



**PNE WIND AG**

Investor Relations Presentation

September 15, 2016

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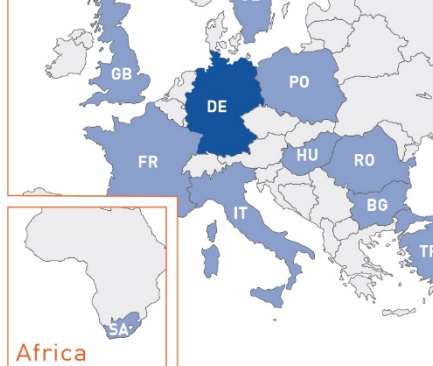
## AT A GLANCE

### International operations of PNE WIND Group

#### North-America

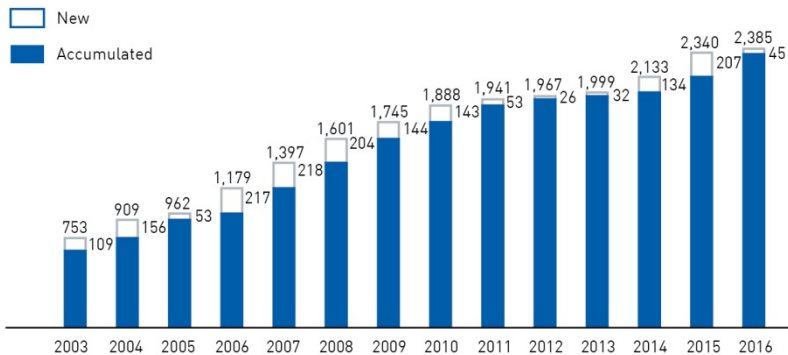


#### Europe



#### Africa

### Realized onshore projects of PNE WIND Group (in MW)



### Leading wind farm developer

- Onshore and offshore

### Projects in 13 different countries

- Europe, North America, South Africa

### Comprehensive project pipeline

- 4,700 MW onshore, 5,000 MW offshore

### 2,160 MW offshore realized

- Gode Wind and Borkum Riffgrund sold to DONG Energy

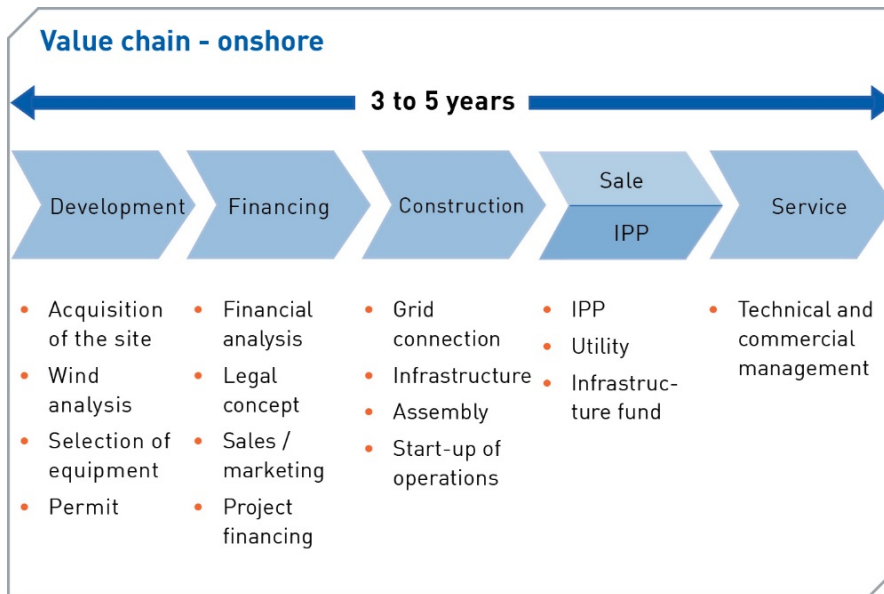
### 2,385 MW onshore realized

- Sold as turnkey projects or as project rights

### Wind farm services covering 1,400 MW

- Commercial and technical management services

## CORE COMPETENCIES



Actual time to develop may take longer, in particular in the international markets

### The entire value chain

- From a single source

### Bankable projects

- Germany and International

### Turnkey projects

- General contractor and construction site management

### Strong demand for wind farms

- By infrastructure investors and utilities

### Wind farm services

- Commercial and technical management services

## TRACK RECORD

### MANAGEMENT



**Markus Lesser**  
CEO



**Jörg Klowat**  
CFO

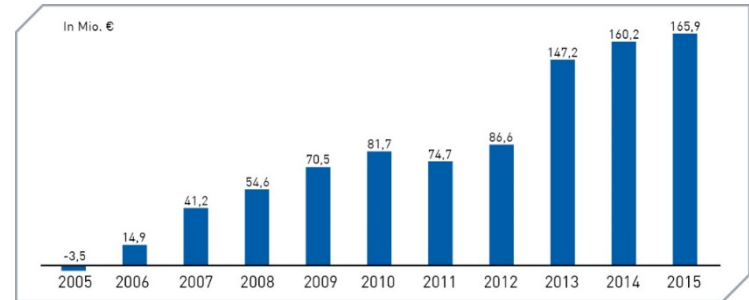


**Kurt Stürken**  
COO



**Per Hornung Pedersen**  
(Interim)

### SHAREHOLDER EQUITY



### DIVIDEND HISTORY (EUR)

Year	Dividend (EUR)
2011	0.04
2012	0.10
2013	0.15
2014	0.04
2015	0.04

### REFERENCES

Offshore: Pipeline deal	Onshore: UK Pipeline deal	Onshore: Turkey Pipeline deal	Onshore: Various Project sales	Windfarm portfolio	Energy Consult
<b>DONG ENERGY</b> Gode Wind ~ 924 MW • Payments of € 129 million received • Up to €25 million due as milestone payments Riffgrund ~ 760 MW	<b>BROOKFIELD</b> PNE WIND UK ~ 1200 MW of projects • GBP 40 million upfront payment • Up to GBP 63 million in milestones due till 2021	<b>STEAG</b> JV for 230 MW of projects • Projects being prepared for tenders	<b>INVESTORS</b> • KGAL • CEE • CHORUS • ALLIANZ • ENBW • ENEL • JOHN LAING	<b>150 MWs</b> 98.4 MW of projects in operation • Portfolio target size of up to 150 MW by end of 2016 • Portfolio transaction planned in 2016	<b>O&amp;M SERVICES</b> Approx. 1.400 MW under management in Germany

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PNE WIND  
providing tailwinds for the  
“energiewende”

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Wind – a domestic energy source  
generating value locally

## 1H - 2016 HIGHLIGHTS

### OPERATIONAL AND FINANCIAL

#### Project implementation according to plan

- 97.8 MW completed, sold or under construction

#### 142.5 MW of own wind farms

- 98.4 MW commissioned, 38.1 MW under construction and 6 MW permitted in July
- Electricity generation segment EBITDA doubles to €8.3m

#### Milestone payment of €3.2m to be received

- DONG reached FID for offshore project Borkum Riffgrund II

#### Wind Farm-Portfolio build-out affects EBIT

- EBIT at - €1.4m down from €24.0m in 1H-2015
- Results in 1H-2015 driven by UK pipeline transaction

#### WKN's working capital credit line repaid

- New credit line of €30m secured in July + €10m guarantee

#### Annual General Meeting

- Dividend of €0.04 per eligible share distributed
- Three members elected to board

#### CEO elected to Management board

- Markus Lesser became CEO on May 26, 2016



## ONSHORE PIPELINE

Country	I-II	III	IV	Total MW
Germany	1,207	94	82	1,383
Bulgaria	121	0	0	121
United Kingdom	43	0	0	43
Italy	242	14	0	256
France	256	123	0	379
Poland	223	42	0	265
Romania	55	102	0	157
South Africa	100	30	0	130
Sweden	99	86	0	185
Turkey	700	0	0	700
Hungary	0	42	0	42
USA	337	180	0	517
Canada	555	0	0	555
<b>Total</b>	<b>3,938</b>	<b>713</b>	<b>82</b>	<b>4,733</b>

Phase I – II = Exploration & Development Phase III = Planning

Phase IV = Implementation till handover

### As per June 30: 82 MW in operation or under construction

- Köhlen 21.3 MW
- Holzthaleben 4.8 MW
- Altenbruch-Repowering 27 MW
- Westerengel 23.1 MW
- Apensen 6.0 MW

### New permits received or finalized

- Germany, 12 MW of which 6 MW sold as project rights
- France, 2 projects with 31.9 MW
- Poland 132 MW, environmental permit
- Sweden 99 MW, environmental permit

### Framework deal with John Laing

- France 21.6 MW, construction expected to start in 2016
- Poland 42 MW, project being prepared for tender

### Ongoing tenders and preparation for

- South Africa, Poland, Turkey, Italy

## WIND FARM-PORTFOLIO

Project	Location	Status	MW	Scheduled completion
Altenbruch II	Lower Saxony	Commissioned	25.8	2009
Chransdorf	Brandenburg	Commissioned	57.6	2015
Waldfeucht	North Rhine-Westphalia	Commissioned	9.0	2015
Apensen II	Lower Saxony	Commissioned	6.0	2016
Köhlen	Lower Saxony	Under construction	21.3	Second half 2016
Holzthaleben	Thüringen	Under construction	4.8	Second half 2016
Altenbruch Repowering	Lower Saxony	Under construction	12.0	Second half 2016
<b>Total</b>			<b>136.5</b>	

As at 30 June 2016

### Wind Farm-Portfolio Strategy

- Started in 2014, realization planned for end of 2016

### 136.5 MW + 6 MW internally held

- 98.4 MW commissioned, 38.1 MW under construction
- In July, 6 MW were permitted for Altenbruch Repowering

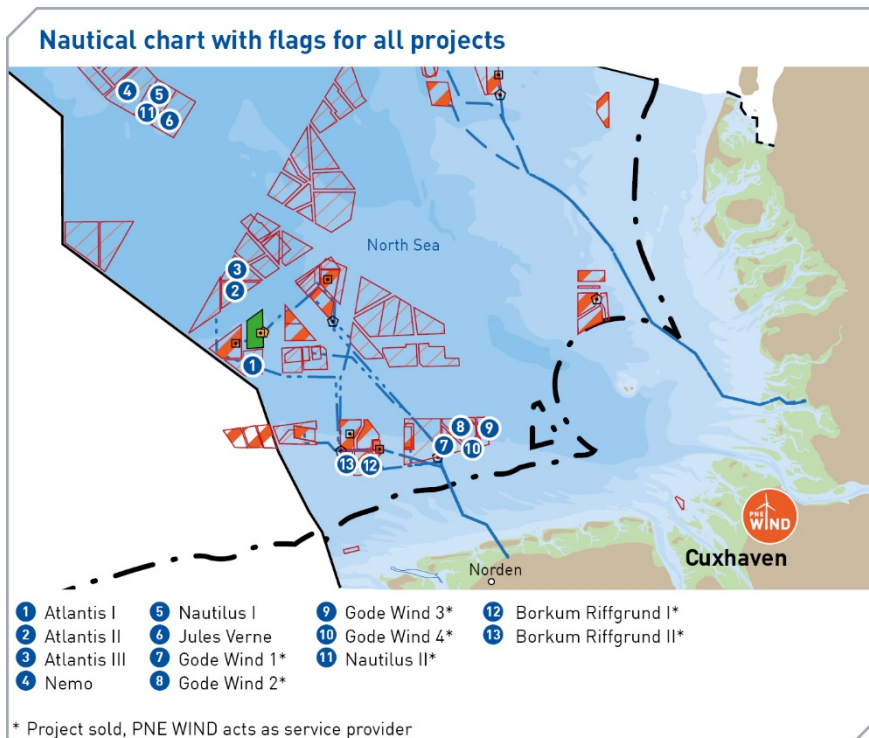
### Energy segment EBITDA up to € 8.3m

- From € 3.8m in 1H-2015

### Structured process underway

- IPO listing or direct sale to an investor

## OFFSHORE PROJECTS



Projects developed and sold by PNE WIND belong to the first operational offshore wind farms

- Borkum Riffgrund I with 312 MW produces energy for 320,000 households
- Gode Wind 1 and 2 with 582 MW produces energy for 600,000 households

Germany targets 15,000 MW offshore

- By 2030, up from 3,295 MW in 2015

## OFFSHORE PROJECTS

Own Projects	Zone	Phase	# WTG	Total MW
Nemo	4	2	80	480
Jules Verne	4	2	80	480
Nautilus I	4	2	80	480
Atlantis I	2	3	73	584
Atlantis II	3	2	80	400
Atlantis III	3	2	80	400
<b>Total</b>			<b>473</b>	<b>2,824</b>

Sold Projects	Zone	Phase	# WTG	Total MW
Borkum Riffgrund I	1	8	78	312
Borkum Riffgrund II	1	6	56	448
Gode Wind 1 & 2	1	8 / 8	55 + 42	582
Gode Wind 3 & 4	1	3 / 4	15 + 42	342
HTOD5 ( <i>Nautilus II</i> )	4	2	68	476
<b>Total</b>			<b>356</b>	<b>2,160</b>

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

**Milestone payment of €3.2m to be received**  
 - DONG reached FID for offshore project Borkum Riffgrund II

**Up to €29m in milestones expected**  
 - From Borkum Riffgrund II and Gode Wind 3 and 4

**Atlantis I being prepared for tender in 2017**  
 - Project size increased to 584 MW from 400 MW

**Regulatory Changes**  
 - Options for projects in Zone 3 and 4 are being evaluated

## INCOME STATEMENT (IFRS)

### Build-out of Wind Farm-Portfolio is main factor behind results during 1H-2016

- Total output and sales driven by stage of completion of wind farms and timing of sales
- Total output in 1H-2016 at €61.1m vs. €89.8m last year
- Sale of UK pipeline in 2Q-2015 drives sales and earning with transaction generating €35m in EBIT

### EBIT at - €1.4m (€24.0m in 1H-2015)

- Build-out of Wind Farm-Portfolio leads to deferral of sales and earnings

### Net income at - €7.8m (€18.4m in 1H-2015)

- EPS of - €0.10 down from €0.25 last year

### Full year guidance of up to €100m confirmed

- Earnings generated from Wind Farm-Portfolio, but eliminated within the scope of consolidation, total €33.1m since 2014

In EURm	1H 2016	1H 2015	2015
<b>Sales</b>	<b>44.8</b>	<b>71.9</b>	<b>109.5</b>
Work in progress	12.2	15.8	116.1
Other income	4.1	2.0	7.7
<b>Total output</b>	<b>61.1</b>	<b>89.8</b>	<b>233.3</b>
Cost of materials	-32.4	-35.6	-154.9
Personnel	-13.1	-13.8	-29.3
Depreciation	-6.0	-3.9	-9.9
Others	-11.0	-12.5	-29.5
<b>EBIT</b>	<b>-1.4</b>	<b>24.0</b>	<b>9.8</b>
Net interest	-8.0	-5.7	-14.6
Participations	0.0	-0.1	-0.2
<b>EBT</b>	<b>-9.5</b>	<b>18.1</b>	<b>-5.0</b>
Taxes	-0.1	-0.1	3.6
Minorities	-1.8	-0.4	-4.9
<b>Net income</b>	<b>-7.8</b>	<b>18.4</b>	<b>3.5</b>
<b>EPS (in €)</b>	<b>-0.10</b>	<b>0.25</b>	<b>0.05</b>
EPS (in €) Diluted	-0.10	0.24	0.05

## BALANCE SHEET (IFRS)

Balance sheet developments primarily driven by investments in Wind Farm-Portfolio

### Property, Plant and Equipment at € 162.0m

- Commissioned wind farms € 126.6m
- Transformer stations € 10.7m
- Land and buildings € 16.3m

### Inventories at € 162.5m

- Offshore € 44.0m
- Onshore Germany € 46.5m
- Onshore International € 47.3m
- Prepayments € 24.7m

### Good liquidity position to fund future developments

- Cash position at € 39.4m

### Balance sheet

in € million as at June 30, 2016 (as at December 31, 2015)

	Assets	Equity and liabilities
Intangible assets	63.0 (63.1)	152.8 (165.9)
Property, plant and equipment	162.0 (167.4)	
Windfarms: 126.6		
Land and Building: 16.3		
Transformer Station: 10.7		
Silbitz: 4.3		
Other	22.8 (21.7)	228.1 (237.5)
Inventories	162.5 (121.2)	
Receivables and other assets	32.1 (28.8)	
Cash	39.4 (86.1)	100.9 (84.9)
Rounding differences possible	<b>481.8</b> (488.3)	<b>481.8</b> (488.3)

## BALANCE SHEET (IFRS)

### Build-out of Wind Farm-Portfolio leads to deferral in earnings

- Equity at € 152.8m, equating to an equity ratio of 32%

### Non-current debt at € 228.1m

- Project financing totals € 106.2m
- 2013/18 corporate bond € 97.7m
- 2014/19 convertible bond € 6.2m

### Current liabilities at € 100.9m

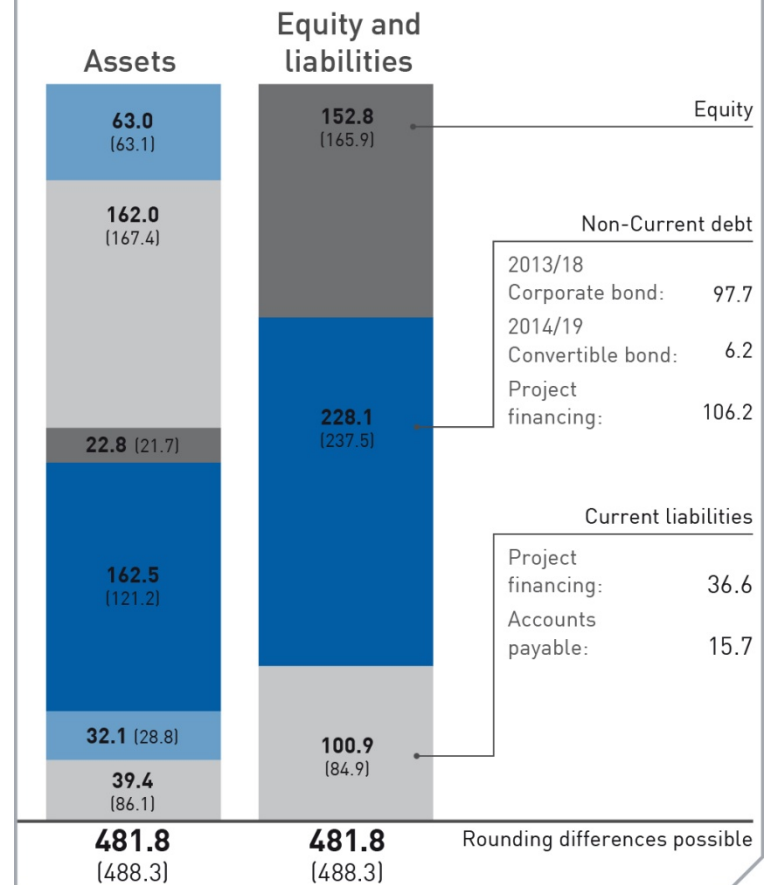
- Construction financing converted into long term debt once project is commissioned
- Interim project financing of € 36.6m
- WKN working capital line repaid at end of June, new credit line of € 30m + € 10m guarantee in July

### Net debt at € 219.5m

- Total project level financing totals € 142.8m

### Balance sheet

in € million as at June 30, 2016 (as at December 31, 2015)



## OUTLOOK



### EBIT in 2016 up to € 100m

- Based primarily on Wind Farm-Portfolio transaction

### Wind Farm-Portfolio grows to 142.5 MW

- Conditions necessary for sale / placement are met

### Atlantis I is being prepared for upcoming tender in 2017

- Offshore project size has been increased to 584 MW

### Good relationship with banks

- New line of credit totaling € 30m secured in July + €10m guarantee facility

### CFO board position reconfirmed

- Jörg Klowat's contract has been extended till March 31, 2020



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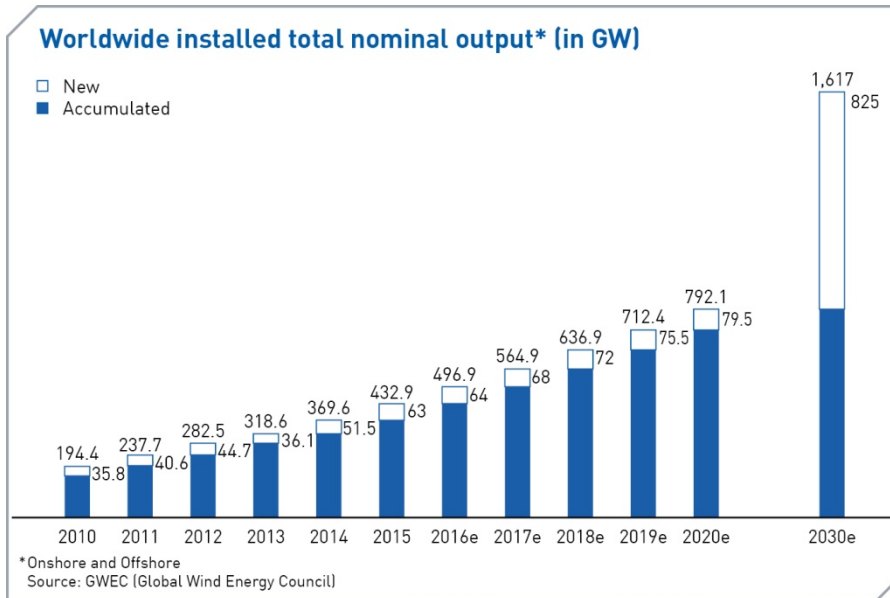
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## GLOBAL TRENDS / OUTLOOK



### Wind set to climb to 15 to 18%

- Of global electricity mix by 2050 according to IEA forecast

### Germany: 13.3% wind of electricity mix

-DK:30.0% -ES:19.1% -PT 24.0% -USA:4,7% -World:3.0%

### Renewables to reach 16% mark

- By 2035 according to BP – 2016 Energy Outlook

## REGULATORY TRENDS

### International operations of the PNE WIND Group



### COP21 Paris Agreement

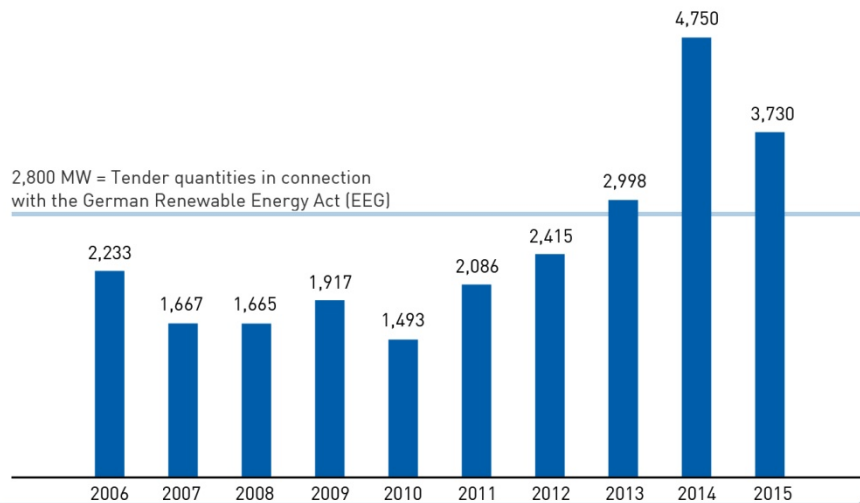
- All necessary measures should be taken to keep global temperatures from rising more than 2 °C

### Legislation passed to support agreement

- Germany, renewable energy in el. mix should nearly double to 55-60 percent by 2035 from 34 percent in 2015
- France, renewable energy in el. mix should climb to 40 percent by 2030 from 15 percent in 2015
- USA , Production Tax Credits extended to end of 2019 and covers projects completed prior to end of 2021

## EEG 2017 - ONSHORE

Total installed capacity (in MW) in Germany



### Tenders beginning in 2017

- 2,800 MW will be allocated per year during 2017-19

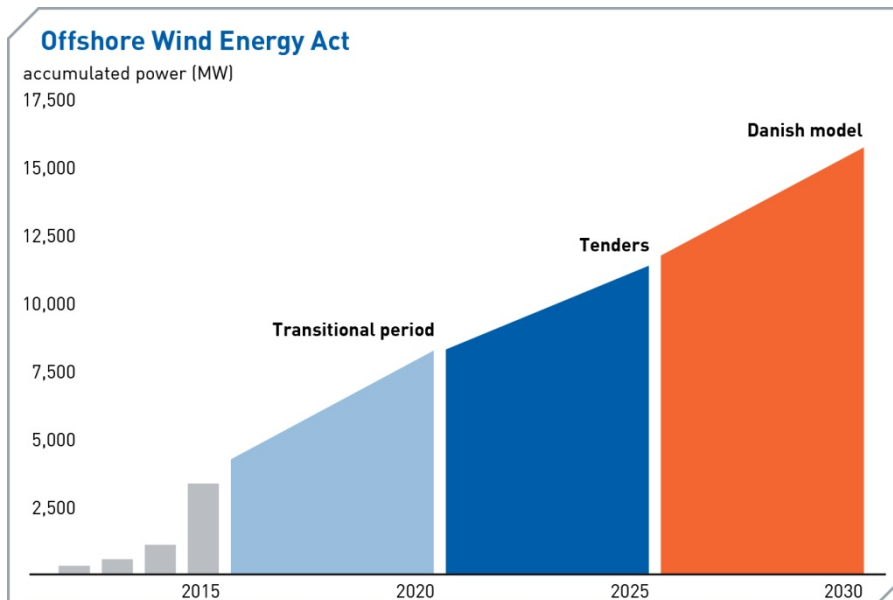
### Transitional period

- Projects with planning permission before Jan 1, 2017 and commissioned before Jan 1, 2019 may choose between feed-in-tariff regime and tender

### Limited grid capacity regions

- Due to underinvestment in the grid, new wind build will be limited in these areas to 58% of the amount installed during the 2013-15 time period

## EEG 2017 - OFFSHORE



### Germany targets 15,000 MW offshore

- By 2030, up from 3,295 MW in 2015

### Transitional period

- Offshore wind farms, which are commissioned before the end of 2020, fall under previous fixed feed-in-tariff regime

### Two tenders totaling 3,100 MW

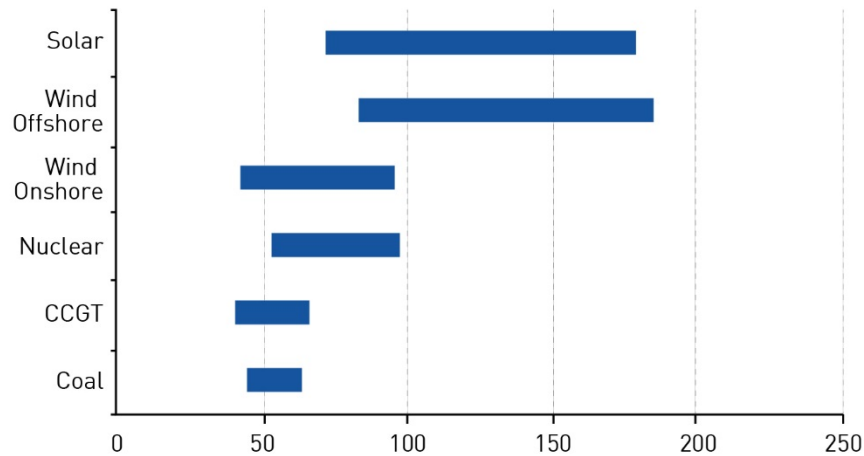
- In March 2017 and 2018, tenders with 1,550 MW each will be held for projects to be completed during 2021-25
- Atlantis I is being prepared for the tenders

### Danish Model

- After the two tender rounds, a government body (BSH) will takeover the development of future offshore projects. These areas will then be auctioned off for the period after 2025
- If there are no changes to the legislation, the projects Atlantis II and III, Jules Verne, Nemo and Nautilus may be negatively affected

## ENERGY TRENDS

Estimated range of power generation costs in key markets for new capacity added during 2015e (EUR/MWh)



Source: HSBC estimates

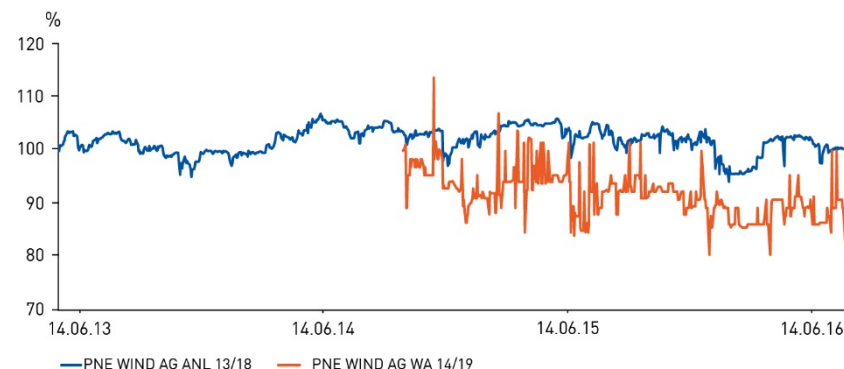
### Wind power is competitive

- In comparison to coal, gas and nuclear

### Improving wind technology

- Leads to higher output at lower costs
- Wind LCOE (Levelized Cost of Energy) has fallen by 50 percent since 2009 – Bloomberg New Energy Finance

## STOCK & BONDS



WKN / ISIN	AOJBPG / DE000A0JBPG2
Number of shares (31 July 2016)	76,556,026
Market capitalization (10 August 2016)	EUR 156.2 m
Free Float	Approx. 82%
Market segment	Prime Standard
Indices	CDAX Technology, ÖkoDAX
Designated Sponsors / Market Maker	Commerzbank, Dero Bank, ODDO Seydler Bank
Reuters / Bloomberg	PNEGn / PNE3

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

## CALENDAR


Third quarter	November 9, 2016
Analyst Conference Frankfurt	November 21-23, 2016

# THANK YOU

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Harnessing the power of the wind means for us  
connecting environmental responsibility with  
corporate success