

Company Presentation

Bremen

July 2018

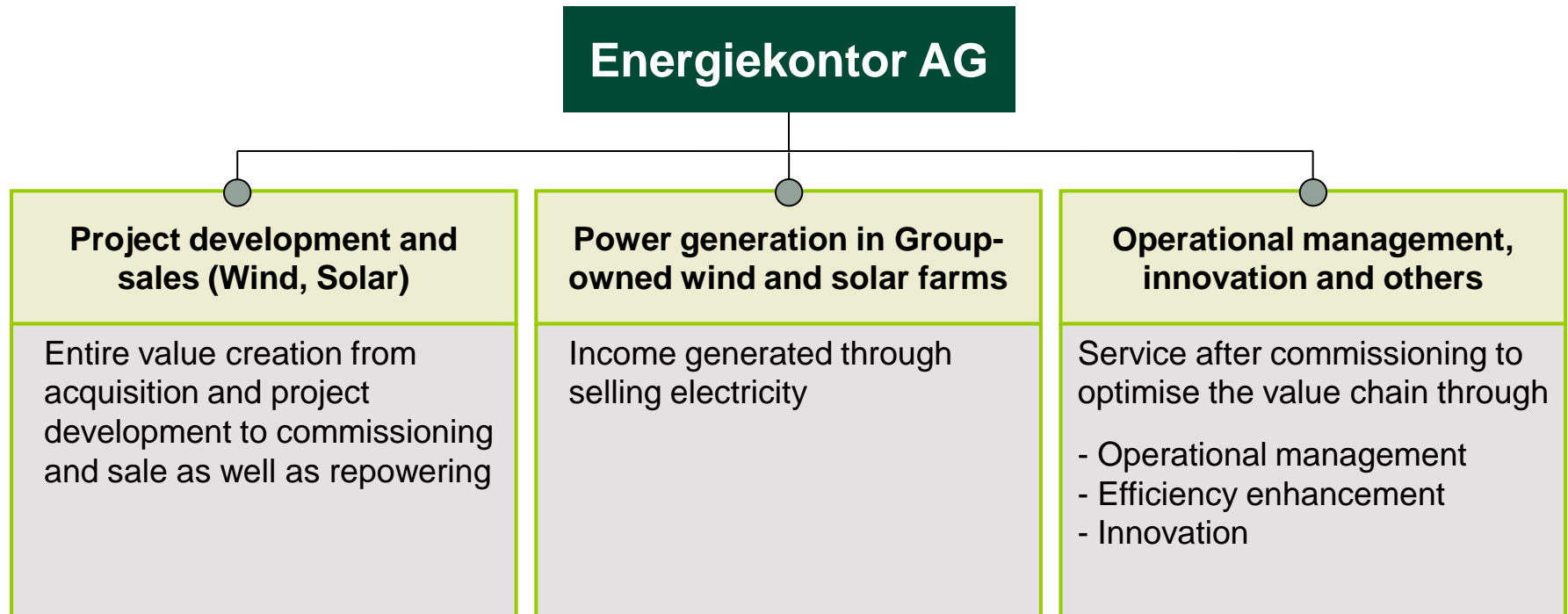


- 1. The Company**
2. Market Development
3. Mission and Strategy
4. Business Development 2017
5. Outlook and Targets

Energiekontor AG – business segments



3



Current target markets and priority regions



USA

- Texas (Solar)
- South Dakota (Wind)

Current markets

Germany

- Lower Saxony
- North Rhine-Westphalia (North & South)
- Brandenburg (East & West)
- Thuringia



Great Britain

- Scotland
- England
- Wales

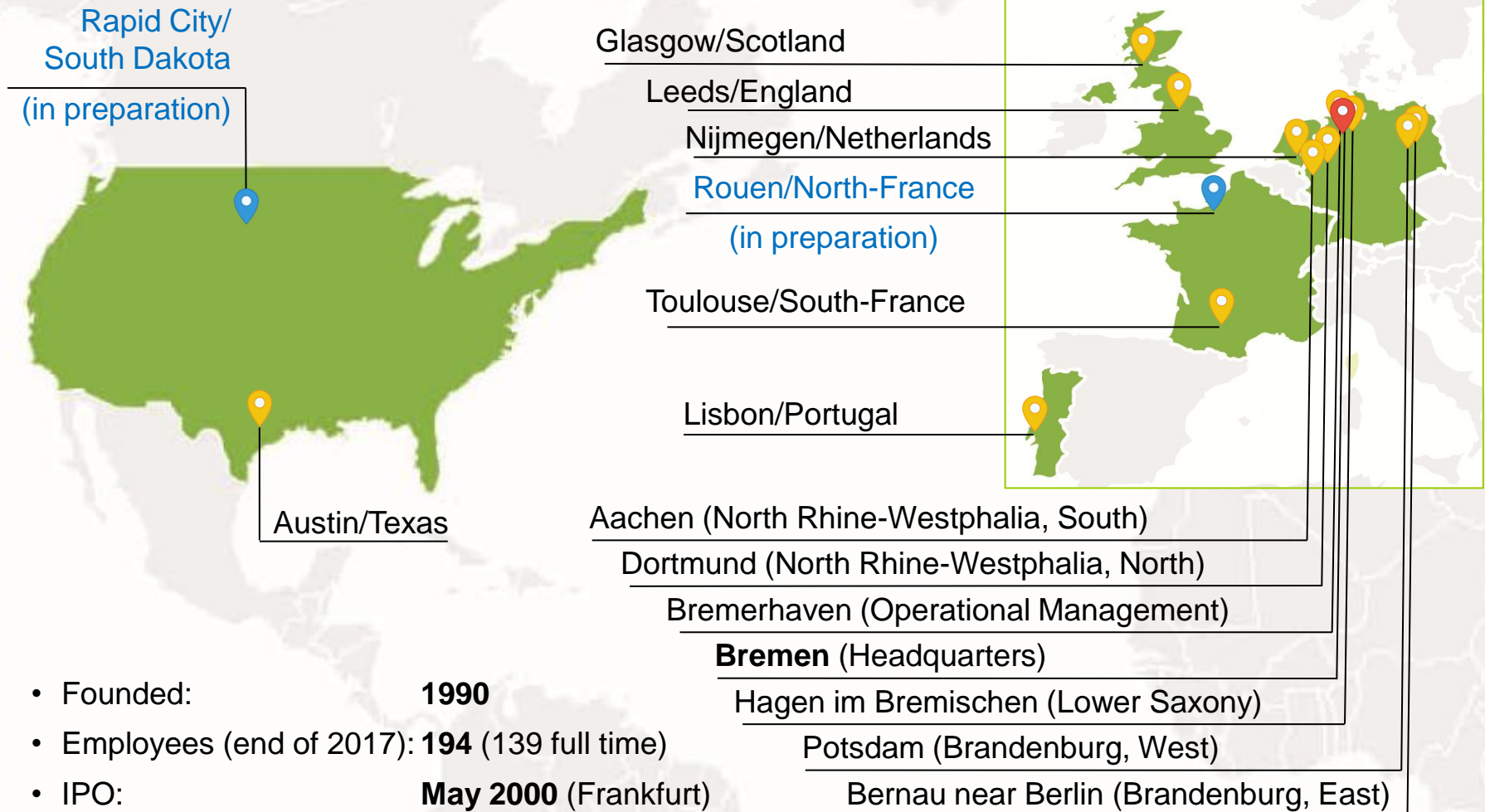
Portugal

Netherlands

France

- Occitanie (Solar)
- Normandy (Wind)

Office locations Energiekontor AG



Track record of the Company

- **118 wind farms / 3 solar parks → approx. 970 MW** installed capacity
- More than **€ 1.6 billion** investment volume (over **€ 300 million** equity)
- **Generated electricity** of more than **2 billion kWh p.a.** (equivalent to the demand of about **600,000 households**, i.e. a city like Hamburg)
- **Group-owned portfolio: 34 wind farms / 1 solar park (ca. 269 MW)**



Construction team



Peter Szabo

Core responsibilities:

- USA (Wind & Solar)
- UK (Wind)
- Solar Germany
- Finance & Controlling
- Investor Relations
- Sales



Günter Eschen

Core responsibilities:

- NRW* North
- NRW* South
- Brandenburg (East & West)
- Netherlands
- Construction
- GIS



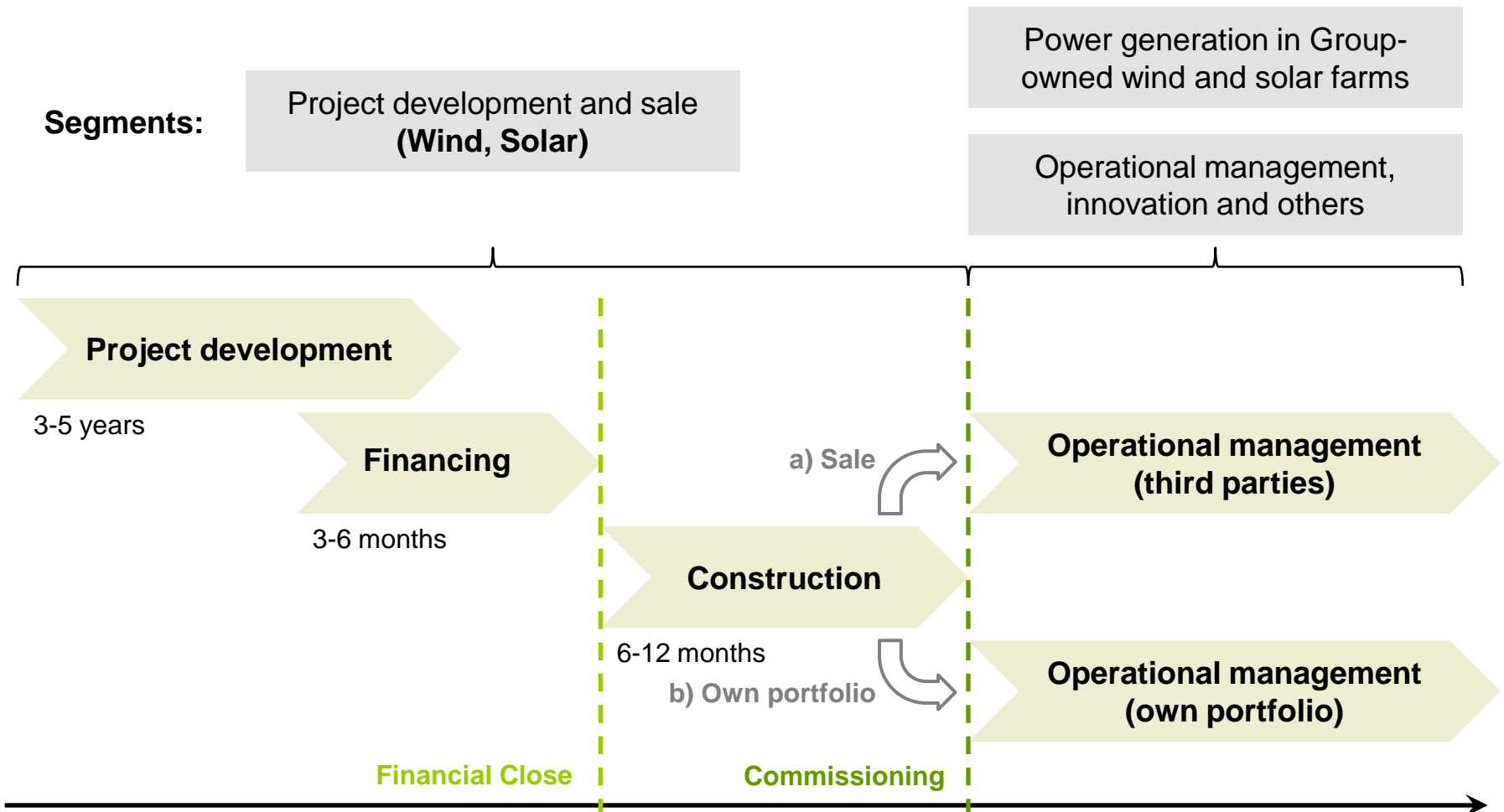
Torben Möller

Core responsibilities:

- Lower Saxony
- Thuringia
- France (Wind & Solar)
- Repowering
- Rotor blade extension
- Competition & Innovation

* North Rhine-Westphalia

Value creation within the company



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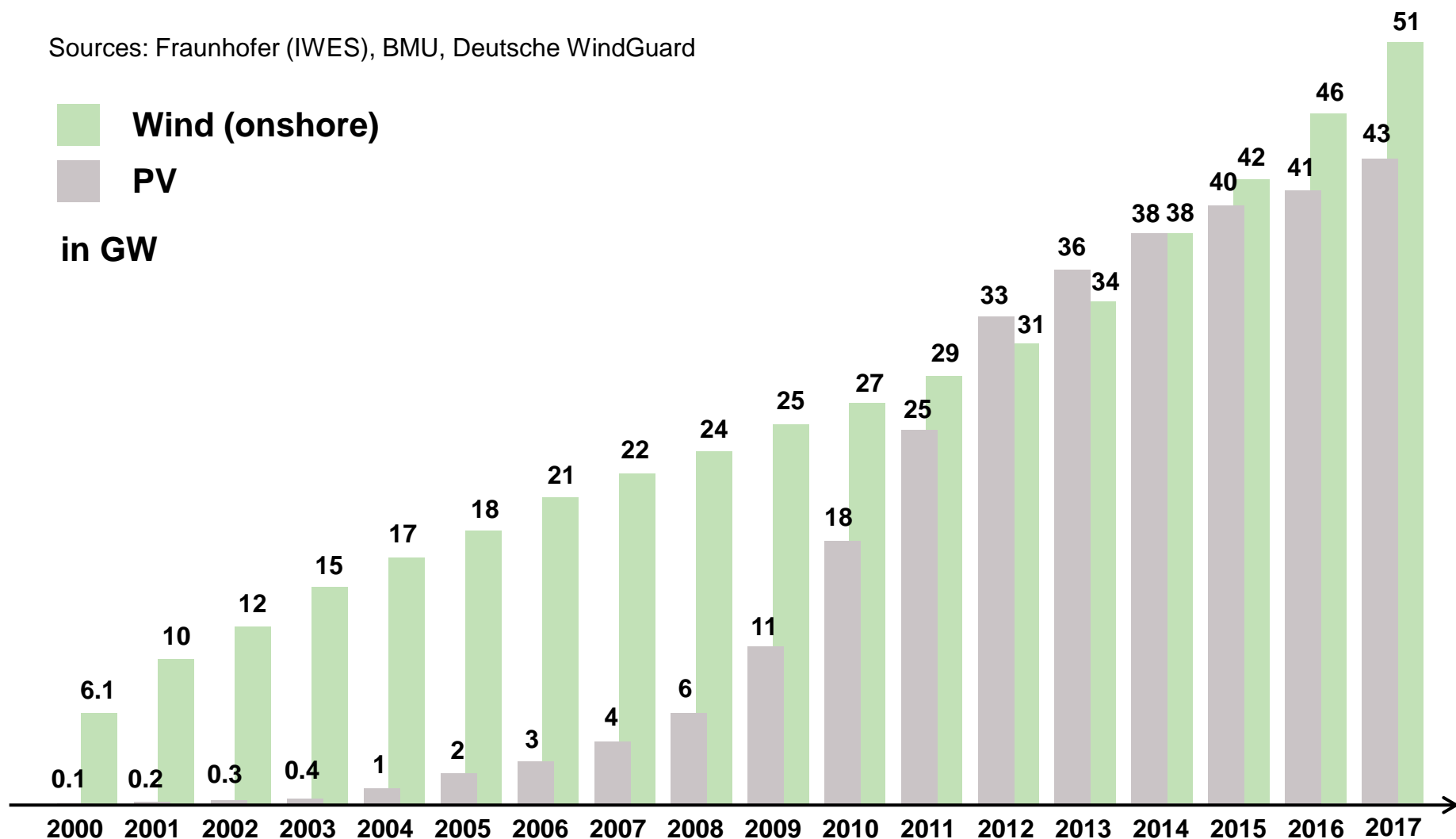
Total installed capacity of onshore wind and solar (PV) in Germany

Sources: Fraunhofer (IWES), BMU, Deutsche WindGuard

Wind (onshore)

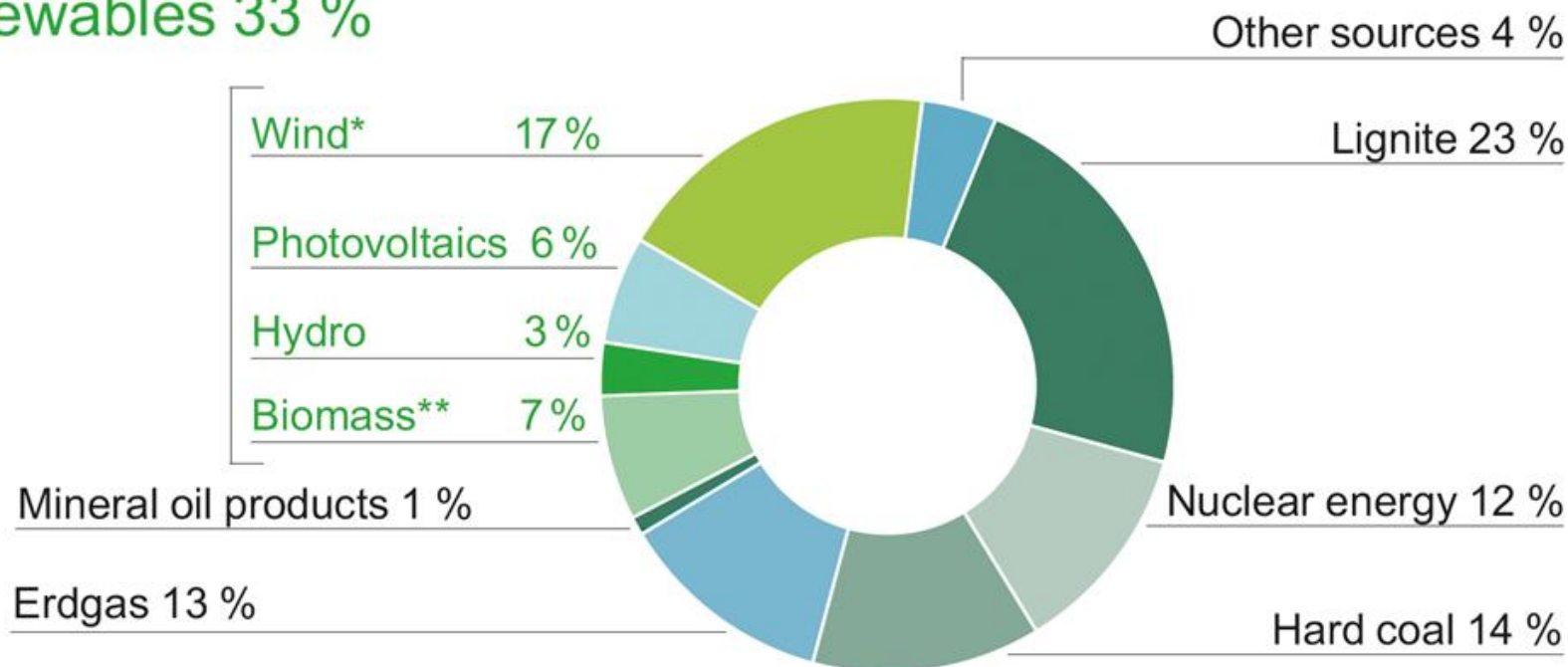
PV

in GW



Around one third of the electricity in Germany is generated by renewable energy sources

Renewables 33 %



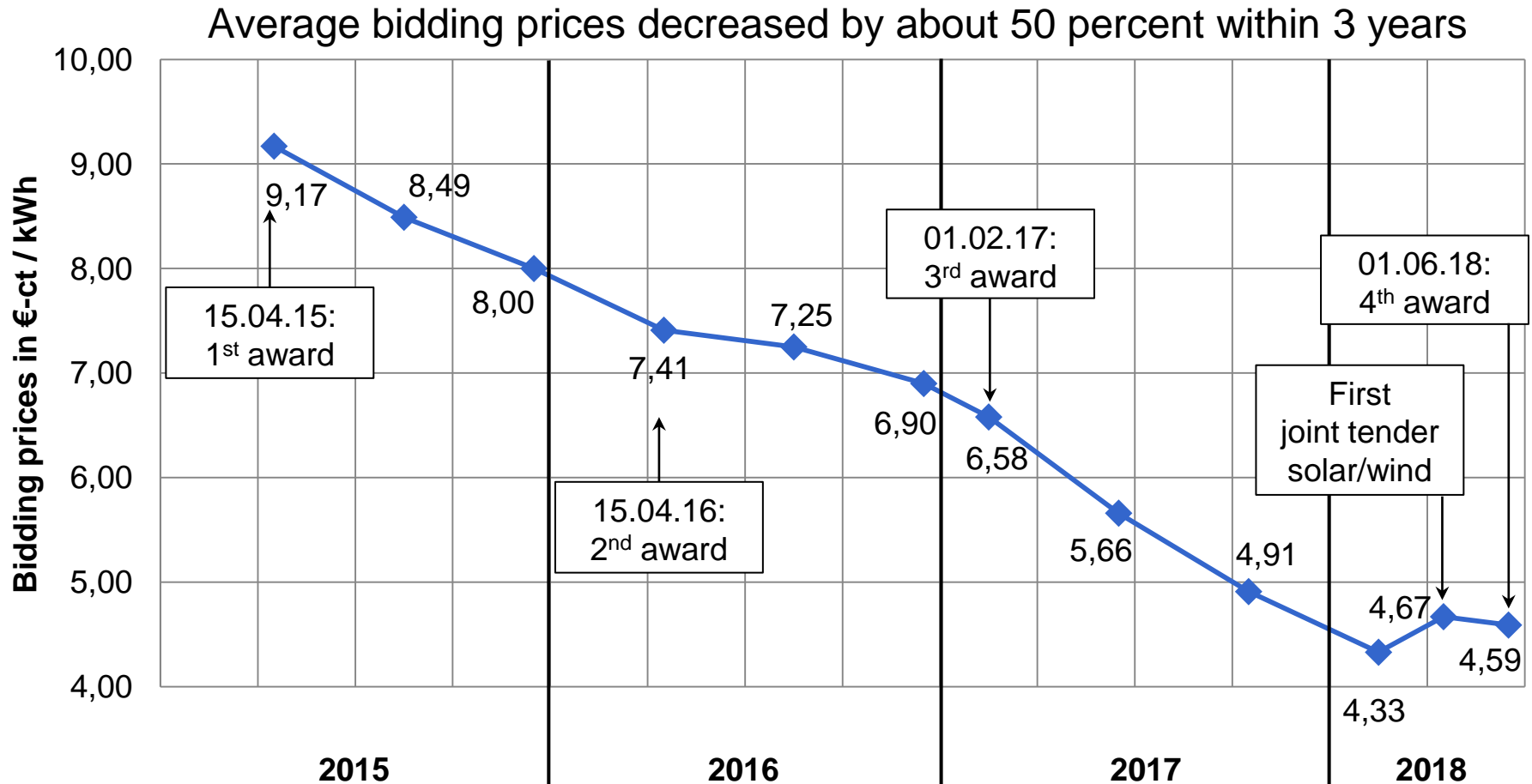
Source: AG Energiebilanzen e. V. (AGEB)

* On- and Offshore

**incl. domestic waste

- **Decreasing feed-in tariffs** due to regulatory changes
- **Increasing pressure on costs and margins** throughout the entire value chain
- **Slower market growth** due to restrictions for future wind and solar projects
- **Increasing competition** by introducing tender processes and tariff auctions

Tender on solar projects in Germany – average granted bidding price 2015-06/2018



Results of the first tenders 2017 for onshore wind

	May 2017	August 2017	November 2017
Tender Volume (MW)	800	1,000	1,000
Number of bids submitted	265	281	210
Bidding volume (MW)	2,137	2,927	2,591
Awarded	70	67	61
Citizens' energy initiatives (CEIs)	65 (93%/MW)	60 (95%/MW)	60 (99%/MW)
Awarded prices (€-ct/kWh):			
Bid value (weighted average)	5.71	4.28	3.82
Lowest bid	4.20	3.50	2.20
Highest bid	5.78	4.29	3.82

- Distortion of competition by special provision for CEIs (no permit needed for pre-qualification + highest bidding price granted to all CEIs), suspended for 02/ and 05/2018
- Low bid price level as of 2018 represents great challenge for the whole sector

Results to date of the onshore wind tenders 2018

	February 2018	May 2018	August/October
Tender Volume (MW)	700	670	
Number of bids submitted	132	111	
Bidding volume (MW)	989	604	
Awarded	83	111	
Citizens' energy initiatives (CEIs)	19 (22%/MW)	15 (19%/MW)	
Awarded prices (€-ct/kWh):			
Bid value (weighted average)	4.73	5.73	
Lowest bid	3.80	4.65	
Highest bid	5.28	6.28	

- Without special provision for CEIs, bidding prices increase again to a more realistic level regarding current price structures; in May, for the first time, a tender was under-submitted
- Energiekontor was successfully awarded for a wind project at its first participation

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Our mission statement

100 % renewable energy

As a pioneer of renewable energy, Energiekontor is actively shaping the transition to 100 % renewables. Concentration on our core competences and innovation will drive our business to a successful future.

Individual responsibility and autonomy

We support a high level of individual responsibility and create room for autonomy at all levels as they are the precondition for creativity, flexibility and achieving our goals.

Team spirit and collegiality

We encourage team spirit and collegiality as they are the key to our success.

Financial stability and sustainable growth

The financial stability of our Company is the basis for sustainable growth and plays a key role in our long-term strategy.



Energiekontor as a pioneer on the way to 100 % renewable energy (REN)

Our medium-term objectives:

Realising wind and solar parks in all target markets at levelized costs of electricity which are lower than those of conventional power plants

- Overcoming barriers
 - Preference of environmentally friendly generated electricity from REN sources as opposed to electricity generated by coal and power plants
 - Higher acceptance for REN in politics and society by discontinuation of state subsidies
- Increased market penetration of REN projects
- **100 % REN**



First subsidy free project in the UK: Financial Close of Withernwick II

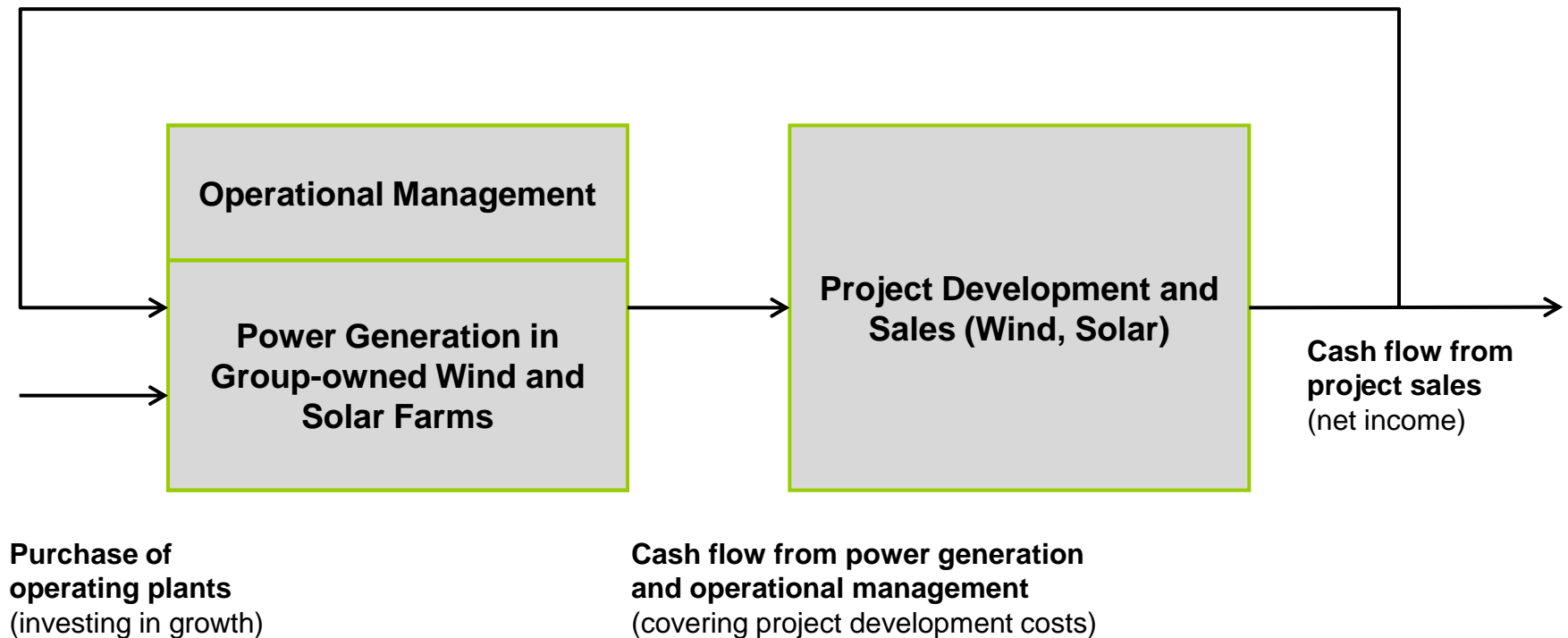
- First wind farm in Great Britain without state subsidies („subsidy free“)
- 4 wind turbine generators: Senvion MM92 à 2.05 MW ➔ 8.2 MW total capacity
- Realisation and operation purely based on a long-term power purchase agreement (PPA)
- PPA partner is an internationally operating large-scale enterprise from the consumer goods industry



Wind farm Withernwick

Energiekontor AG organic growth model

Transfer of projects into Group ownership (investing in growth)



The value of regional presence

- Local offices and employees
- Knowledge of local conditions and needs
- Being close to the relevant stakeholders
- Direct relationship and networking with land owners and agencies
- Improving Energiekontor's degree of brand awareness in the region
- Advantages compared to companies not present in the region



Vision 100 % renewable energy / pioneering role

- Realising projects without state subsidies (subsidy-free)
- Realising projects with levelized costs of electricity below the ones of conventional power plants
- Developing PPA market in Germany (possibly parallel to EEG supporting scheme)

Financial stability

- Further expansion of Group-owned assets by transferring 50 % of the new projects into the Company's own portfolio
- Optimising Group-owned portfolio by innovation and efficiency enhancements in order to increase the operating income

Intensifying the regional approach

- Additional core regions (if necessary through regional joint ventures)
- Strict adherence to the principle of regionalism („Two-hour-rule“)

Entering new markets

- USA, France, Netherlands

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Operative business in 2017

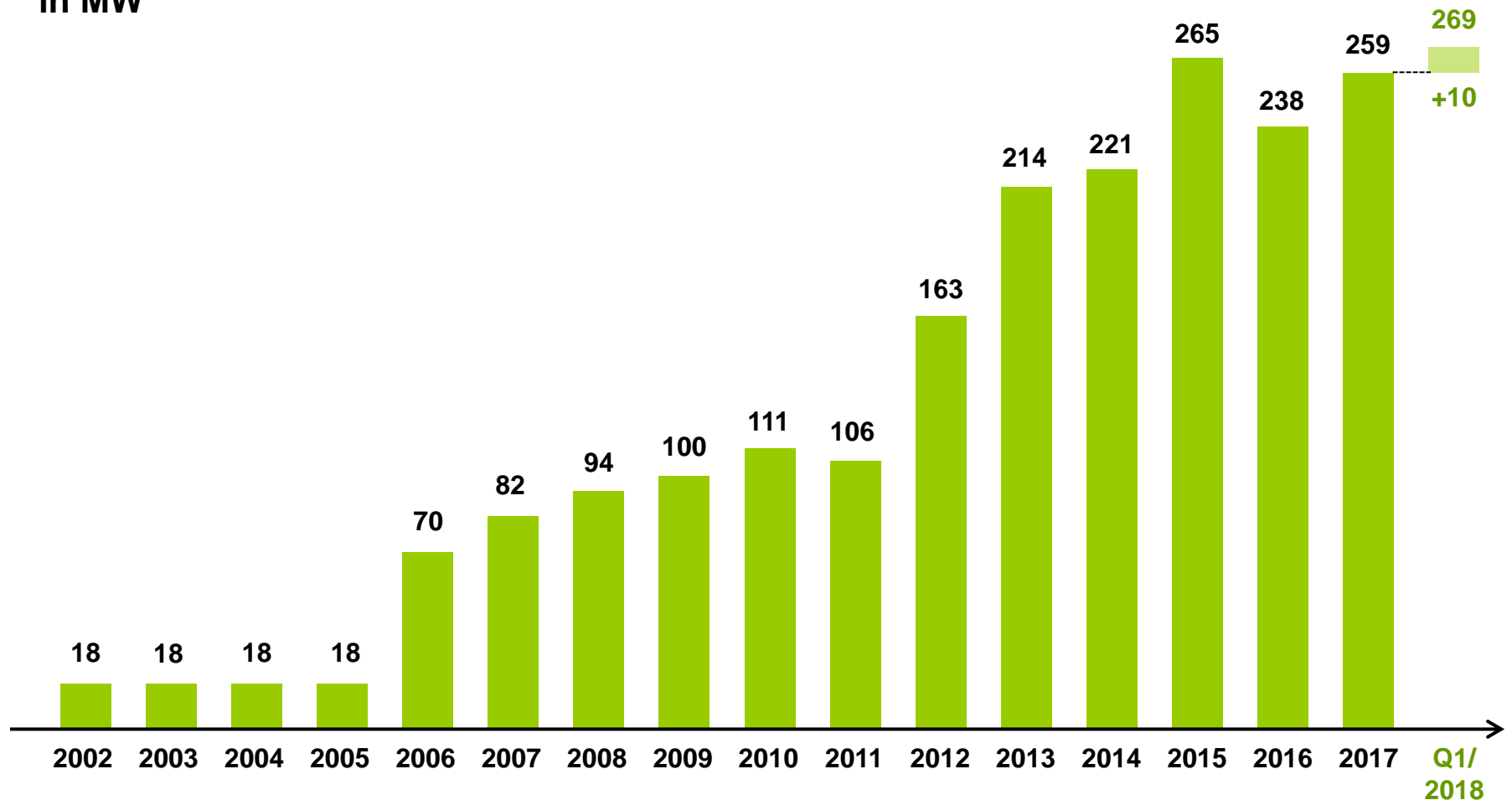
- **10 projects** with a total capacity of **66 MW commissioned**
- **7** of these **projects** with approx. **36 MW sold** to investors
- and **3 wind farms** with **21 MW** kept in own portfolio
- **3 projects** (commissioning 2018) with ca. **25 MW** under **construction**
- **Permit applications** for more than **70 MW in Scotland**
- Area for **300 MW solar in Texas** secured



Team Lower Saxony

Development of the Group-owned portfolio of wind and solar farms

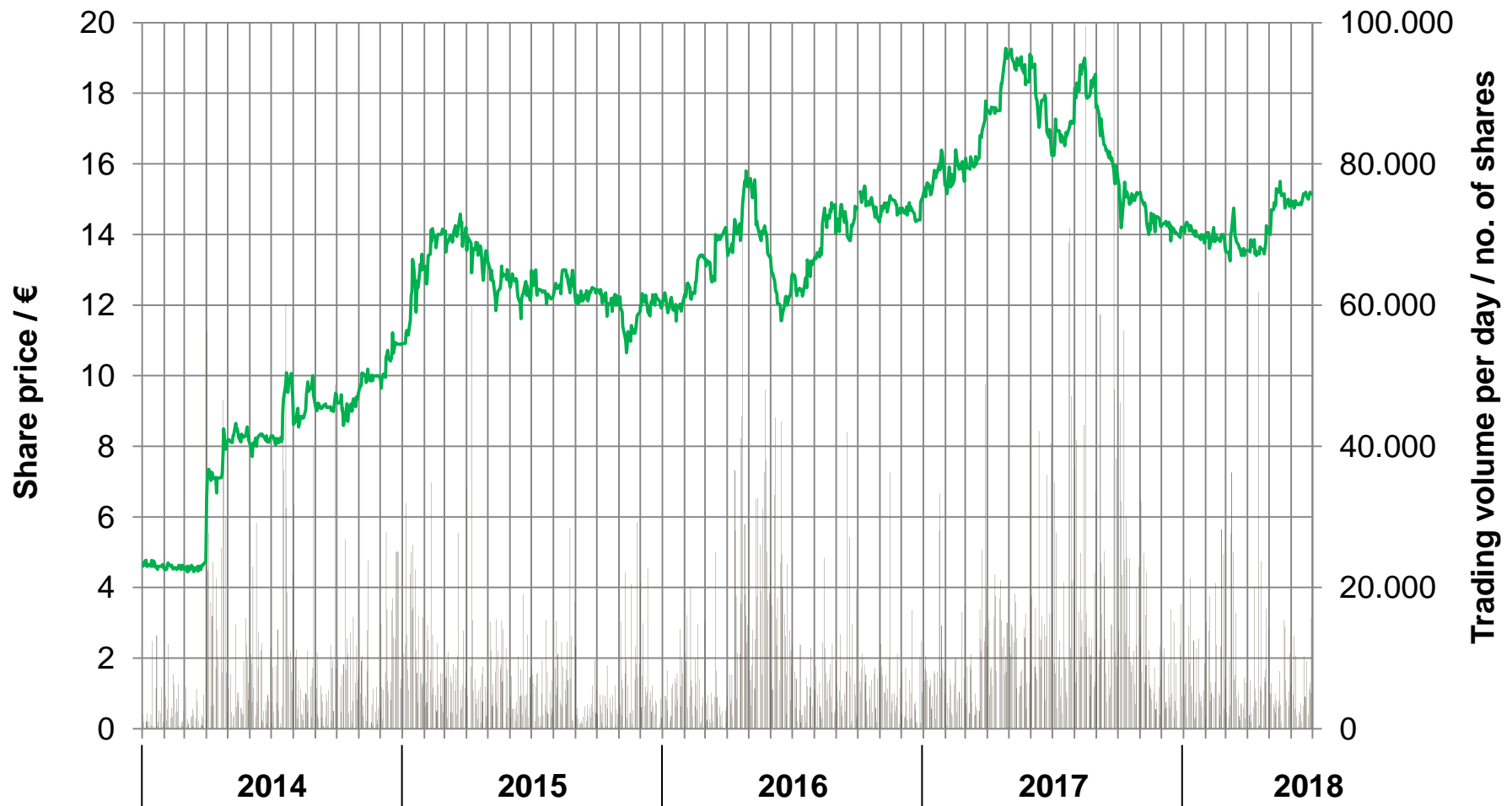
in MW



Energiekontor AG share price development since January 2014



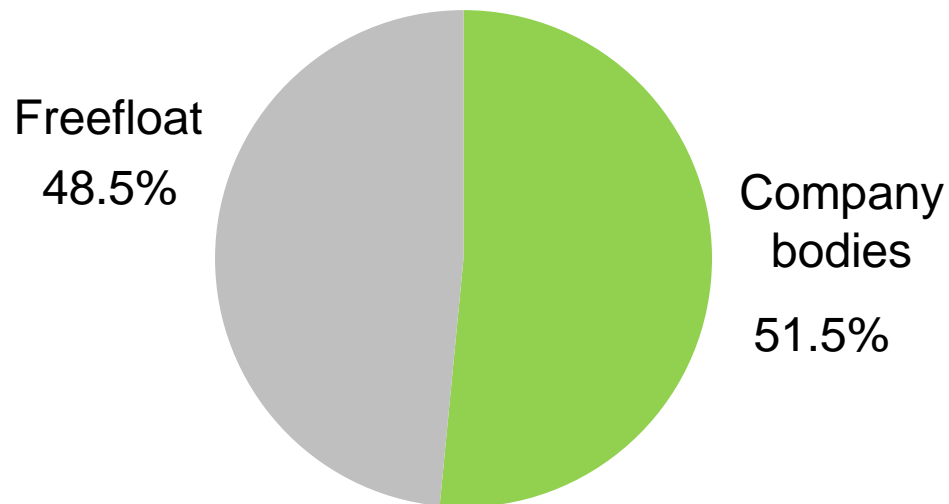
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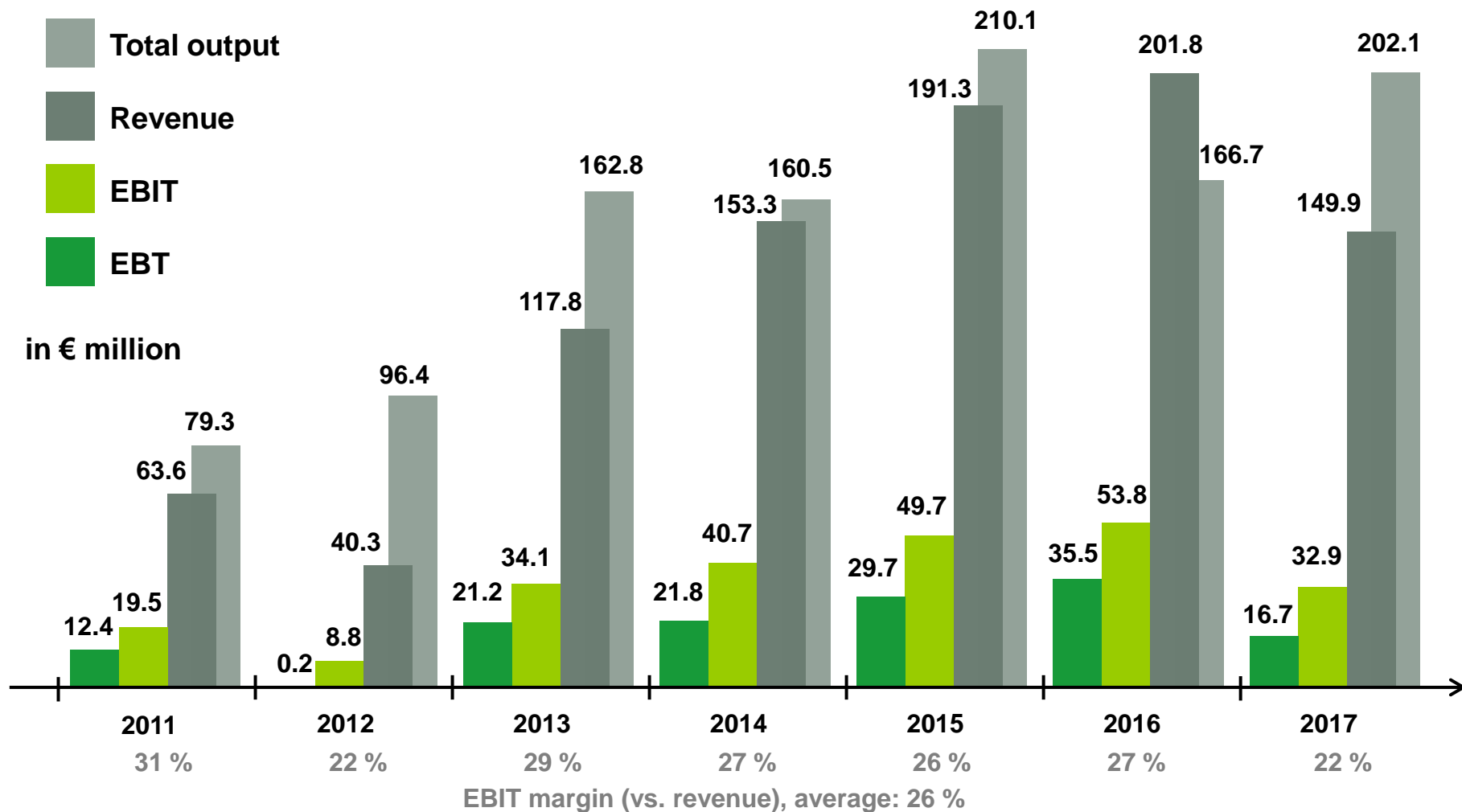
Shareholder structure and market cap

- Market Segment: General standard
- Market Capitalisation: around € 215 million
- Shareholder Structure: 14,578,160 bearer shares
(Security Identification Number 531350)

of which



Development of the consolidated results over the past six years



Key multiples for Energiekontor AG

			2017	2016
Return on Equity (ROE)	$\frac{\text{Net profit}}{\text{Total equity}}$		17 %	36 %
Return on Capital Employed (ROCE)	$\frac{\text{EBIT}}{\text{Total equity} + \text{net debt}}$		15 %	31 %
Free Cash Flow (FCF)	Operating cash flow – CAPEX *		-29.3 m€	86.0 m€
EV/EBITDA **	$\frac{\text{Market cap} + \text{net debt}}{\text{EBITDA}}$		7.5	4.4
KGV **	$\frac{\text{Market cap}}{\text{Net profit}}$		18.1	8.5
* CAPEX = Payments in property, plant + equipment and other intangible assets			33.7 M€	6.9 M€
** Market cap at ca. 13.7 € (share price 4/2018); 14,578,160 shares outstanding			ca. 215 M€	ca. 215 M€

Key figures 2017 of the AG – P&L

Results in € million	2017	2016
Revenue	24.7	51.6
Total output	26.5	51.8
EBT	22.2	39.6
Net profit for the year	15.5	28.7

Key figures 2017 of the AG

– balance sheet

Balance sheet in € million	31/12/2017	31/12/2016
Equity	103.8	100.2
Total assets	179.3	165.2
<i>Equity ratio</i>	57.9%	60.6%
Cash and cash equivalents	46.0	89.7

Consolidated key figures 2017 – P&L

Results in € million	2017	2016
Revenue	149.9	201.8
Total output	202.1	166.7
EBITDA	49.6	72.1
EBIT	32.9	53.8
EBT	16.7	35.5
Consolidated net income	11.9	25.3

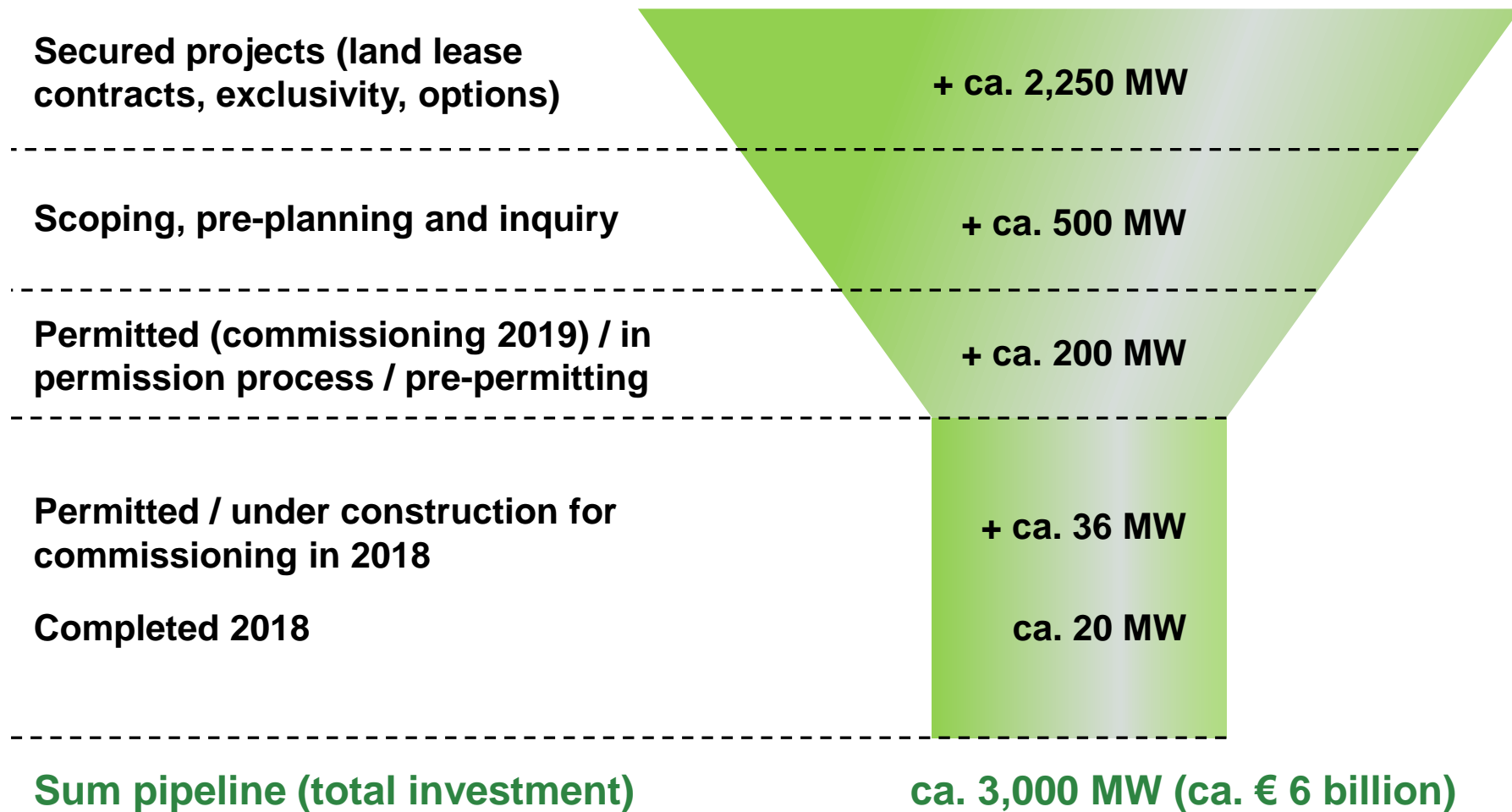
Consolidated key figures 2017

– balance sheet

Balance sheet in € million	31/12/2017	31/12/2016
Cash and cash equivalents	79.2	128.8
Financial debt (long-term)	209.5	185.2
Financial debt (short-term)	24.7	45.7
<i>Net debt</i>	155.0	102.1
Equity	70.2	69.5
Total assets	361.7	361.4
<i>Equity ratio</i>	19.4%	19.2%

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Energiekontor's project pipeline



Mid-term economic targets

- Sustainable **Group-EBT** of **€ 55-60 million p. a.**
- Sustainable **EBT** from **project development and sales** of approx. **€ 30 million p. a.**
- Sustainable **EBT** from **power generation in Group-owned wind and solar farms** and **operational management** of **€ 25-30 million p. a.**



Sources of future growth

- Expansion of solar business in Germany and abroad
- Realising Scottish pipeline → first projects in 2018/2019
- New markets for wind and solar (USA, NL, F)
- Development of PPA market
- High potential for repowering as of 2020
- Optimising the power generation business by innovation and efficiency enhancement

Team Repowering



Team Solar



Thank you for your attention!

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