



PNE WIND AG

Webcast Presentation | Annual Report 2016

March 30, 2017

This presentation is for information purposes only and does not constitute a public offer or invitation to subscribe for or purchase any securities of PNE WIND AG and neither this presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever. This presentation is being furnished to you solely for your information and may not be reproduced or redistributed to any other person in whole or in part.

All information contained herein has been carefully prepared. Nevertheless, we do not guarantee its accuracy or completeness.

The information contained in this presentation is subject to amendment, revision and updating. Certain statements contained in this presentation may be statements of future expectations and other forward-looking statements that are based on the company's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those in such statements as a result of, among others, factors, changing business or other market conditions and the prospects for growth anticipated by the management of the Company. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable Securities Laws.

2016 HIGHLIGHTS

FINANCIAL

Best result in corporate history

- Total output at € 259.2m vs. € 233.3m in 2015
- Sales at € 248.6m vs. € 109.5m in 2015
- EBITclimbs by factor 10x: € 97.0m vs. € 9.8m in 2015

Significant increase in income

- Net income at € 69.0m
- Undiluted EPS increases to € 0.90 vs. € 0.05 in 2015

Forecasts met

- Both, for the fiscal year 2016 and for the three year period from 2014-2016
- Proves quality of planning and reliable project judgement

Solid financial basis

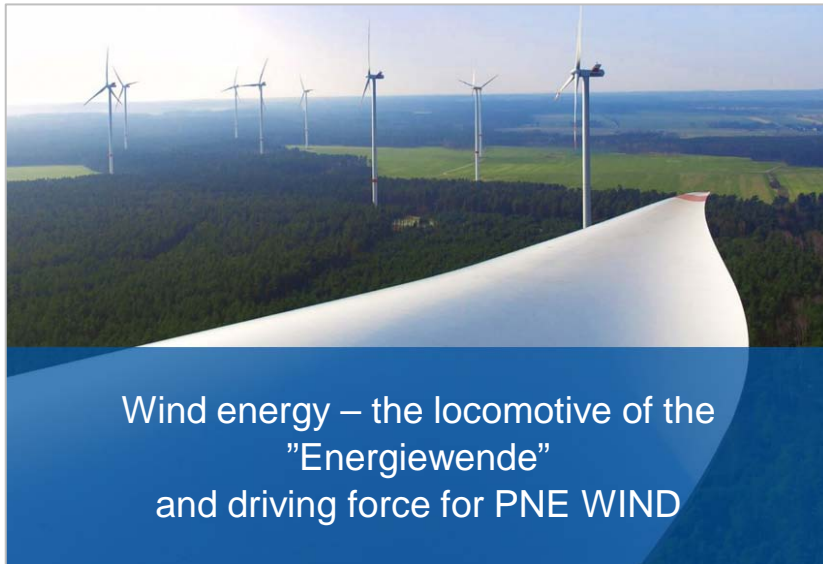
- Equity ratio of approx. 53% vs. 34% in 2015
- Net liquidity improved by wind farm portfolio sale to € 20.1m vs. € -174.2m in 2015 (net debt)

Working capital credit line

- Following sale of the wind farm portfolio the credit line was reduced from € 30m to € 10m
- € 10m guarantee in place

Dividend of € 0.12/share proposed

- Proposal for dividend of € 0.04 and special dividend of € 0.08



Wind energy – the locomotive of the
"Energiewende"
and driving force for PNE WIND

2016 HIGHLIGHTS

OPERATIONAL



Wind farm portfolio sold

- 142.5 MW wind farm portfolio sold to a subsidiary of Allianz Global Investors
- PNE WIND holds 20% of the portfolio

Progress in offshore projects

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

Project implementation in 2016

- 135.7 MW completed, sold or under construction

MANAGEMENT BOARD

MANAGEMENT



Markus Lesser
CEO



Jörg Klowat
CFO



Kurt Stürken
COO

Seasoned wind energy pioneers with strong industry knowledge and contacts

- Markus Lesser became CEO on May 26, 2016
- Kurt Stürken became COO on Sept. 15, 2016
- Jörg Klowat CFO contact extended to March 2020

ONSHORE

Country	I-II	III	IV	Total MW
Germany	1,249	90	43	1,382
Bulgaria	121	0	0	121
France	313	91	32	436
United Kingdom	43	0	0	43
Italy	102	14	0	116
Canada	555	0	0	555
Poland	223	42	0	265
Romania	55	102	0	157
South Africa	170	30	0	200
Sweden	99	86	0	185
Turkey	700	0	0	700
Hungary	0	42	0	42
USA	337	280	0	617
Total	3,967	777	75	4,819

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

Phase IV = Implementation till handover

135.7 MW completed, sold or under construction

- 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, Saint-Martin-L'ars 10.3 MW

New permits on hand

- Germany 63.9 MW – Eligible for fixed tariff and independent of auction systems

Framework deal with John Laing

- First sales transaction with 31.9 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

As of December 31, 2016

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
Total			142.5	

As of December 31, 2016

Wind farm portfolio sale completed

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

142.5 MW commissioned or under construction

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

OFFSHORE

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

Thereof already finalized

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

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 WIND remains active in project as service provider

Milestone payments received

- DONG decided to build (FID) the offshore project Borkum Riffgrund II
- Planning permission for Gode Wind 3 obtained
- In total milestone payments of approx. € 8.0m received

Up to € 24m in milestones expected

- 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)

Best operative result in corporate history achieved

- Total output and sales driven by successful sale of the wind farm portfolio established over several years
- Total output in 2016 at €259.2m vs. €233.3m in 2015
- Sales in 2016 at €248.6m vs. €109.5m in 2015

EBIT performance of €97.0m

- EBIT in 2016 at €97.0m vs. €9.8m in 2015
- Adjusted Group EBIT of €105.6m (depreciations in Italy of €7.3m and in Poland of €1.3m)
- Earnings primarily driven by wind farm sales, an offshore milestone payment and electricity generation

Net income at €69.0m

- EPS increases significantly from €0.05 in the previous year to €0.90 in 2016

Forecasts both for the 2016 fiscal year and for the three year period from 2014 to 2016 met

In EURm	2016	2015	2014
Sales	248.6	109.5	211.3
Work in progress	1.6	116.1	19.1
Other income	9.1	7.7	3.6
Total output	259.2	233.3	233.9
Cost of materials	-97.0	-154.9	-170.5
Personnel	-25.4	-29.3	-27.0
Depreciation	-12.9	-9.9	-8.5
Others	-26.9	-29.5	-25.1
EBIT	97.0	9.8	2.7
Net interest	-16.2	-14.6	-12.5
Participations	0.8	-0.2	-5.4
EBT	81.6	-5.0	-15.2
Taxes	-14.5	3.6	-3.1
Minorities	-1.9	-4.9	-5.3
Net income	69.0	3.5	-13.0
EPS (in €)	0.90	0.05	-0.22
EPS (in €) Diluted	0.88	0.05	-0.21

BALANCE SHEET ASSETS (IFRS)

Balance sheet structure improved significantly due to the successful sale of the wind farm portfolio

- distinct reduction of short and long term financial liabilities
- decrease in technical equipment and machinery
- increase in liquidity

Property, plant and equipment at € 39.2m

- property, plant and equipment reduced by € 128.2m to € 39.2m mainly due to the deconsolidation of the wind farm portfolio

Increase in short term assets

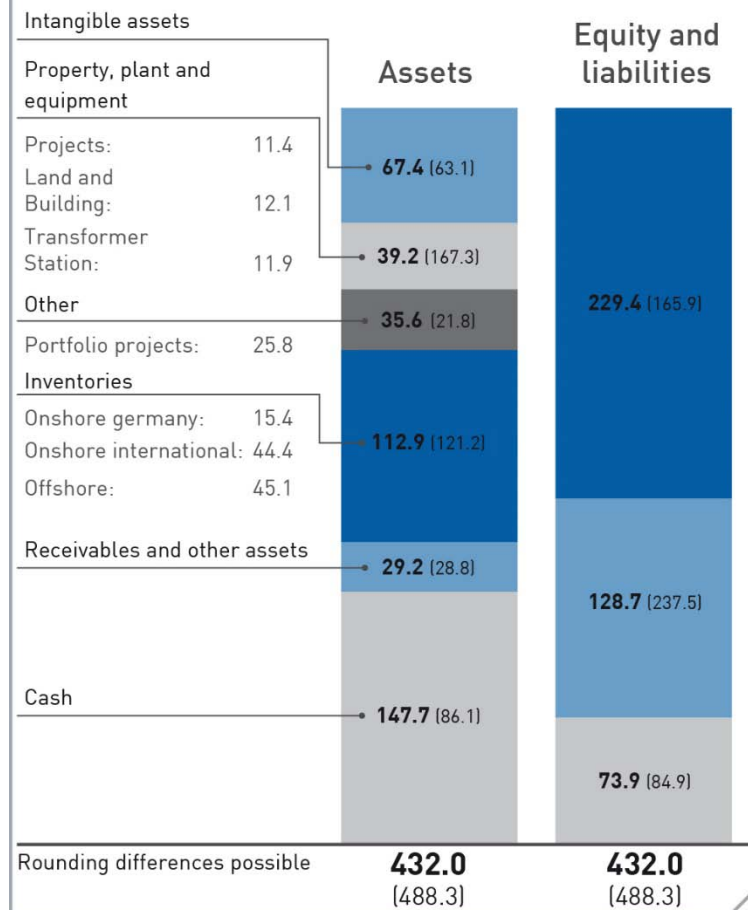
- short term assets increased from € 236.1m to € 289.8m as at December 31, 2016
- attributable to the decrease in inventories (–8.3m) and the increase in cash and cash equivalents (+61.6m).

Strong liquidity position to fund future developments

- Cash position at € 147.7m

Balance sheet

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



BALANCE SHEET LIABILITIES (IFRS)

Shareholders' equity increased significantly

- equity increased from € 165.9m to € 229.4m as at December 31, 2016
- Equity ratio of approx. 53 percent

Non-current debt at € 128.7m

- mainly due to the deconsolidation of the wind farm portfolio projects of PNE WIND Partners Deutschland GmbH
- 2013/18 corporate bond € 98.3m
- 2014/19 convertible bond € 6.3m

Current liabilities at € 73.9m

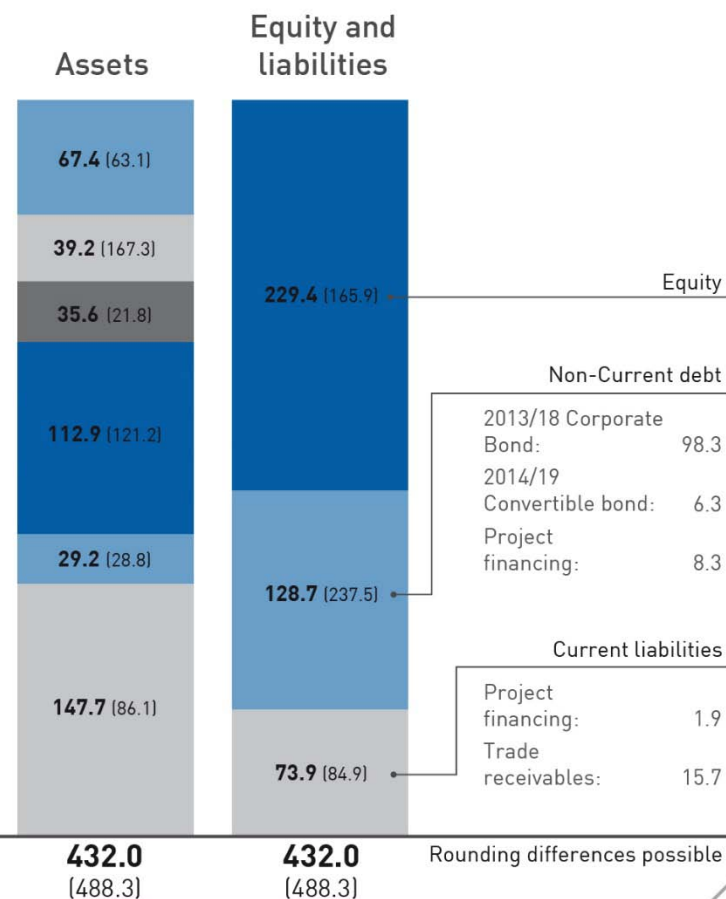
- short term financial liabilities decreased from € 36.6m (December 31, 2015) to € 11.1m
- The trade liabilities decreased slightly from € 16.9m as at December 31, 2015 to € 15.7m

Net liquidity at € 20.1m

- Sale of the wind farm portfolio improves liquidity position from € -174.2m (net debt) to € 20.1m (net liquidity)

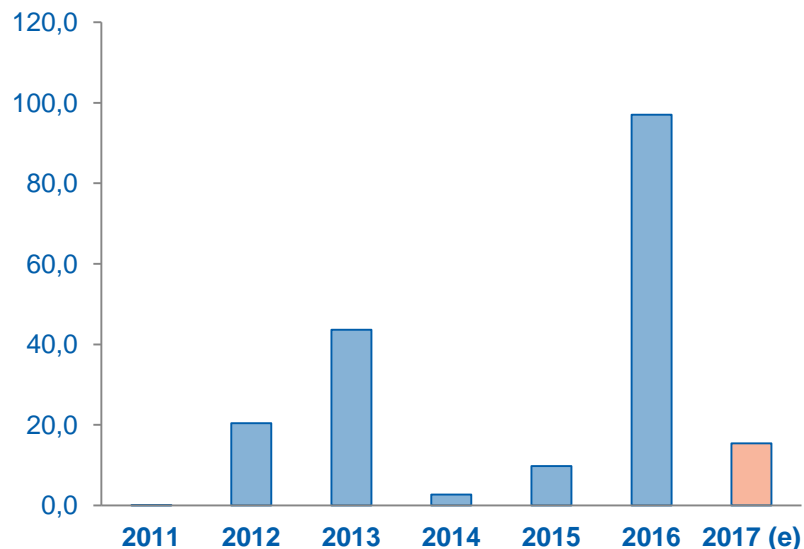
Balance sheet

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



REVIEW 2011 – 2016

OPERATING RESULT (EBIT)



Current management started in 2011

- In 2011, Mr. Klowat became CFO and Mr. Lesser became COO of PNE WIND. Since May 2016, Mr. Lesser is CEO
- Despite usual “waves” in project development, the business of PNE WIND has made significant progress in this timespan

EBIT of € 29.2m

- In average, an EBIT of € 29.2m was achieved per year
- Developing wind farms takes time which is reflected by EBIT
- Increase in wind farms in own operation will reduce fluctuations

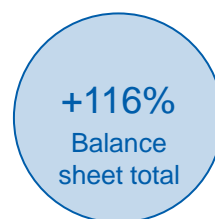
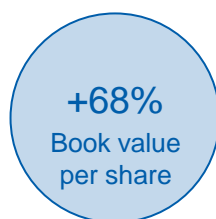
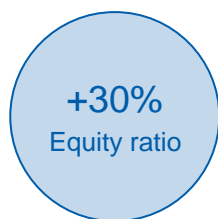
EPS of € 0.31

- Over the last six years, PNE WIND's average EPS was € 0.31

Dividend of € 0.08/share

- An average dividend of € 0.08/share was paid per year
- This corresponds to 26 % of the annual result

COMPARING 2010 TO 2016



OUTLOOK



Onshore wind power

- Investing in a new wind farm portfolio and increase of power generation in own operation
- Increase in Repowering activities

Offshore wind power

- Ongoing consultant agreements with DONG and Vattenfall
- Atlantis I and Gode Wind 3 being prepared for upcoming tender
- New markets are being explored

US market activities increased

- Qualifying projects eligible for tax credits (PTC)

EBIT forecast 2017

- Group EBIT in the range of €0-15m expected

Well prepared for upcoming challenges

- Comfortable position based on an excellent 2016 result
- 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 - including planning, purchasing and operation

Q&A

THANK YOU

CONTACT

Rainer Heinsohn
Head of Communication
Tel: +49 (0) 47 21 – 7 18 - 453
Fax: +49 (0) 47 21 – 7 18 - 373
E-mail: rainer.heinsohn@pnewind.com



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