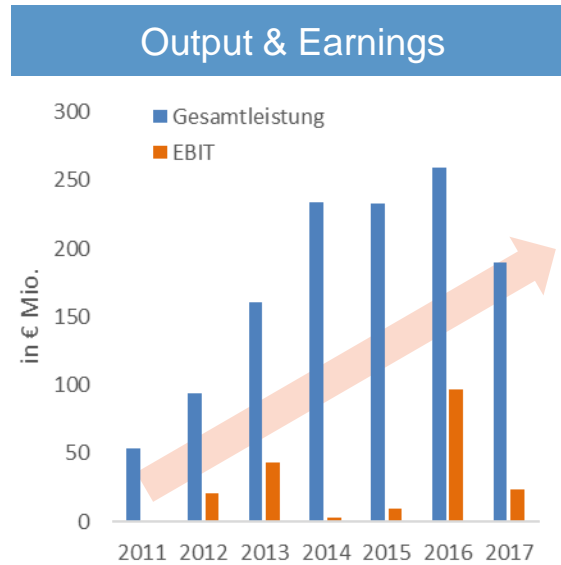
GUIDANCE	GOAL	ACHIEVED
2011 – 2013	€ 60 – 72m	€ 64m 
2014 – 2016	€ 110 – 130m	€ 110m 
2017	€ 17 – 23m (old: 0 – 15m)	€ 23.1m 

WHAT WE ACHIEVED

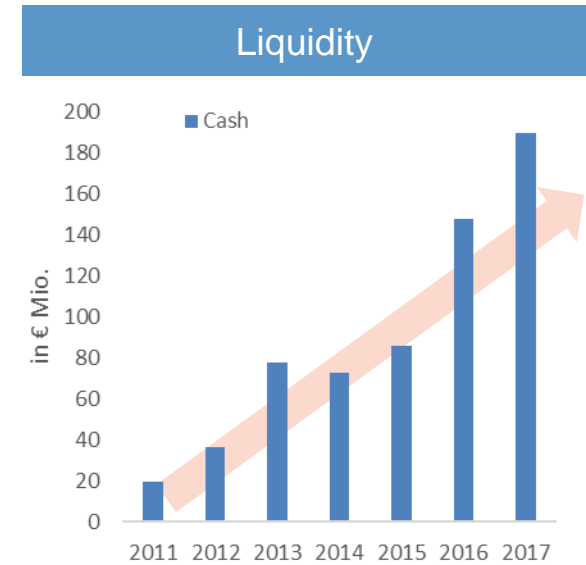
FINANCIALS IMPROVED SIGNIFICANTLY SINCE 2011



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



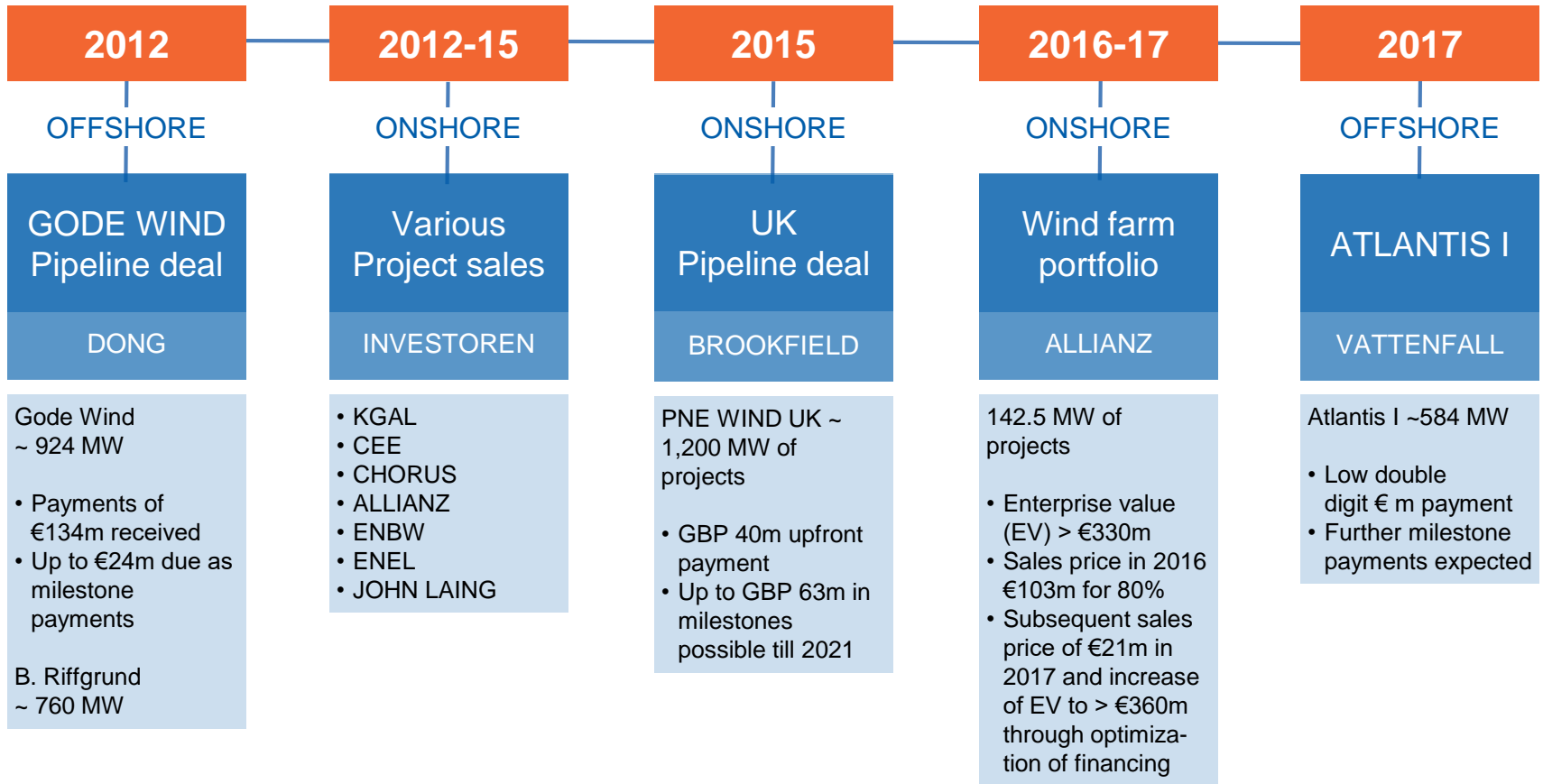
- ✓ Total output clearly increased
- ✓ Ø EBIT of more than € 28m between 2011 and 2017
- ✓ Cumulative EBIT of ca. € 130m over the last three years



- ✓ Continuous increase of liquidity

TRACK RECORD

MAJOR DEALS IN RECENT YEARS

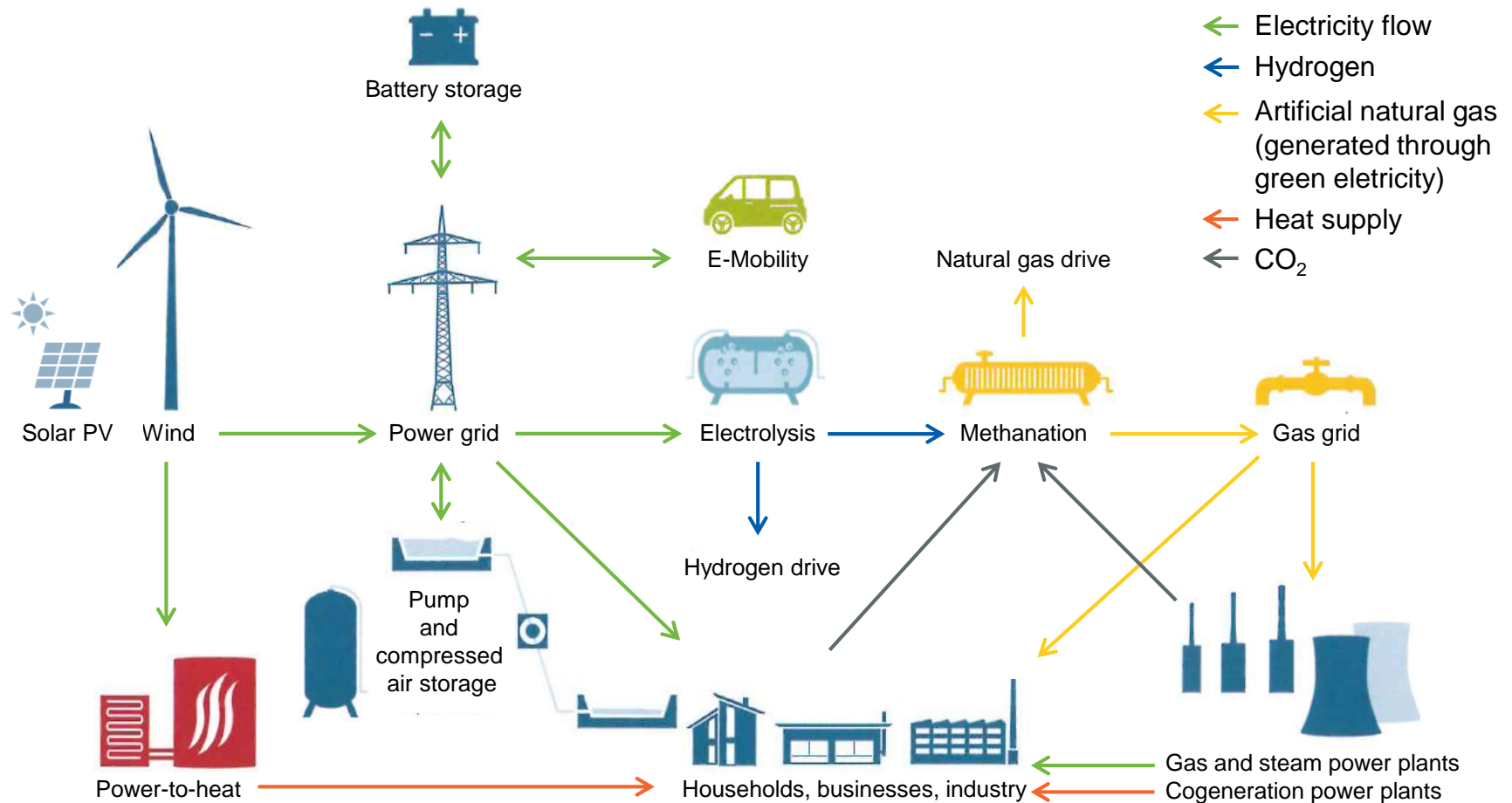


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MARKET & GROWTH DRIVERS

MARKETS ARE BECOMING MORE INTEGRATED...



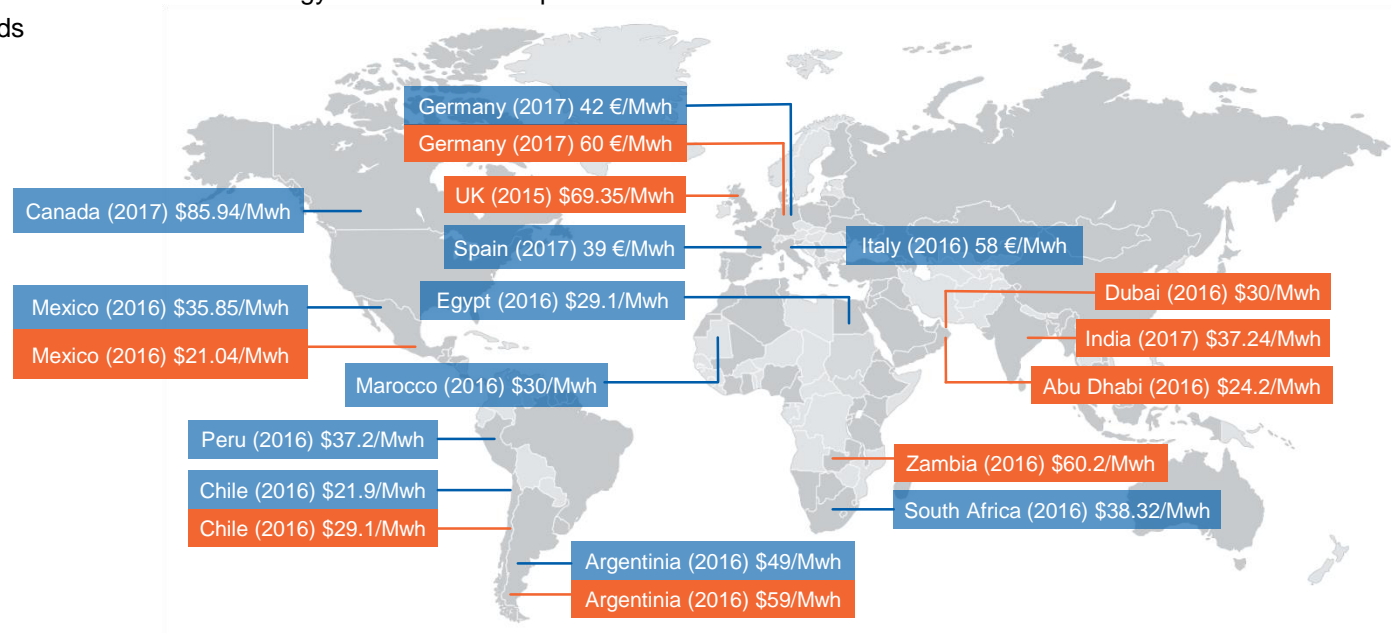
Source: e/m/w 2017, PNE WIND AG

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

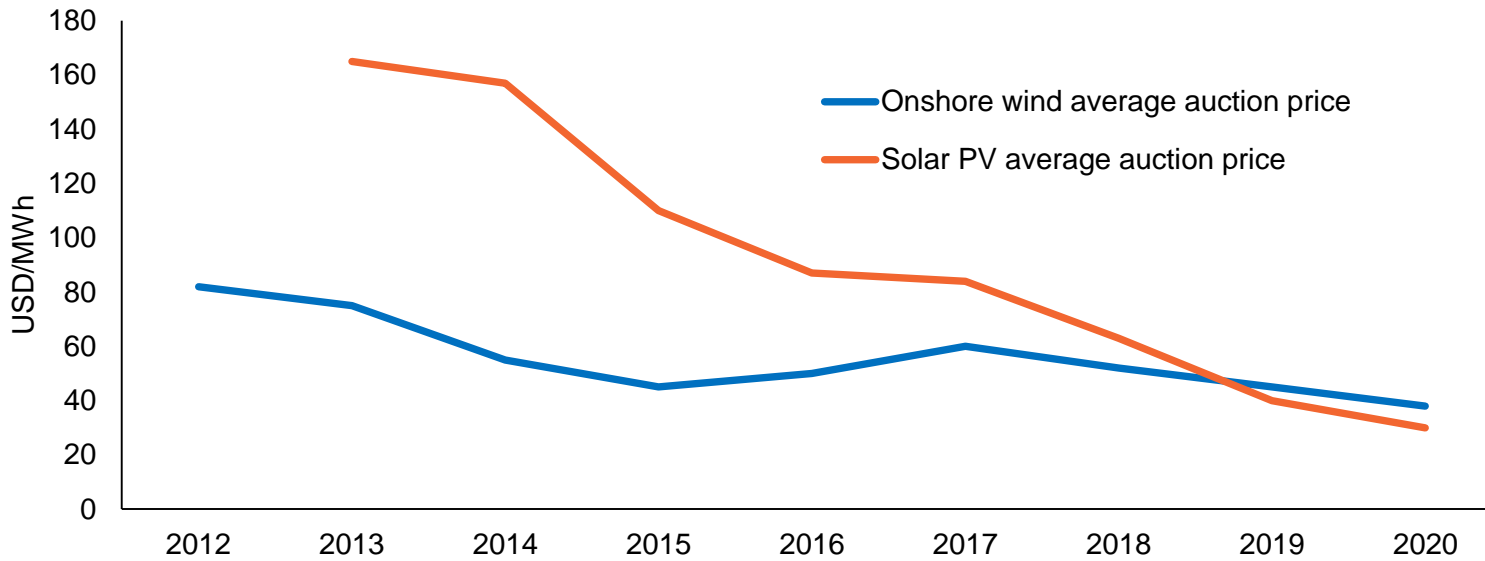
Source: Bloomberg New Energy Finance

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

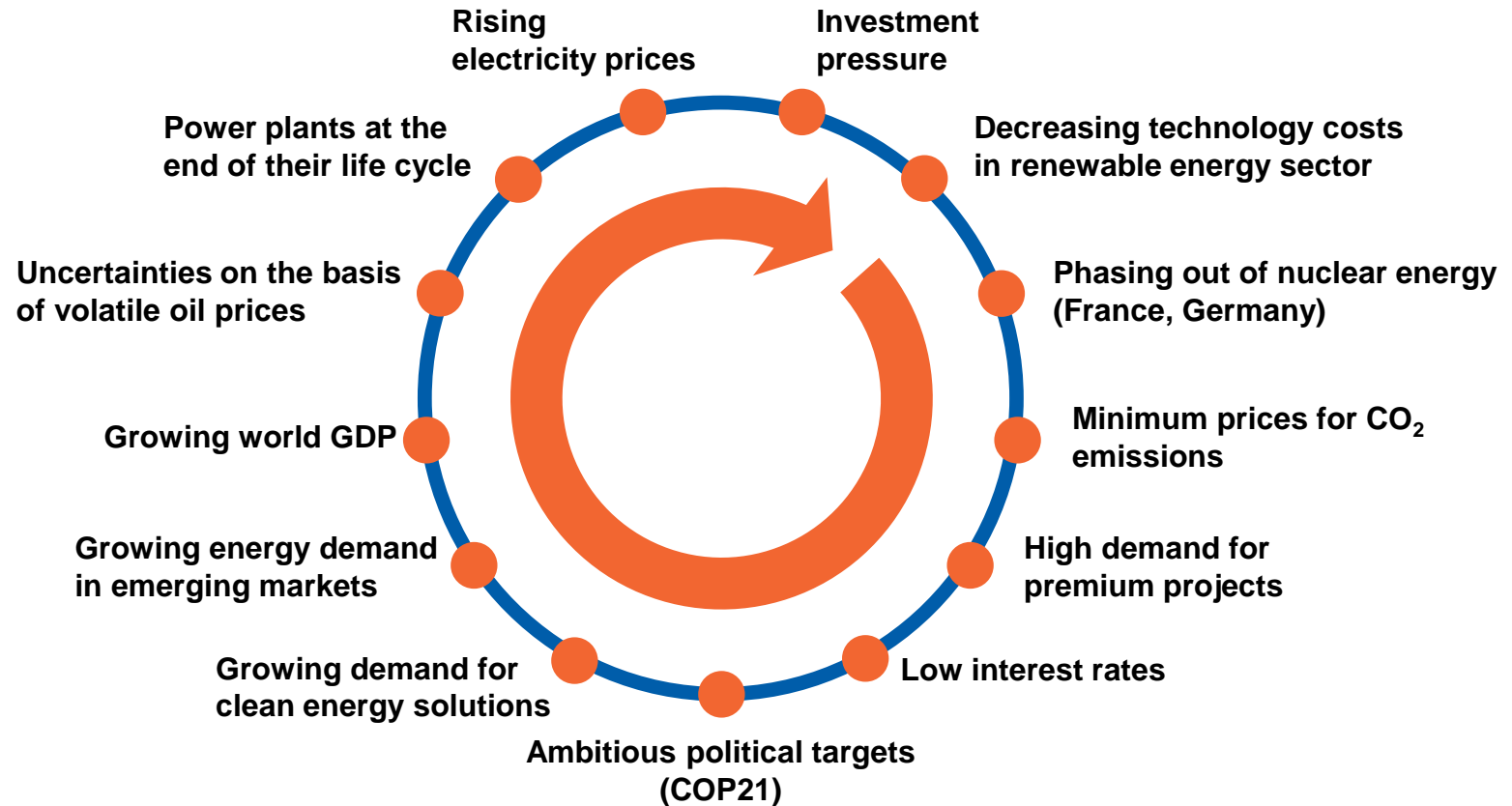
Announced wind and solar PV auction prices by commissioning date



Source: Renewables 2017, IEA

MARKET & GROWTH DRIVERS

...BUT GROWTH DRIVERS ARE FULLY INTACT

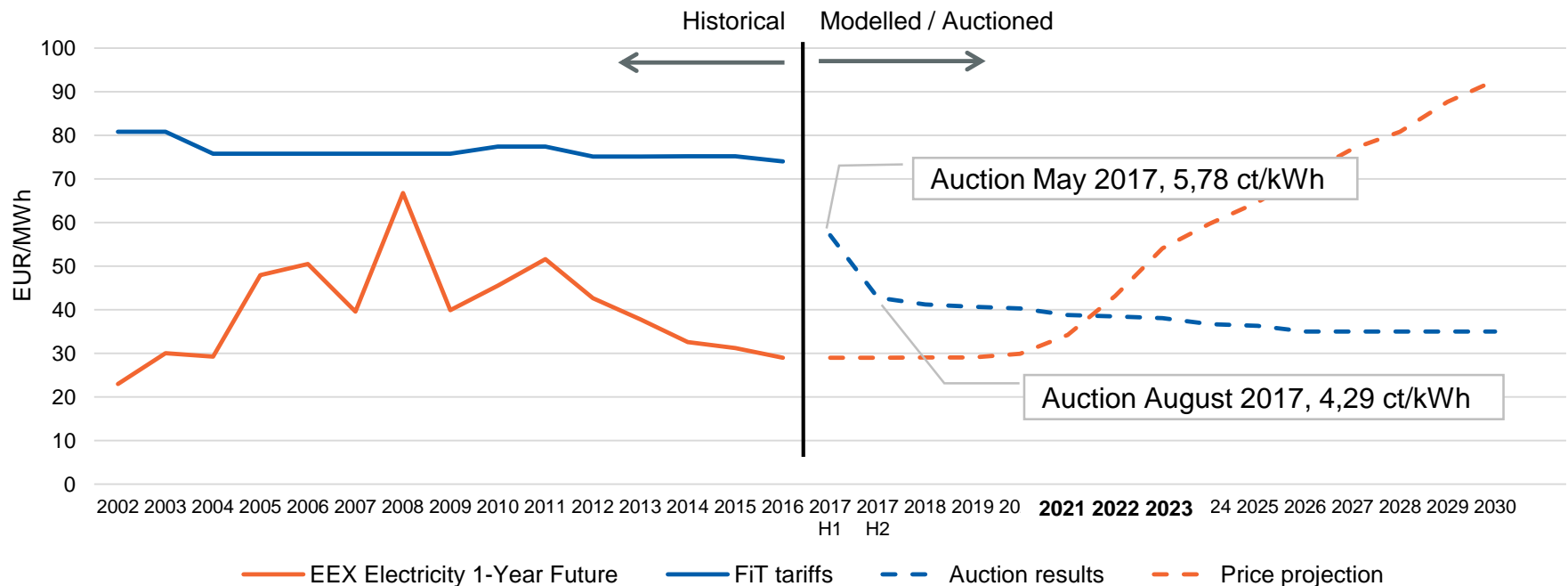


MARKET & GROWTH DRIVERS

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

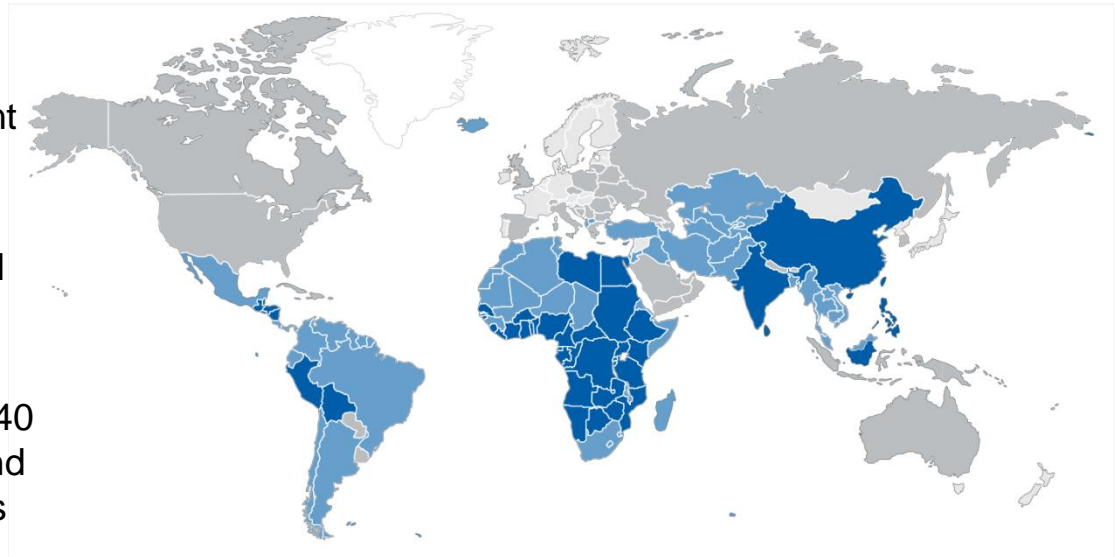


Source: PNE WIND

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



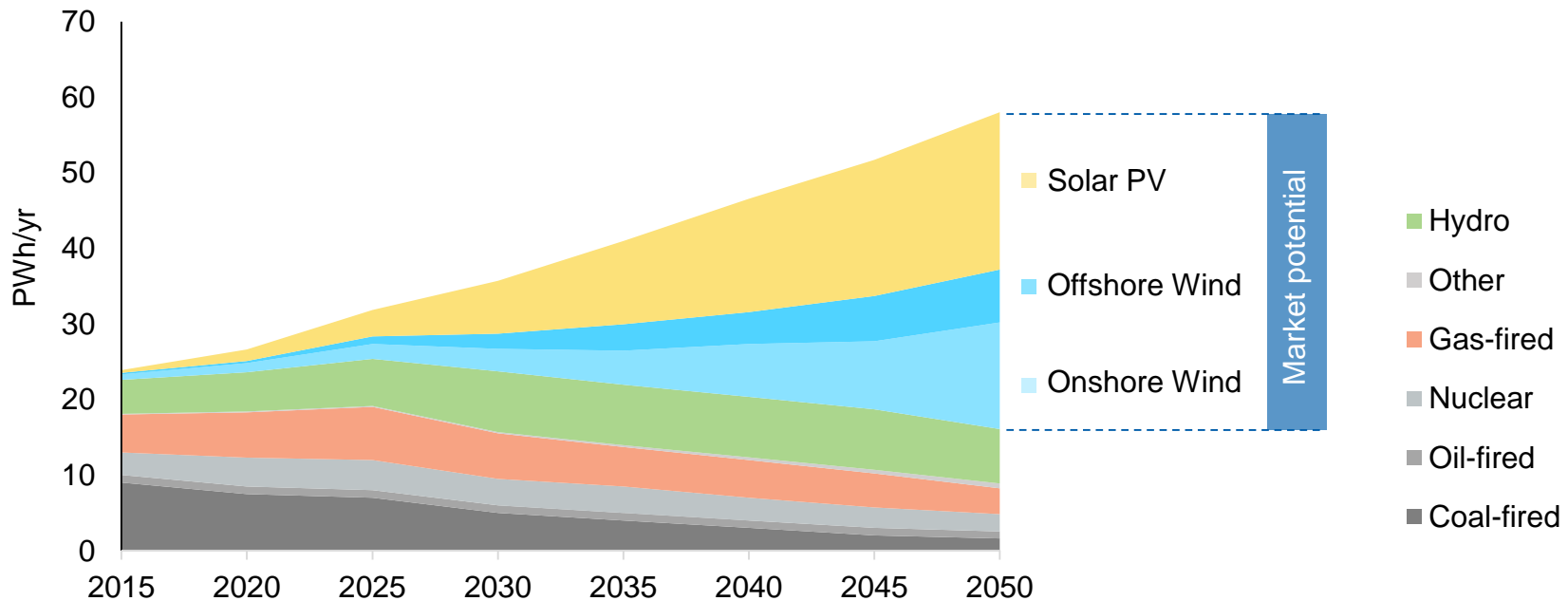
Source: Bloomberg New Energy Finance, Make Consulting, Baringa Analysis

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



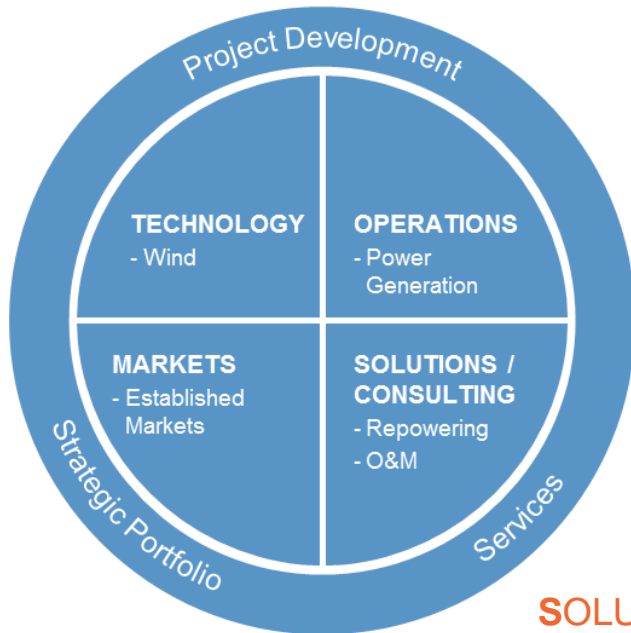
Source: DNV GL 2017

WE ARE SETTING THE COURSE FOR THE FUTURE:



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

STRATEGY



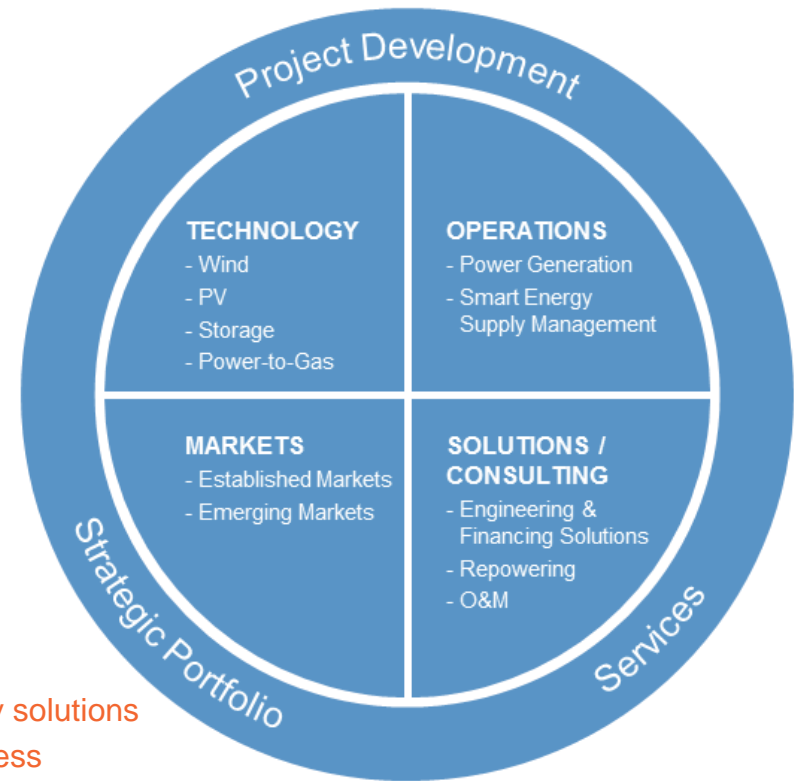
PROJECT DEVELOPER

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

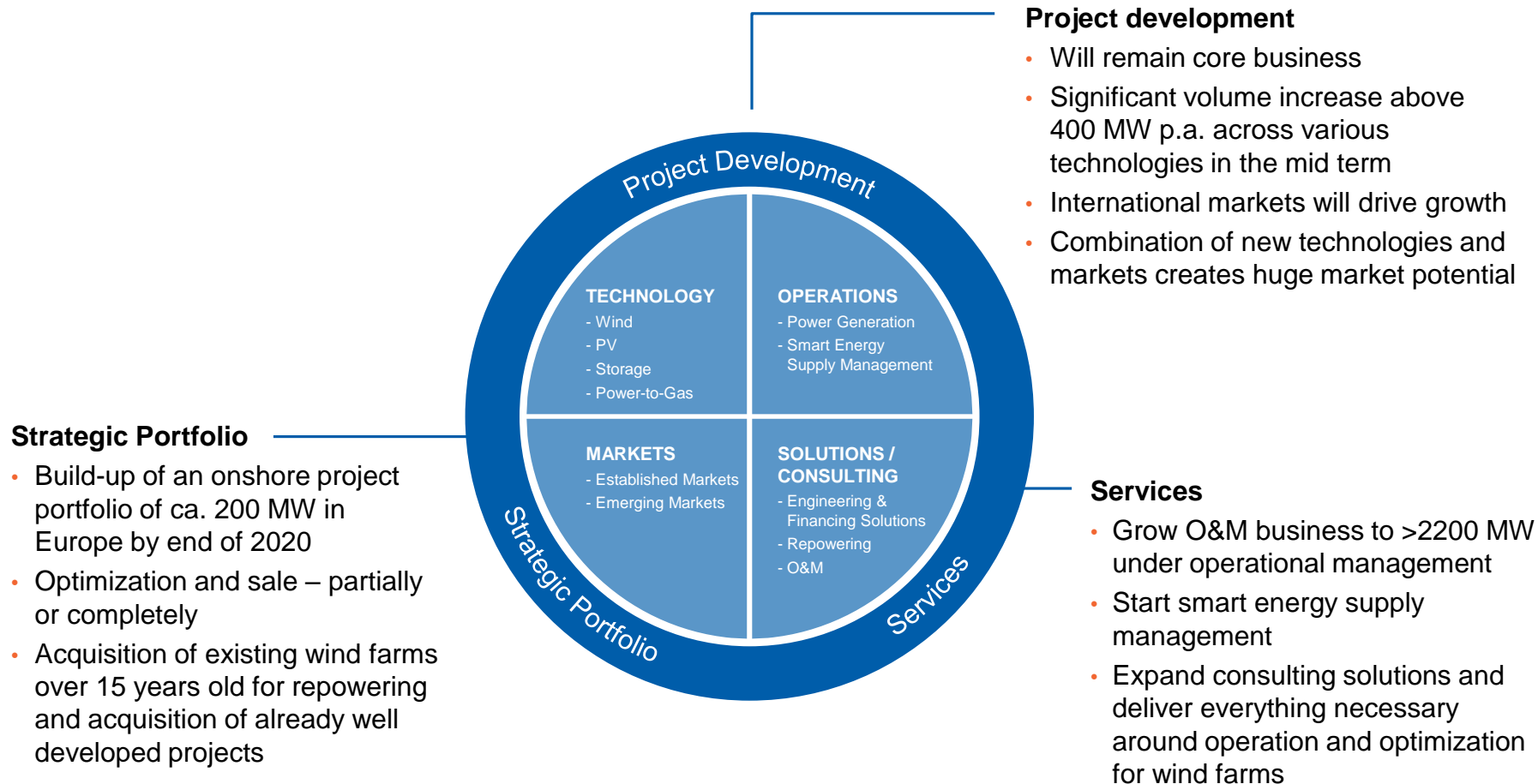


CLEAN ENERGY SOLUTION PROVIDER

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

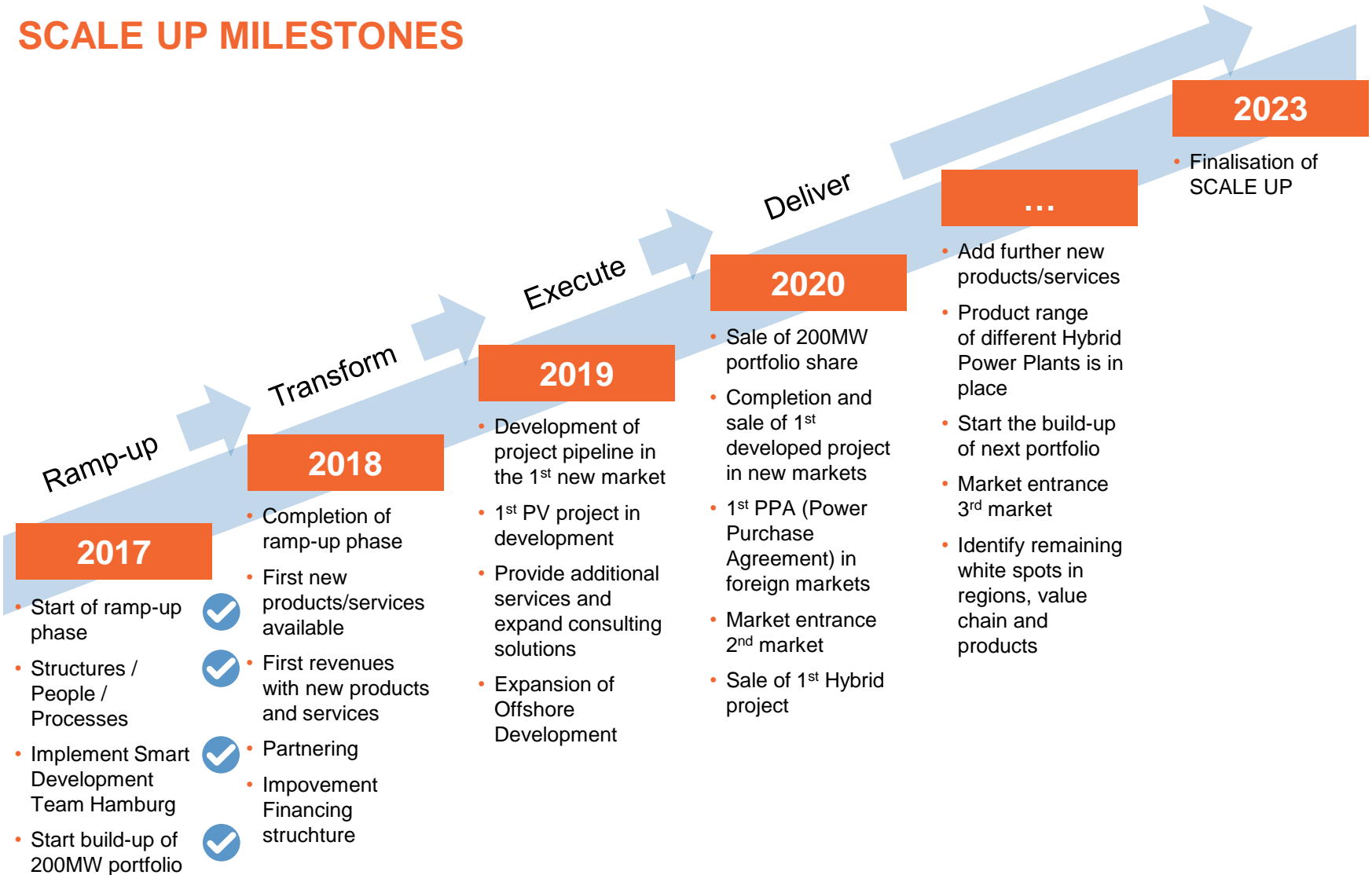
Additional Investment:

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



**SCALE
UP**

SCALE UP MILESTONES



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OPERATIONAL HIGHLIGHTS 2017

Successes in the onshore business – Strong contribution from international markets

- PNE WIND completed, sold or started construction of 233.6 MW of projects
- Projects sold in the US, France, Sweden and Germany
- Successful in tender in Turkey

Successes in the offshore business

- Atlantis I sold to Vattenfall
- Gode Wind 3 successful in first German tender

Significant earnings and cash inflow in connection with Wind Farm Portfolio 2016

- Refinancing leads to earn-out payment of € 21.4m
- Remaining 20% stake sold to Allianz for € 23.1m

Progress in build up of new Wind Farm Portfolio 2020

- Wind farms Kührstedt/Alfstedt (43.2 MW) completed

New strategy SCALE UP released on Capital Market Day in November

- We are developing into a Clean Energy Solution Provider

FINANCIAL HIGHLIGHTS 2017

EBIT of € 23.1m exceeds initial forecast of € 0-15m

- FY EBIT of € 23.1m at the upper end of the increased guidance (€ 17-23m)
- Earnings driven by project sales onshore and offshore, in Germany as well as internationally
- Substantial profit contribution in connection with 142 MW portfolio sale in 2016

Strong financial basis

- Gross cash position increases to € 194.0m, Net cash position of € 14.1m
- Equity ratio remains solid at 48%

Refinancing process on track

- € 25m equity financing line already secured with IKB

Dividend of € 0.04/share proposed

- Continuation of established dividend strategy

Rating improved

- Corporate rating of BB with a positive outlook (formerly: BB with stable outlook)

Positive outlook for FY 2018 in spite of increased investment activity

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

ONSHORE

Country	I-II	III	IV	Total MW
Germany	1,403	97	10	1,510
Bulgaria	121	0	0	121
France	351	102	10	463
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	200	30	0	230
Sweden	0	158	0	158
Turkey	629	71	0	700
Hungary	0	42	0	42
USA	232	200	0	432
Total	3,863	858	20	4,741

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

As of December 31, 2017

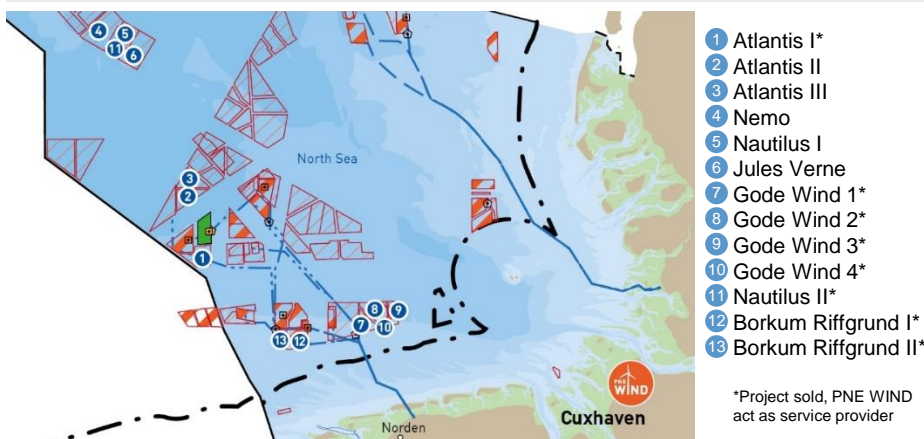
2017 Highlights:

- **US wind farm Vivaldi (80 MW) sold**
 - Project rights sold to Pattern Energy
 - Commissioning expected in 2018
 - Option to expand the project
- **Swedish wind farm Laxaskogen (25.2 MW) sold**
 - Project rights sold to German investment group
 - Commissioning is expected in Q1 2019
- **Strong momentum in France**
 - Wind farm Sommette-Eaucourt (21.6 MW) completed; already sold to John Laing
 - Wind farm Saint-Martin-L'Ars (10.3 MW) sold to John Laing
 - Wind farms Longeves (9 MW, completed) and Riaucourt (12 MW) sold to Quaero Capital
- **Good progress in build up of Wind Farm Portfolio 2020**
 - Wind farms Kührstedt/Alfstedt (43.2 MW) completed
- **Success in Turkish tender**
 - Wind farm Köselier (71.4 MW) awarded contract for pre-licence and secure network access
- **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	DONG
1	Borkum Riffgrund II	6	56	448	DONG
1	Gode Wind 1 & 2	8 / 8	55 + 42	582	DONG
1	Gode Wind 3 & 4	5 / 4	14 + 42	450	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



*Project sold, PNE WIND act as service provider

2017 Highlights:

- **Atlantis I sold to Vattenfall**
 - Lower double digit € million payment in 2017
 - Further milestone payments expected with future added value of the project
- **Gode Wind 3 successful in first tender**
- **Active as service provider for projects sold**
 - Consultant agreements in place with DONG and Vattenfall
- **Further milestone payments expected**
 - Up to € 24m from Borkum Riffgrund 2 and Gode Wind 3 and 4
 - Construction of Borkum Riffgrund 2 started
- **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)

2017 Highlights:

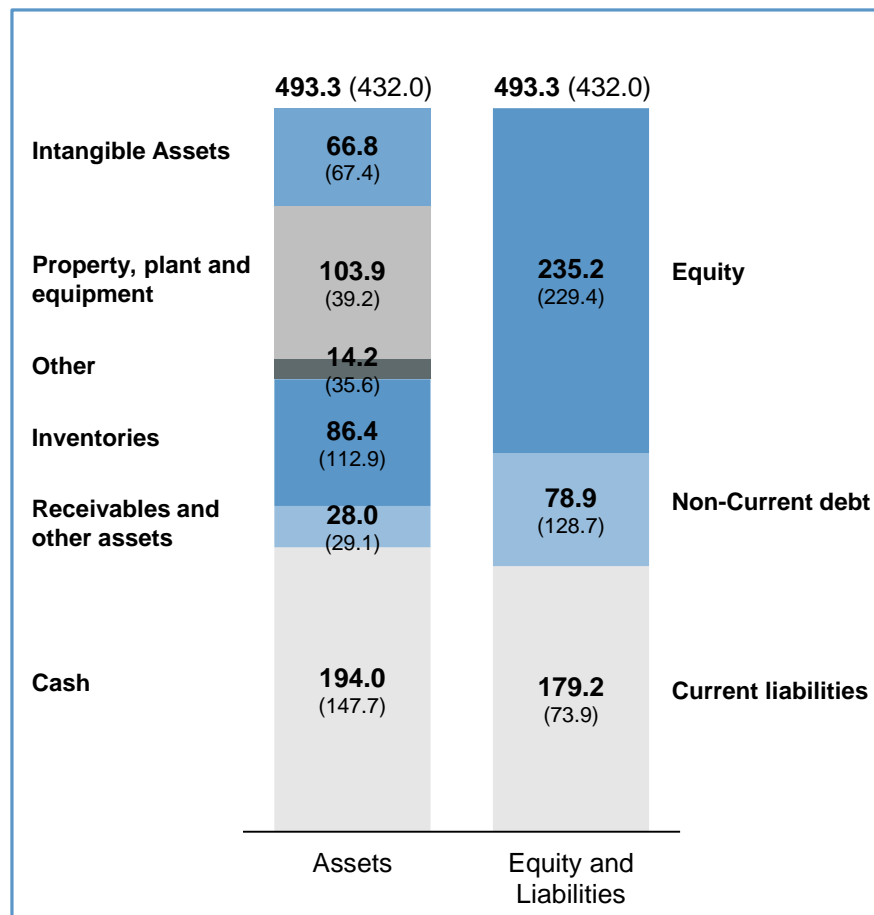
- **Total output € 186.9m (€ 259.2m)**
- **EBIT of € 23.1m reaches upper end of increased guidance**
 - Earnings mainly driven by earn-out payment in connection with portfolio sale in 2016, the sale of Atlantis I and the sale of wind farms in Germany, the US, Sweden and France
 - 2016 results positively impacted by sale of 142 MW wind farm portfolio in Q4 2016
- **Substantial profit contribution in connection with 142 MW portfolio sale in 2016**
 - Subsequent purchase price payment of € 21.4m received for the optimization of the project financing of the portfolio
 - This led to increase in the EV of the portfolio from approx. € 330m to approx. € 360m
 - Revaluation of 20% stake led to additional EBIT effect of approx. € 5.4m
- **Net income clearly positive at € 17.1m**
 - EPS of € 0.22

In € m	2017	2016
Sales	114.1	248.6
Work in progress	63.3	1.6
Other income	9.5	9.1
Total output	186.9	259.2
Cost of materials	-108.4	-97.0
Personnel	-25.8	-25.4
Depreciation	-5.5	-12.9
Others	-24.1	-26.9
EBIT	23.1	97.0
Financial result	-9.1	-15.5
EBT	14.1	81.6
Taxes	0.2	-14.5
Non-controlling interests	-2.8	-1.9
Net income	17.1	69.0
EPS (in €)	0.22	0.90
EPS (in €) Diluted	0.22	0.88

BALANCE SHEET (IFRS)

2017 Highlights:

- **Property, Plant and Equipment at € 103.9m**
 - Transformer stations € 13.0m
 - Land and building € 11.6m
 - Own wind farms € 72.4m
- **Inventories at € 86.4m**
 - Offshore € 23.9m
 - Onshore Germany € 20.3m
 - Onshore International € 39.2m
- **Strong liquidity position increased further to € 194.0m**
 - € 147.7m as of 31 December 2016
 - Strong basis to fund future developments



in € m as of December 31, 2017 (as of December 31, 2016)
(rounding differences possible)

- **Equity increased further to € 235.2m**
 - Equity ratio remains very solid at 48% (53% as of 31 December 2016)
- **Non-current debt at € 78.9m**
 - 2014/19 convertible bond € 6.4m
 - Liabilities to banks € 66.0m, of which project financing € 62.9m (non recourse)
- **Current liabilities at € 179.2m**
 - 2013/18 corporate bond (€ 100m) is being accounted for under current liabilities as due date is May 2018
 - Liabilities to banks € 6.4m, of which project financing € 6.0m (non recourse)
- **Net cash at € 14.1m**
 - Net cash of € 20.1m as of 31 December 2016

OUTLOOK

Onshore wind power – Good start into the year 2018

- Wind farm Gerdau-Schwiebau (21.6 MW) successful in German tender, price level normalizing
- 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)

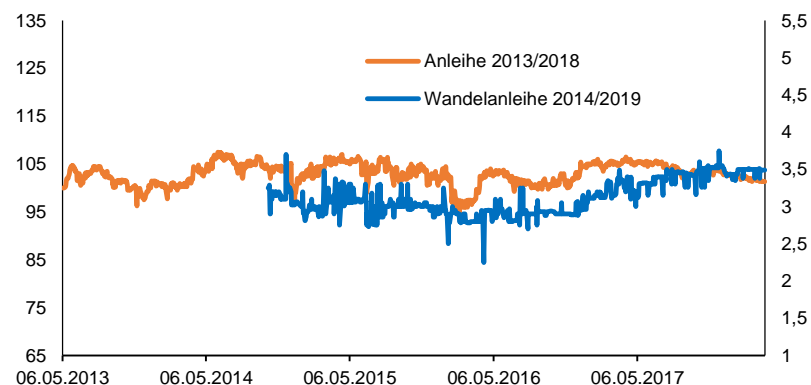
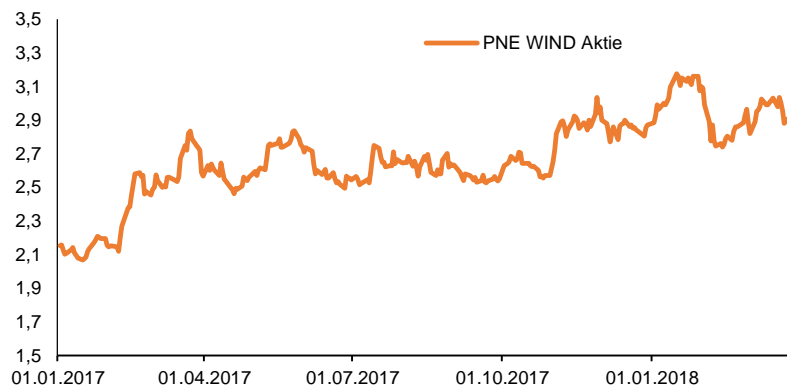
SCALE UP strategy

- First cooperation already started with VPC related to regional clean energy solutions
- First new products/services to become available in 2018
- Complete refinancing to significantly improve financing structure
- Examine opportunities for anorganic growth and cooperations

Positive outlook to FY 2018 in spite of increased investment activity

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

STOCK & BONDS



WKN / ISIN	AOJBPG / DE000A0JBPG2
Number of shares (26 March 2018)	76,556,026
Market capitalization (26 March 2018)	€ 223m
Free Float	Approx. 82%
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX
Designated Sponsors / Market Maker	Commerzbank, ODDO Seydler Bank
Reuters / Bloomberg	PNEGn / PNE3

Corporate bond 2013/2018 (WKN: A1R074)	Coupon 8%, Prime Standard, Total volume €100 m
Convertible bond 2014/2019 (WKN: A12UMG)	Coupon 3.75%, Strike price €3.18 Total volume €6.6 m

Calendar

Publication of Quarterly Statement Q1	May 9, 2018
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

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