



# PNE WIND AG

Webcast Presentation | H1-2017

August 10, 2017

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## H1 - 2017 HIGHLIGHTS

### OPERATIONAL AND FINANCIAL



#### Project implementation fully on track

- Repowering project “Altenbruch” completed as scheduled
- Total of 94 MW under construction in Germany and France

#### Successes in the offshore business

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

#### US business picks up speed

- US-wind farm Vivaldi (80 MW) sold to Pattern Energy [July]
- Proof of concept in US market

#### Annual General Meeting

- Dividend of € 0.12 per eligible share distributed
- Three new members elected to supervisory board

#### High development activity and portfolio build-up reflected in financial figures

- Total output at € 50.0m
- EBIT at € -5.0m

#### FY guidance confirmed

- Group EBIT in the range of € 0-15m expected
- Positive earnings drivers expected in H2

## ONSHORE PIPELINE

Country	I-II	III	IV	Total MW
Germany	1,321	60	53	1,434
Bulgaria	121	0	0	121
France	308	82	41	431
United Kingdom	43	0	0	43
Italy	102	14	0	116
Canada	555	0	0	555
Poland	223	42	0	265
Romania	54	102	0	156
South Africa	170	30	0	200
Sweden	99	86	0	185
Turkey	700	0	0	700
Hungary	0	42	0	42
USA	317	280	0	597
<b>Total</b>	<b>4,013</b>	<b>738</b>	<b>94</b>	<b>4,845</b>

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

Phase IV = Implementation till handover

As of June 30, 2017

### High development activity in H1 2017

- 94 MW under construction in Germany and France
- International business grows
- Project implementation fully on track

### France gaining momentum

- 41 MW under construction in France
- Thereof 32 MW for framework deal with John Laing

### Good progress in Germany

- Altenbruch Repowering (6 MW) completed
- 53 MW under construction, to be completed in 2017
- Thereof 43 MW for the new Wind Farm-Portfolio (construction started in H1 2017)
- Project rights with 17.4 MW were sold to project partners, 8 MW were purchased from project partners

### US wind farm Vivaldi (80 MW) sold [July]

- Project rights sold to Pattern Energy
- Start of construction planned for 2017, commissioning in 2018
- Option to expand the project

### Ongoing tenders and preparation for

- South Africa, Poland, Turkey, Italy and Germany

## OFFSHORE PROJECTS

Zone	Sold projects	Phase	#WET	Total MW
1	Borkum Riffgrund 1	8	78	312
1	Borkum Riffgrund 2	6	56	448
1	Gode Wind 1 & 2	8 / 8	55 + 42	582
1	Gode Wind 3 & 4	5 / 4	14 + 42	450
2	Atlantis I	3	73	584
4	HTOD5 (Nautilus II)	2	68	476
<b>Total</b>			<b>428</b>	<b>2.852</b>

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

Thereof already finalized

Zone	Projects	Phase	#WET	Total MW
1	Borkum Riffgrund 1	In Operation	78	312
1	Gode Wind 1	In Operation	55	330
1	Gode Wind 2	In Operation	42	252
<b>Total</b>			<b>175</b>	<b>894</b>

### Atlantis I sold to Vattenfall

- Lower double digit € million payment in 2017
- Further milestone payments expected with further value-add of the project
- Project being prepared for next offshore tender in 2018
- PNE WIND remains active in project as service provider

### Gode Wind 3 successful in first tender

- Proof of high quality of PNE WIND projects

### 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

### Regulatory Changes: Constitutional complaint filed

- 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 constitutional complaint has been filed in the end of July

## INCOME STATEMENT (IFRS)

### Financial results reflect high development activity and portfolio build-up

- Build-out of new Wind Farm-Portfolio leads to deferral of sales and earnings
- Total output in H1 2017 at € 50.0m vs. € 61.1m last year
- Decrease mainly driven by lower sales from electricity generation (€ 3.4m vs. € 11.9m in H1 2016) due to sale of Wind Farm-Portfolio in 2016

### EBIT at € -5.0m (€ -1.4m in H1 2016)

- Earnings generated from Wind Farm-Portfolio, but eliminated within the scope of consolidation, amount to € 4.5m in H1 2017
- Fixed cost base clearly reduced

### Net income improved yoy

- Driven by lower interest payments and positive tax effect

In EURm	6M 2017	6M 2016	2016
<b>Sales</b>	<b>39.5</b>	<b>44.8</b>	<b>248.6</b>
Work in progress	8.3	12.2	1.6
Other income	2.2	4.1	9.1
<b>Total output</b>	<b>50.0</b>	<b>61.1</b>	<b>259.2</b>
Cost of materials	-28.7	-32.4	-97.0
Personnel	-12.1	-13.1	-25.4
Depreciation	-3.2	-6.0	-12.9
Others	-11.0	-11.0	-26.9
<b>EBIT</b>	<b>-5.0</b>	<b>-1.4</b>	<b>97.0</b>
Net interest	-5.0	-8.0	-16.2
Participations	0.3	0	0.8
<b>EBT</b>	<b>-9.7</b>	<b>-9.5</b>	<b>81.6</b>
Taxes	1.6	-0.1	-14.5
Non-controlling interests	-1.6	-1.8	-1.9
<b>Net income</b>	<b>-6.5</b>	<b>-7.8</b>	<b>69.0</b>
<b>EPS (in €)</b>	<b>-0.08</b>	<b>-0.10</b>	<b>0.90</b>
EPS (in €) Diluted	-0.08	-0.10	0.88

## BALANCE SHEET ASSETS (IFRS)

### Property, Plant and Equipment at € 38.1m

- Transformer stations € 12.0m
- Land and building € 11.8m
- Limited partnership shares of Silbitz biomass power station repurchased at the beginning of 2017

### Inventories at € 106.3m

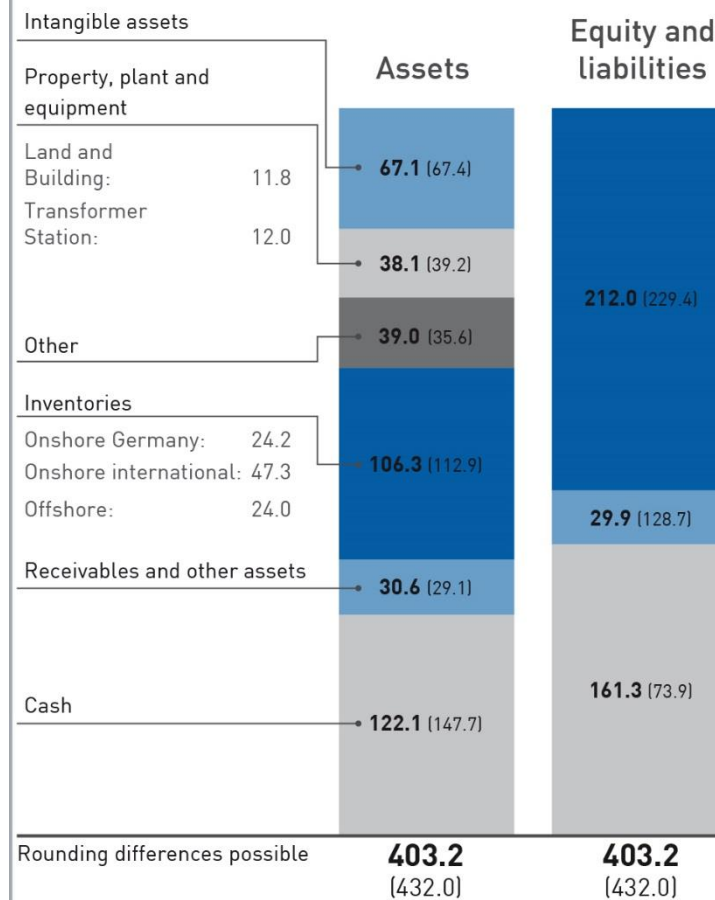
- Offshore € 24.0m
- Onshore Germany € 24.2m
- Onshore International € 47.3m

### Strong liquidity position to fund future developments

- € 122.1m in cash and equivalents
- Free syndicated working capital lines of € 10m
- Interim project financing available of € 42.7m

### Balance sheet

in € million as at June 30, 2017 (as at December 31, 2016)



## BALANCE SHEET LIABILITIES (IFRS)

### Strong balance sheet

- Equity ratio of 53% (53% as of 31 December 2016)
- Dividend of € 0.12 per share distributed in June

### Non-current debt at € 29.9m

- 2014/19 convertible bond € 6.6m
- Project financing of € 15.3m

### Current liabilities at € 161.3m

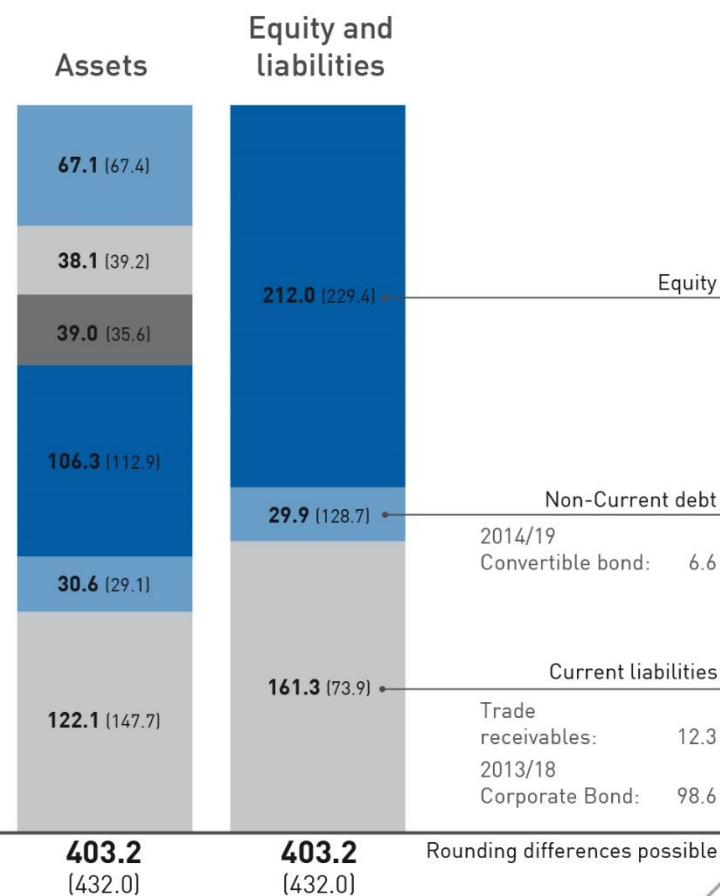
- 2013/18 corporate bond (€ 98.6m) is now being accounted for under current liabilities as due date is May 2018
- Elimination of the provision for the Atlantis I project (€ 6.9m)
- Purchase price liability for the shares in HKW Silbitz was paid (€ 7.5m)
- Interim project financing of € 7.4m

### Net debt at € 11.0m

- Net liquidity of € 20.1m as of 31 December 2016

### Balance sheet

in € million as at June 30, 2017 (as at December 31, 2016)





## SUMMARY & OUTLOOK



### Onshore wind power

- Build-up of new Wind Farm-Portfolio of 200+ MW underway
- 43 MW for new portfolio to be completed in 2017
- 41 MW under construction in France
- Continue to grow international business - enter new markets
- New office opened in Hamburg (Smart Development)

### Offshore wind power

- Atlantis I expected to participate in the next tender
- Ongoing consultant agreements with DONG and Vattenfall
- Further milestone payments expected
- New markets are being explored

### Well prepared for upcoming challenges

- Comfortable position based on strong balance sheet and high cash position
- Successful experience with tenders in other markets
- Focus on high quality projects
- Continuous optimization of costs and LCOE in all phases of the entire added value chain

### On track to achieve positive EBIT for 2017

- Earn-outs associated with the sale of the 142.5 MW portfolio in 2016 expected in Q3 (lower double-digit million € sum)
- EBIT forecast 2017 confirmed, Group EBIT in the range of € 0-15m expected


# Q&A

# THANK YOU

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connecting environmental responsibility with  
corporate success