



# PNE WIND AG

Investor Relations Presentation | 9M-2016

Updated February 01, 2017

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3. STOCK AND BOND CHARTS



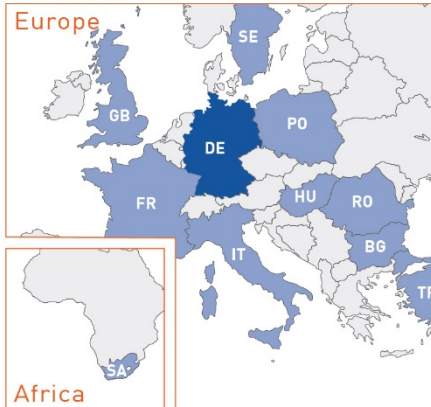
## AT A GLANCE

### International operations of PNE WIND Group

#### North-America

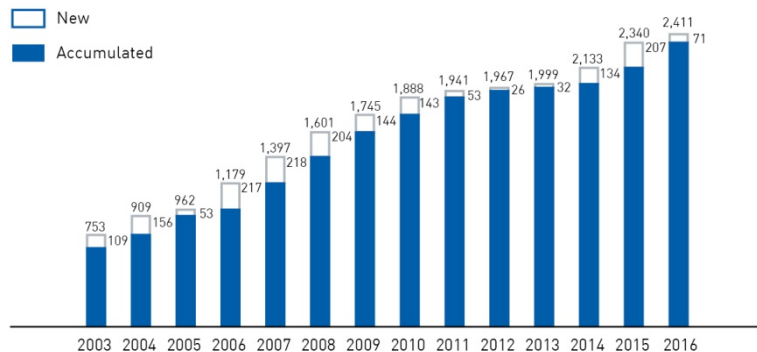


#### Europe



#### Africa

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



As at September 30, 2016

### Leading wind farm developer

- Onshore and offshore

### Projects in 13 different countries

- Europe, North America, South Africa

### 8 offshore projects sold [Jan 17]

- Gode Wind and Borkum Riffgrund sold to DONG Energy  
- Atlantis I sold to Vattenfall

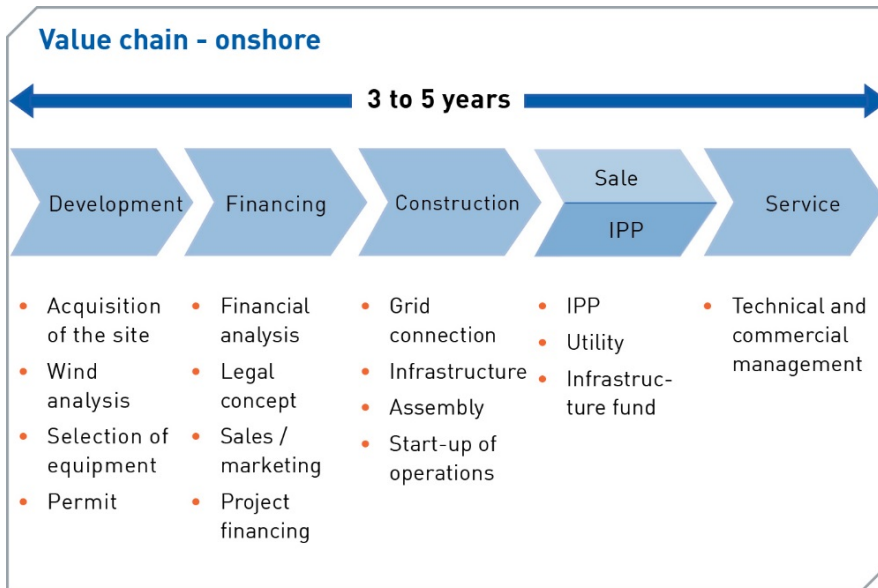
### 2,411 MW onshore realized

- 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

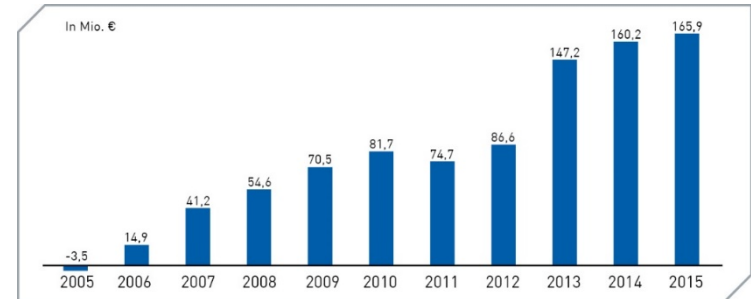


**Markus Lesser**  
CEO

**Jörg Klawat**  
CFO

**Kurt Stürken**  
COO

### 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: Atlantis I	Wind farm portfolio	Onshore: UK Pipeline deal	Onshore: Turkey Pipeline deal	Onshore: Various Project sales	Offshore: Pipeline deal
<p><b>Vattenfall [Jan 17]</b></p> <p>Atlantis I ~584 MW</p> <ul style="list-style-type: none"> <li>• Low double digit € million payment</li> <li>• Further milestone payments expected</li> </ul>	<p><b>Allianz [Dec 16]</b></p> <p>142.5 MW of projects in operation / construction +10 MW in planning permission procedure</p> <ul style="list-style-type: none"> <li>• Enterprise value &gt; €330 million</li> <li>• Sales price €103 million for 80%</li> </ul>	<p><b>BROOKFIELD</b></p> <p>PNE WIND UK ~ 1,200 MW of projects</p> <ul style="list-style-type: none"> <li>• GBP 40 million upfront payment</li> <li>• Up to GBP 63 million in milestones due till 2021</li> </ul>	<p><b>STEAG</b></p> <p>JV for 230 MW of projects</p> <ul style="list-style-type: none"> <li>• Projects being prepared for tenders</li> </ul>	<p><b>INVESTORS</b></p> <ul style="list-style-type: none"> <li>• KGAL</li> <li>• CEE</li> <li>• CHORUS</li> <li>• ALLIANZ</li> <li>• ENBW</li> <li>• ENEL</li> <li>• JOHN LAING</li> </ul>	<p><b>DONG [Dec 16]</b></p> <p>Gode Wind ~ 924 MW</p> <ul style="list-style-type: none"> <li>• Payments of €134 million received</li> <li>• Up to €24 million due as milestone payments</li> </ul> <p>B. Riffgrund ~ 760 MW</p>



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PNE WIND  
providing tailwinds for the  
“energiewende”

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## 9M 2016 HIGHLIGHTS

### OPERATIONAL AND FINANCIAL



#### Project implementation in plan

- 125.4 MW completed, sold or under construction

#### 142.5 MW in Wind Farm-Portfolio [Dec 16]

- 136.5 MW commissioned and 6.0 MW under construction
- + 10 MW in the planning permission procedure
- Portfolio sold to a subsidiary of Allianz Global Investors

#### Milestone payments of approx €8.0m [Dec 16]

- DONG decided to build (FID) the offshore project Borkum Riffgrund II
- Planning permission for Gode Wind 3

#### Positive EBIT of €7.2m during 9M-2016

- Solid EBIT achieved despite build out of Wind Farm-Portfolio
- In 3Q-2016, EBIT of €8.6m up from €-1.4m in 1H-2016

#### Working capital credit line [Dec 16]

- Following sale of Windpark-Portfolio the credit line was reduced from €30m to €10m
- €10m guarantee in place



## ONSHORE PIPELINE

Country	I-II	III	IV	Total MW
Germany	1,227	86	33	1,346
Bulgaria	121	0	0	121
United Kingdom	43	0	0	43
Italy	242	14	0	256
France	313	101	22	436
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	417	180	0	597
Canada	555	0	0	555
<b>Total</b>	<b>4,095</b>	<b>683</b>	<b>55</b>	<b>4,833</b>

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

Phase IV = Implementation till handover

As at September 30, 2016

### 125.4 MW completed, sold or under construction [Dec 16]

- Completed projects: Westerengel 23.1 MW, Köhlen 21.3 MW, Holzthaleben 4.8 MW, Apensen II 6.0 MW, Altenbruch Repowering 27.0 MW
- Project rights sold: 15.6 MW
- Under construction: Altenbruch Repowering 6 MW, Sommette-Eaucourt 21.6 MW in France

### New permits on hand [Dec 16]

- Germany 66.5 MW – Eligible for fixed tariff and independent of auction systems

### Framework deal with John Laing

- First sales transaction with 21.6 MW in France finalized; total framework encompasses projects with approx. 50 MW
- Poland 42 MW, project being prepared for tender

### US market activities increased

- Qualifying projects eligible for tax credits (PTC)

### Ongoing tenders and preparation for

- South Africa, Poland, Turkey, Italy and Germany

## WIND FARM-PORTFOLIO

Project	Location	Status	MW	Scheduled completion
Altenbruch II	Lower Saxony	Commissioned	25.8	2009
Chrandsdorf	Brandenburg	Commissioned	57.6	2015
Waldfeucht	North Rhine-Westphalia	Commissioned	9.0	2015
Apensen II	Lower Saxony	Commissioned	6.0	2016
Köhlen	Lower Saxony	Commissioned	21.3	2016
Holzthaleben	Thüringen	Commissioned	4.8	2016
Altenbruch Repowering	Lower Saxony	Commissioned	12.0	2016
Altenbruch Repowering	Lower Saxony	Under construction	6.0	2017
<b>Total</b>			<b>142.5</b>	

As at December 31, 2016

### Wind Farm-Portfolio Sale Completed [Dec 16]

- Portfolio sold to a subsidiary of Allianz Global Investors
- € 103 million received for 80 percent of the portfolio, PNE retains 20 percent ownership
- Total enterprise value (100 percent, ink. debt) of > € 330 million
- PNE benefits from long term earnings from power generation and by providing services

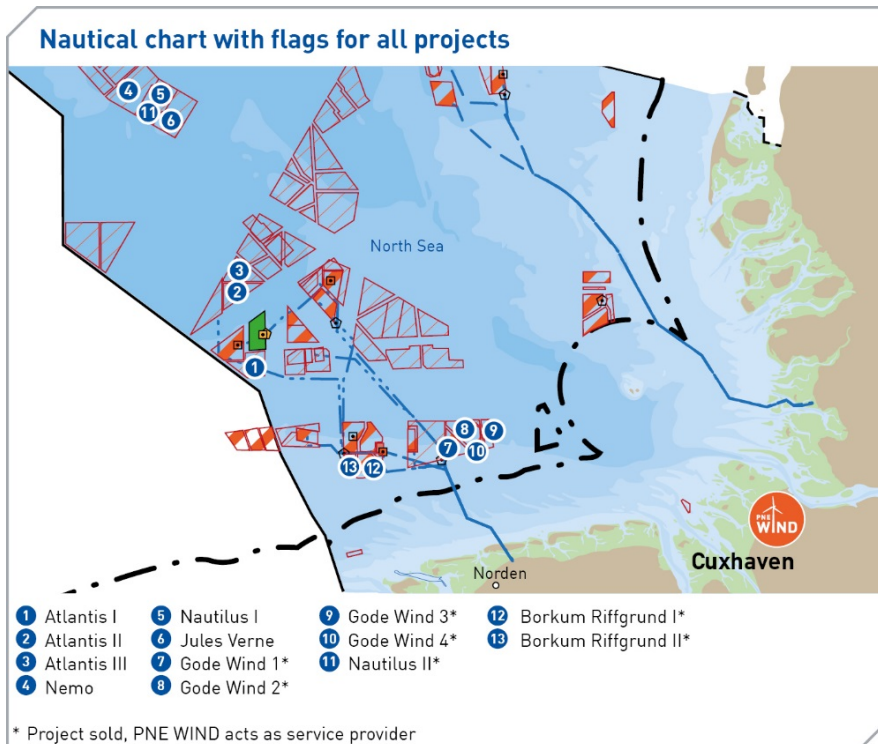
### 142.5 MW commissioned or under construction [Dec 16]

- 136.5 MW commissioned, 6.0 MW under construction
- An additional 10 MW in the planning permission procedure

### Energy segment EBITDA up to € 9.8m

- From € 6.0m in 9M-2015

## 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 PIPELINE

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 II	3	2	80	400
Atlantis III	3	2	80	400
<b>Total</b>			<b>400</b>	<b>2,240</b>

Sold Projects	Zone	Phase	# WTG	Total MW
Atlantis I	2	3	73	584
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	4 / 4	14 + 42	342
HTOD5 ( <i>Nautilus II</i> )	4	2	68	476
<b>Total</b>			<b>428</b>	<b>2,744</b>

Phase 2 = Application conference held  
 Phase 3 = Hearing held  
 Phase 4 = Approval granted  
 Phase 5 = Grid connection

Phase 6 = Investment decision  
 Phase 7 = Under construction  
 Phase 8 = In operation

### Atlantis I sold to Vattenfall [Jan 17]

- Low double digit € million payment in 2017
- Further milestone payments expected with further value-add of the project
- Project being prepared for upcoming tender
- PNE remains active in project as service provider

### Milestone payments of approx. € 8.0m [Dec 16]

- DONG decided to build (FID) the offshore project Borkum Riffgrund II
- Planning permission for Gode Wind 3

### Up to € 24m in milestones expected [Dec 16]

- From Borkum Riffgrund II and Gode Wind 3 and 4

### Regulatory Changes

- According to WindSeeG all projects in Zone 3 to 6 will be brought into the "Central Model" to be tendered off by the government
- Legal opinions conclude that parts of WindSeeG are unconstitutional
- A claim for damages is being prepared for projects in Zone 3,4

### Development Opportunities

- Power-to-Gas: New solutions for offshore projects are being explored
- International markets: Leverage our offshore experience in foreign markets

## INCOME STATEMENT (IFRS)

### Solid EBIT achieved despite build out of Wind Farm-Portfolio

- Total output and sales driven by stage of completion of wind farms and timing of sales
- Total output in 9M-2016 at €101.9m vs. €189.5m last year
- Sale of UK pipeline in 9M-2015 drove sales and earning with transaction generating €35m in EBIT

### EBIT at €7.2m

- Build out of Wind Farm-Portfolio leads to deferral of sales and higher depreciation
- Earnings primarily driven by wind farm sales (Westerengel, Altenbruch Repowering Ost, Sommette-Eaucourt), an offshore milestone payment and electricity generation

### Net income at - €2.8m

- EPS of - €0.04 down from €0.13 last year

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

In EURm	9M 2016	9M 2015	2015
<b>Sales</b>	<b>77.1</b>	<b>80.5</b>	<b>109.5</b>
Work in progress	19.5	104.9	116.1
Other income	5.3	4.2	7.7
<b>Total output</b>	<b>101.9</b>	<b>189.5</b>	<b>233.3</b>
Cost of materials	-51.1	-124.4	-154.9
Personnel	-18.7	-22.3	-29.3
Depreciation	-9.0	-7.0	-9.9
Others	-15.9	-19.1	-29.5
<b>EBIT</b>	<b>7.2</b>	<b>16.7</b>	<b>9.8</b>
Net interest	-11.9	-9.2	-14.6
Participations	0.0	-0.2	-0.2
<b>EBT</b>	<b>-4.7</b>	<b>7.3</b>	<b>-5.0</b>
Taxes	0.6	1.4	3.6
Minorities	-1.4	-1.1	-4.9
<b>Net income</b>	<b>-2.8</b>	<b>9.8</b>	<b>3.5</b>
<b>EPS (in €)</b>	<b>-0.04</b>	<b>0.13</b>	<b>0.05</b>
EPS (in €) Diluted	-0.03	0.13	0.05

## BALANCE SHEET ASSETS (IFRS)

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

### Property, Plant and Equipment at € 160.8m

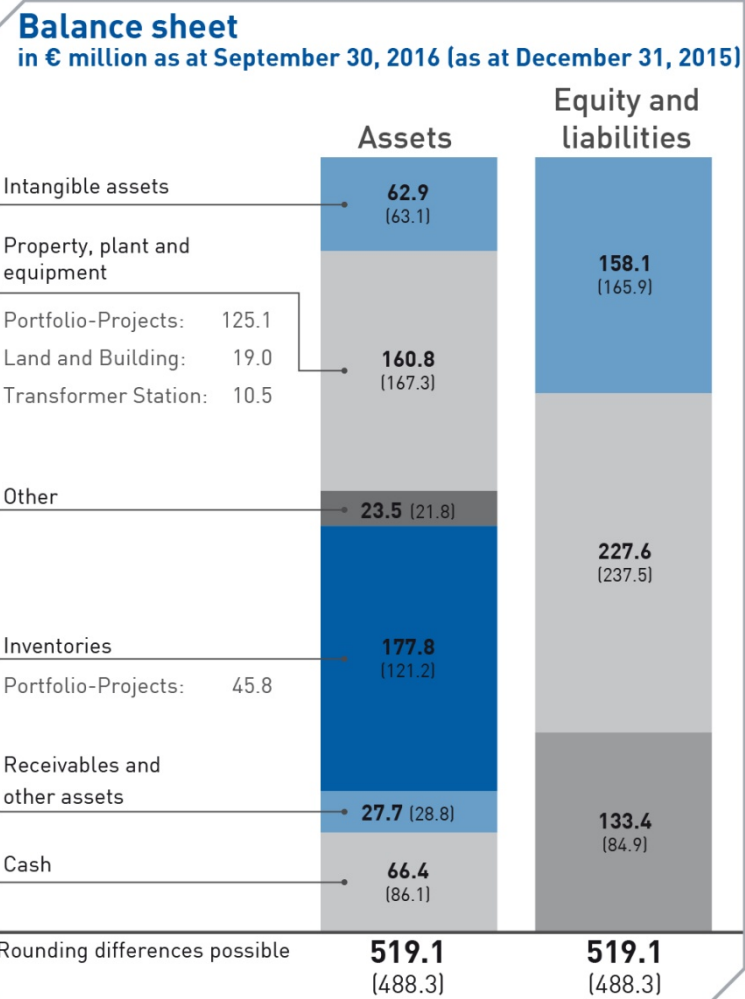
- Commissioned wind farms € 125.1m
- Transformer stations € 10.5m
- Building and property € 19.0m

### Inventories climb to € 177.8m

- Offshore € 45.8m
- Onshore Germany € 62.9m
- Onshore International € 47.1m
- Prepayments € 21.8m

### Strong liquidity position to fund future developments

- Cash position at € 66.4m





## BALANCE SHEET LIABILITIES (IFRS)

Wind Farm-Portfolio leads to temporary increase in debt and deferral of earnings

- Equity at € 158.1m translates into a solid equity ratio of 30%

Non-current debt at € 227.6m

- Project financing of € 105.1m
- 2013/18 corporate bond € 98.0m
- 2014/19 convertible bond € 6.2m

Current liabilities at € 133.4m

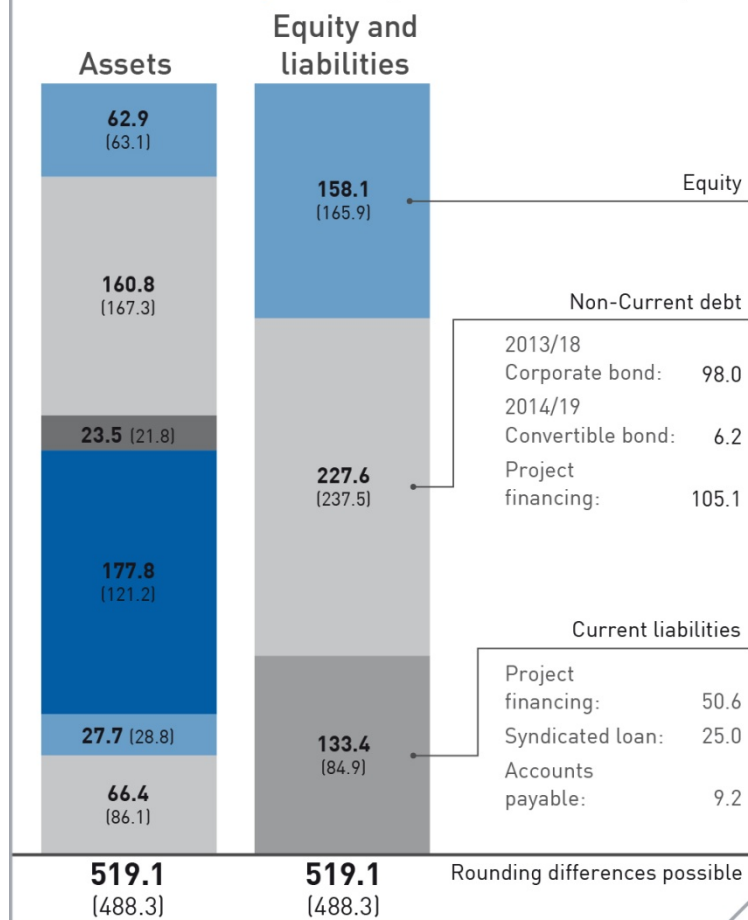
- Construction financing converts into long term debt once project is commissioned
- Project financing of € 50.6m
- New working capital line of credit secured in July totaling € 30m + € 10m guarantee

Net debt at € 231.1m

- Total project level financing totals € 155.7m up from € 122.0m as at Dec. 31, 2015

### Balance sheet

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



## OUTLOOK



Wind energy – the driving force  
for PNE WIND

### EBIT in 2016 up to € 100m

- High EBIT forecast based primarily on Wind Farm-Portfolio transaction

### Atlantis next steps

- Project is being prepared for upcoming tender in 2017
- PNE remains active as service provider
- Milestone payments expected with further value-add of the project

### Regulatory Changes

- Germany: New EEG and WindSeeG
- International: Regulatory changes in foreign countries and delays in tender markets
- Adapting international activities to reflect opportunities and risks

### US market activities increased

- Qualifying projects eligible for tax credits (PTC)

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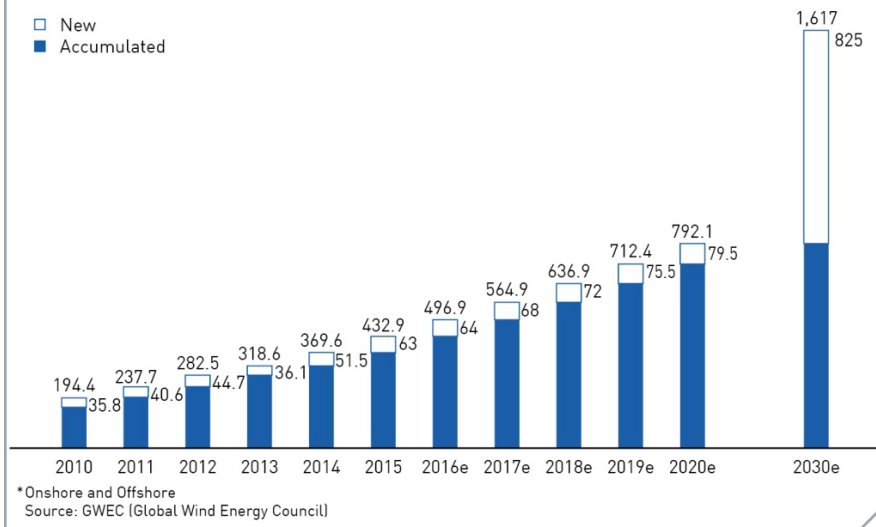
1. GLOBAL TRENDS
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## GLOBAL TRENDS

**Worldwide installed total nominal output\* (in GW)**

□ New  
■ Accumulated



### 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

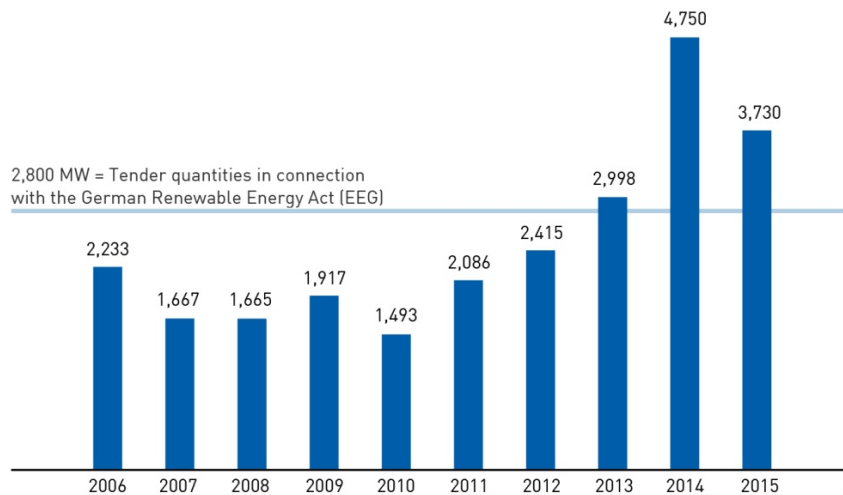
- All necessary measures should be taken to keep global temperatures from rising more than 2 °C

### 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, Qualifying projects eligible for tax credits (PTC)

## 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

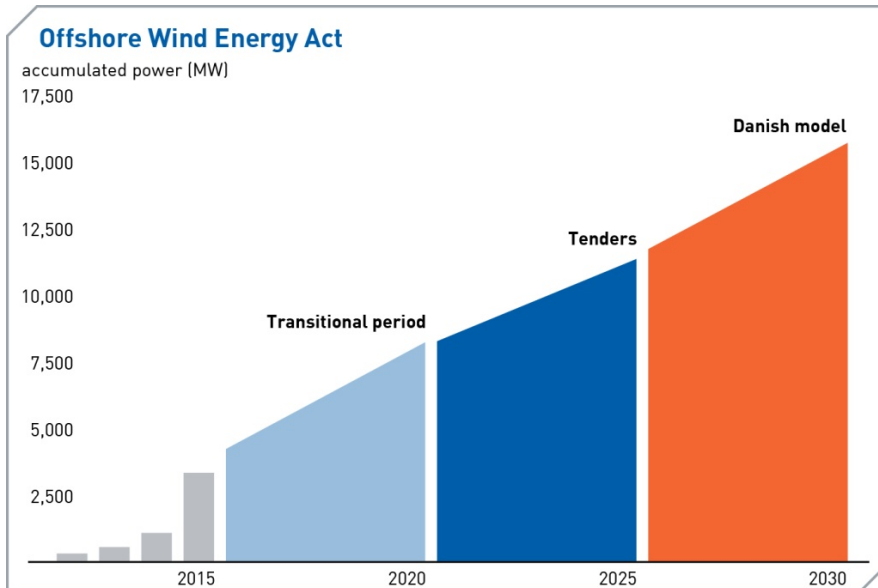
- Projects with planning permission before Jan 1, 2017 and commissioned before Jan 1, 2019 may choose between feed-in-tariff regime and tender

### 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

### Central Model

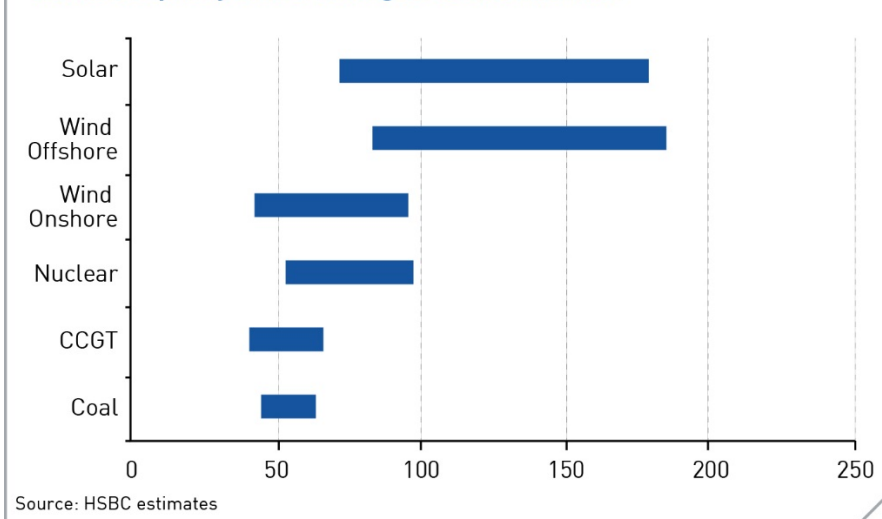
- After the two tender rounds, a government body (BSH) will takeover the development of future offshore projects. These areas will then be auctioned off for the period after 2025
- If there are no changes to the legislation, the projects Atlantis II and III, Jules Verne, Nemo and Nautilus may be affected

### Development Opportunities

- Power-to-Gas: New solutions for offshore projects are being explored
- International markets: Leverage our offshore experience in foreign markets

## ENERGY TRENDS

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



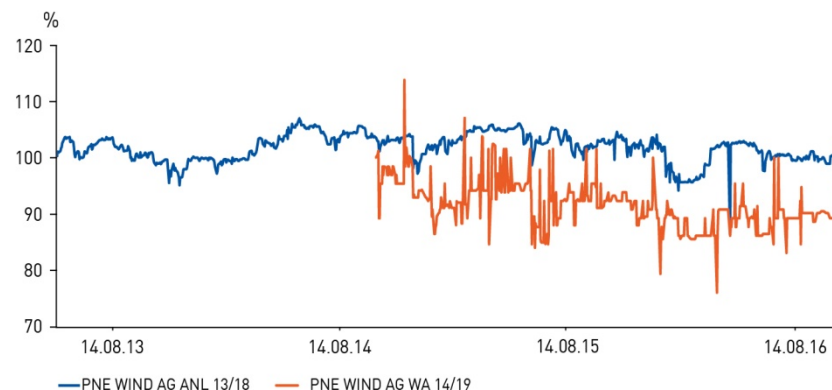
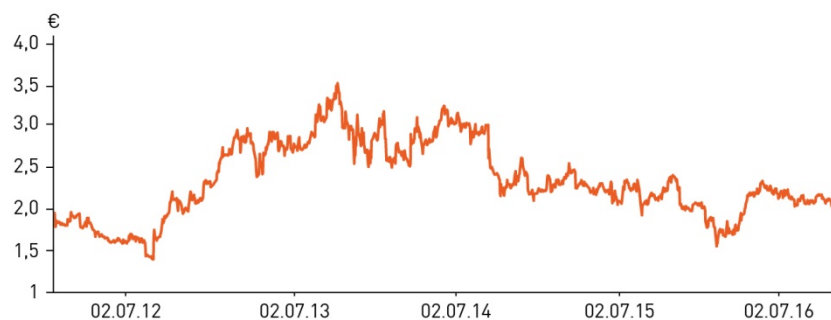
### Wind power is competitive

- 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 (30 September 2016)	76,556,026
Market capitalization (30 September 2016)	EUR 166.0 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

Annual Report 2016	March 30, 2017
First quarter	May 10, 2017
Annual General Meeting	May 31, 2017
Second quarter	August 10, 2017
Third quarter	November 9, 2017
Analyst Conference Frankfurt	November 27-29, 2017

# THANK YOU

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