



# Webcast H1 2018 Presentation

August 2018



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## PNE WIND becomes PNE – Pure New Energy



## Operational Highlights H1 2018

### Successes in the onshore business

- Projects completed (37.5 MW): Looft, St. Martin-L'Ars, Wangerland
- Projects under construction (66 MW): Gerdau-Schwienau, Laxaskogen, project in France
- New permits received (41.3 MW): Schlenzer, Kittlitz, Demeraucourt
- Tender wins (49.1 MW): Gerdau-Schwienau, Schlenzer, Kittlitz

### Successes in the offshore business

- Further milestone payment of approx. € 4m for Gode Wind 3 from Ørsted booked
- 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-Schwienau (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
- WKN stake increased to 100% [July] - Additional synergies and productivity increases expected

## Financial Highlights H1 2018

### H1 results according to plan, earnings improve significantly yoy

- EBITDA at € 8.7m (H1 2017: € -1.8m), EBIT at € 4.1m (H1 2017: € -5.0m)
- Significant earnings increase yoy despite preparations for project implementation as well as investments in the development of the „wind farm portfolio 2020“
- Earnings increase among others driven by offshore milestone payment and higher power generation

### Resolutions of the AGM 2018

- PNE WIND becomes PNE – Pure New Energy
- Dividend of € 0.04 per share paid

### Successful refinancing will reduce interest expenses by € 6m p.a.

- € 50m corporate bond successfully placed in the market at an attractive coupon of 4%
- € 100m / 8% corporate bond paid back on June 1

### Financial basis remains strong

- Liabilities reduced by 54.4m, Gross cash position at € 114.9m
- Equity ratio very solid at 53%

### Positive outlook for FY 2018 confirmed

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

## Onshore

Land	I-II	III	IV	Total MW
Germany	1399	131	22	1552
Bulgaria	121	0	0	121
France	321	124	19	464
United Kingdom	43	0	0	43
Italy	70	14	0	84
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
<b>Total</b>	<b>3827</b>	<b>914</b>	<b>41</b>	<b>4782</b>

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

As of June 30, 2018

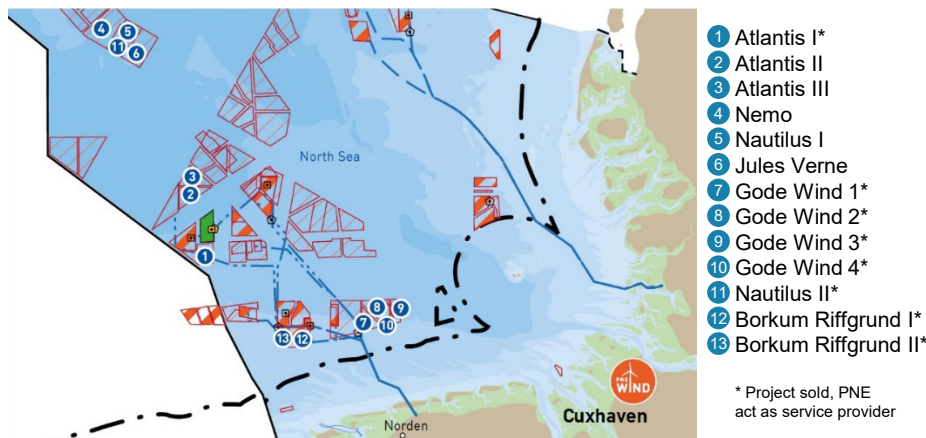
## H1 2018 Highlights:

- **Germany**
  - Repowering project Looft (16.5 MW) completed
  - Wind farm Wangerland: construction completed
  - Repowering project Gerdau-Schwienau (21.6 MW) successful in 1st German onshore tender in 2018, construction has already started
  - Permits for projects Kittlitz (21 MW) and Schlenzer (6.5 MW) received
  - Projects Kittlitz (21 MW) and Schlenzer (6.5 MW) successful in 2nd German onshore tender in 2018
- **France**
  - Wind farm Saint-Martin-L'Ars (10.25 MW) put in operation
  - Construction of another French project (19.2 MW) has started
  - Permit for project Dameraucourt (14.1 MW) received
- **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	#WEA	Total MW	Sold to
1	Borkum Riffgrund 1	8	78	312	Ørsted (DONG)
1	Borkum Riffgrund 2	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
<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



### H1 2018 Highlights:

- **Milestone payment for Gode Wind 3 of around € 4m from Ørsted booked**
- **Gode Wind 4 successful in offshore tender**
- **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 € 19m from Borkum Riffgrund 2 and Gode Wind 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 H1 2018 (H1 2017)

### H1 2018 Highlights:

- H1 results according to plan
- Total output at € 38.2m (€ 50.0m)
- Earnings increase significantly yoy
  - EBITDA at € 8.7m (€ -1.8m)
  - EBIT at € 4.1m (€ -5.0m)
- Operating performance and earnings driven by:
  - Ongoing project development business and preparations for project implementation and project sales in the remainder of the fiscal year
  - Milestone payment for Gode Wind 3 (approx. € 4m)
  - Build-up of the „Wind farm portfolio 2020“ which is expected to be sold until 2020
  - Earnings accrued in the „Wind farm portfolio 2020“ to date – which have not been realised yet – amount to approx. € 18.8m (thereof approx. € 6.5m in H1 2018)
  - Power generation sales grow to approx. € 7.0m (€ 3.7m)

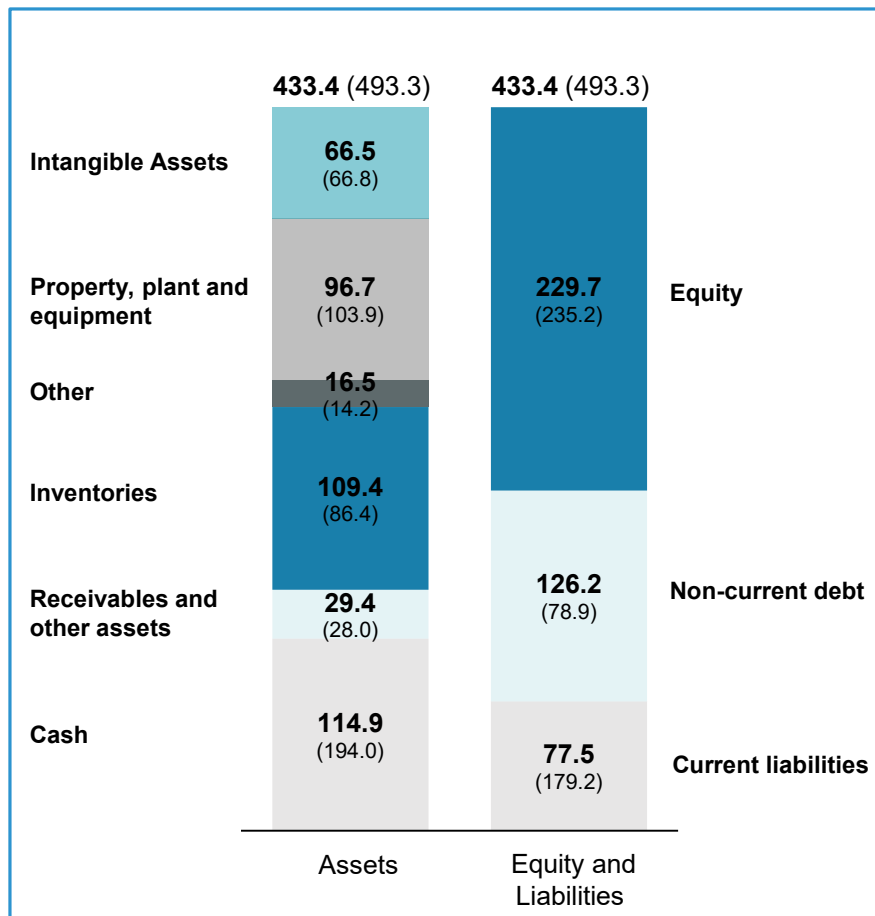
In € m	H1 2018	H1 2017
<b>Sales</b>	<b>28.4</b>	<b>39.5</b>
Work in progress	6.2	8.3
Other income	3.5	2.2
<b>Total output</b>	<b>38.2</b>	<b>50.0</b>
Cost of materials	-7.8	-28.7
Personnel	-13.3	-12.1
Others	-8.3	-11.0
<b>EBITDA</b>	<b>8.7</b>	<b>-1.8</b>
Depreciation	-4.7	-3.2
<b>EBIT</b>	<b>4.1</b>	<b>-5.0</b>
Financial result	-6.0	-4.8
<b>EBT</b>	<b>-1.9</b>	<b>-9.7</b>
Taxes	1.4	1.6
Non-controlling interests	-0.2	-1.6
<b>Net income</b>	<b>-0.3</b>	<b>-6.5</b>
<b>EPS (in €)</b>	<b>0.00</b>	<b>-0.08</b>
EPS (in €) Diluted	0.00	-0.08



## Balance Sheet H1 2018 (IFRS)

### H1 2018 Highlights:

- **Property, Plant and Equipment at € 96.7m**
  - Transformer stations € 12.4m
  - Land and building € 11.5m
  - Own wind farms € 65.9m
- **Inventories at € 109.4m**
  - Offshore € 24.7m
  - Onshore Germany € 30.4m
  - Onshore International € 40.1m
- **Strong liquidity position at € 114.9m**
  - Strong basis to fund implementation of Scale Up strategy



in € m as of June 30, 2018 (as of December 31, 2017)  
(rounding differences possible)

- **Equity at € 229.7m**
  - Equity ratio very solid at 53% (48% as of 31 December 2017)
- **Non-current debt at € 126.2m**
  - New corporate bond 2018/23 (€ 50m, 4%) successfully placed in April
  - 2014/19 convertible bond € 6.4m
  - Liabilities to banks € 64.3m, which is mainly project financing (non recourse)
- **Current liabilities at € 77.5m**
  - 2013/18 corporate bond (€ 100m, 8%) paid back on June 1
  - Liabilities to banks € 20.7m, which is mainly project financing (non recourse)

## Outlook

### Onshore wind power

- Continue build-up of Wind Farm Portfolio 2020
- Continue to ride momentum in key international markets France and US (sales process for 200 MW Chilocco wind farm is underway)
- Examination of entrance into new markets (e.g. Asia, Latin America)

### Offshore wind power

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

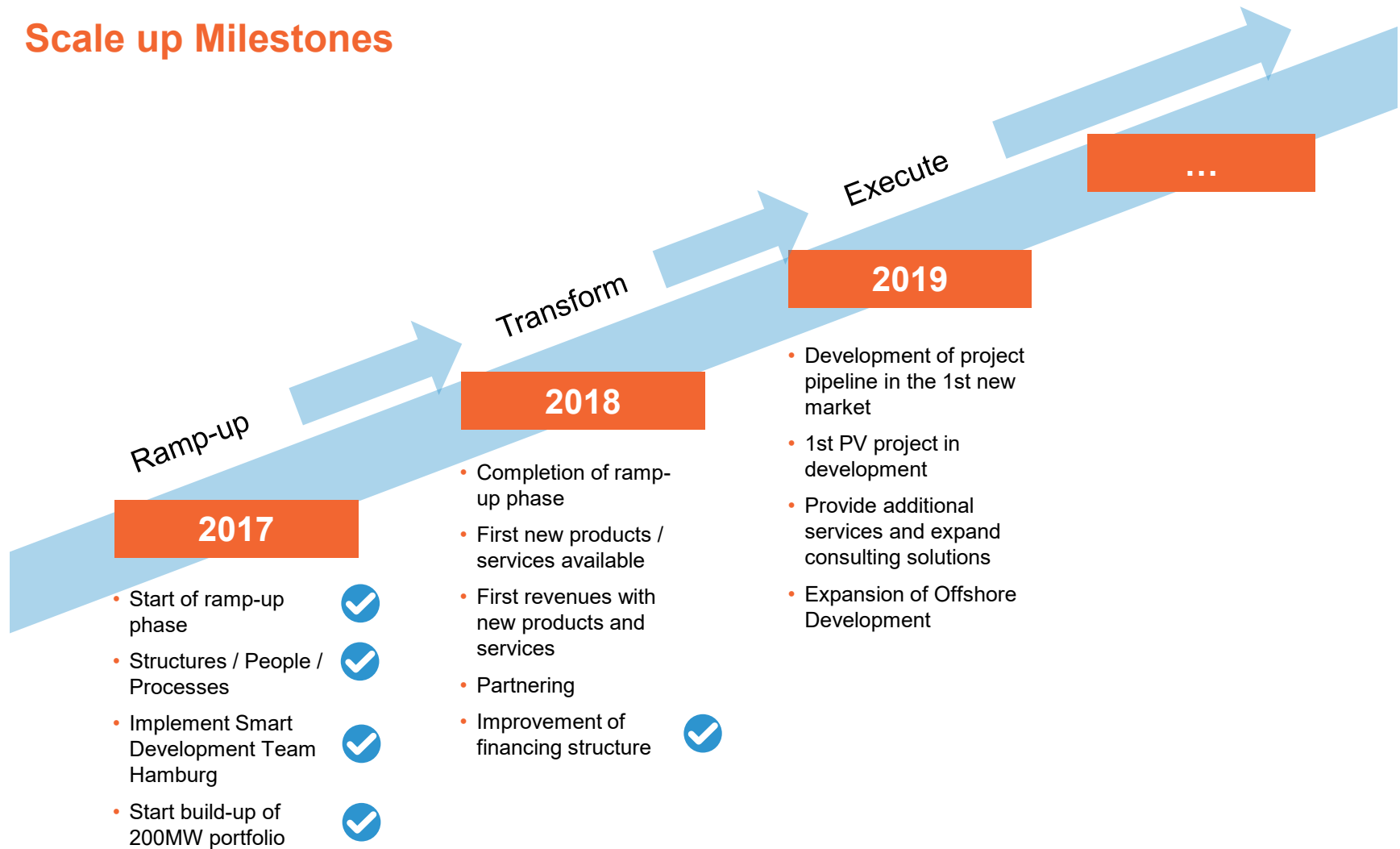
### Strategy SCALE UP

- 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 inorganic growth and cooperations

### Positive outlook for FY 2018 confirmed

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

## Scale up Milestones



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