

Company Presentation

Bremen

November 2018



- 1. The Company**
2. Market Development
3. Mission and Strategy
4. Business Development 2017/2018
5. Outlook and Targets

Energiekontor AG

Project development and sales (Wind, Solar)

Entire value creation from acquisition and project development to commissioning and sale including repowering



Power generation in Group-owned wind and solar farms

Income through selling electricity generated in the Company-owned wind and solar farms



Operational management, innovation and others

Service after commissioning to optimise the value chain through

- *Operational management*
- *Efficiency enhancement*
- *Innovation*



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

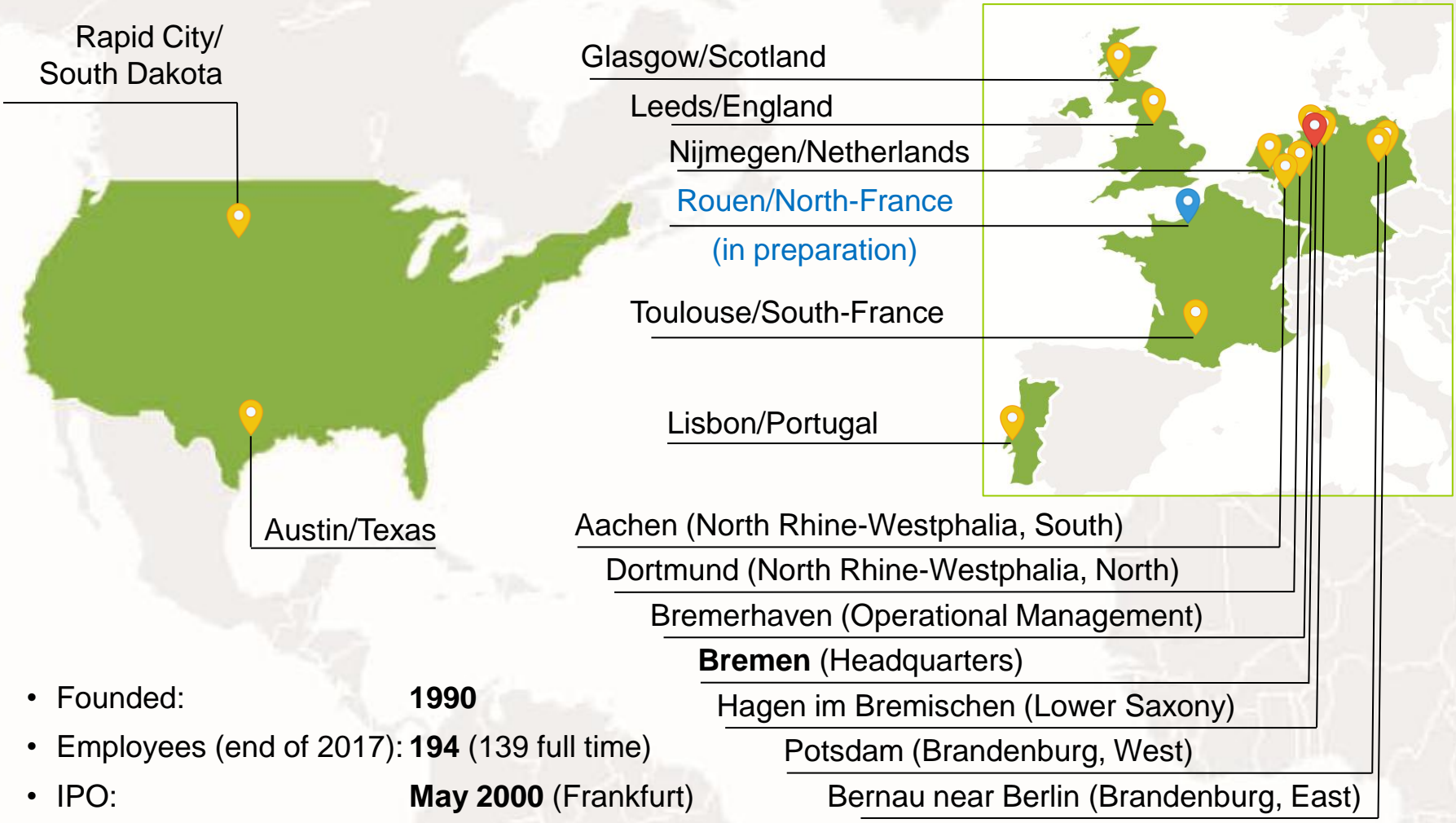
Portugal

Netherlands

France

- Occitanie (Solar)
- Normandy (Wind)

Office locations Energiekontor AG



- Founded: **1990**
- Employees (end of 2017): **194** (139 full time)
- IPO: **May 2000** (Frankfurt)



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

Track record of the Company

34 wind farms
1 solar park
Group-owned

~270 MW

120 wind farms
3 solar parks
realised



~1 GW

ca. 600.000
households

**> 2 billion kWh
per year**



Construction team

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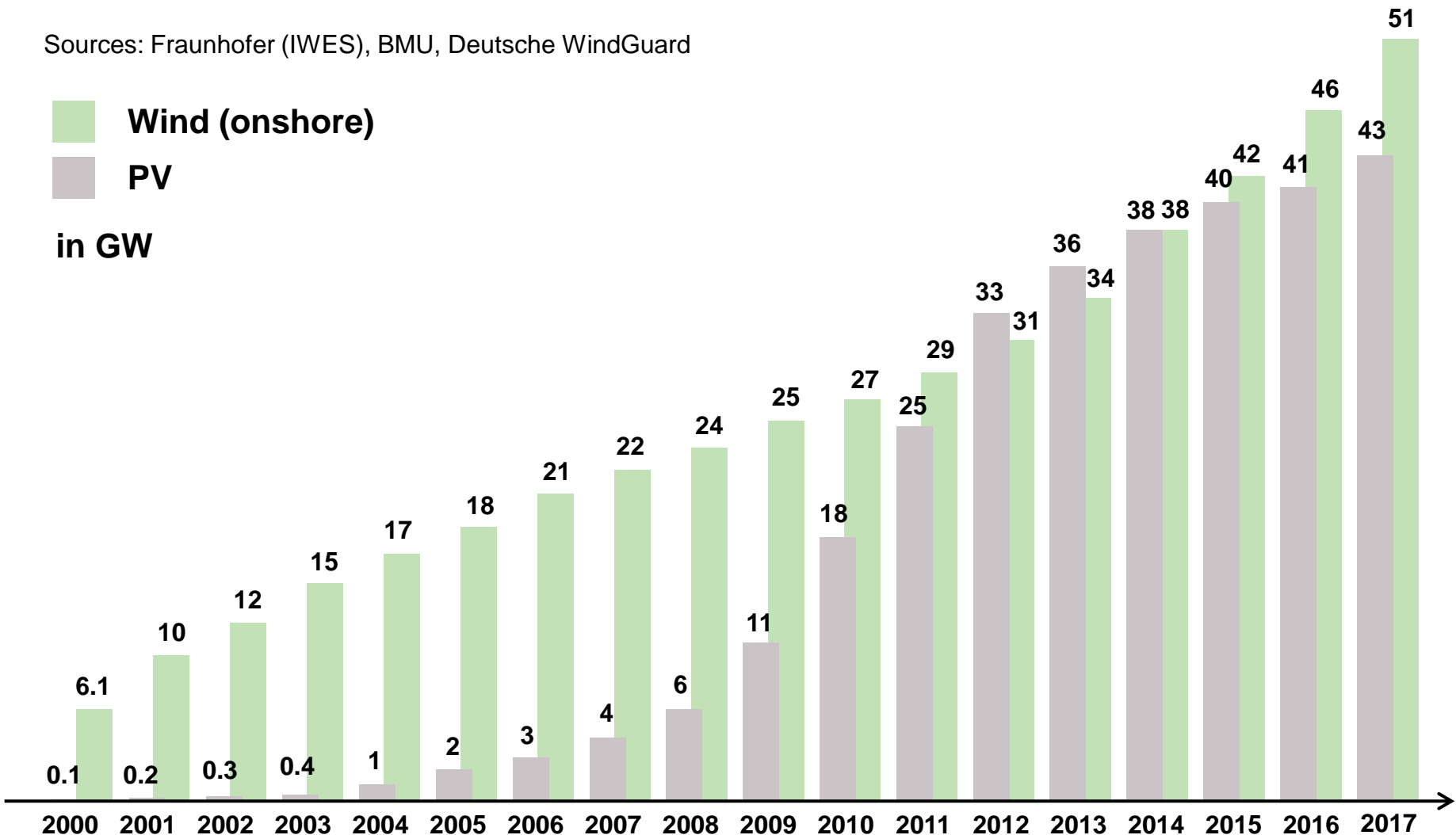
Total installed capacity of onshore wind and solar (PV) in Germany

Sources: Fraunhofer (IWES), BMU, Deutsche WindGuard

Wind (onshore)

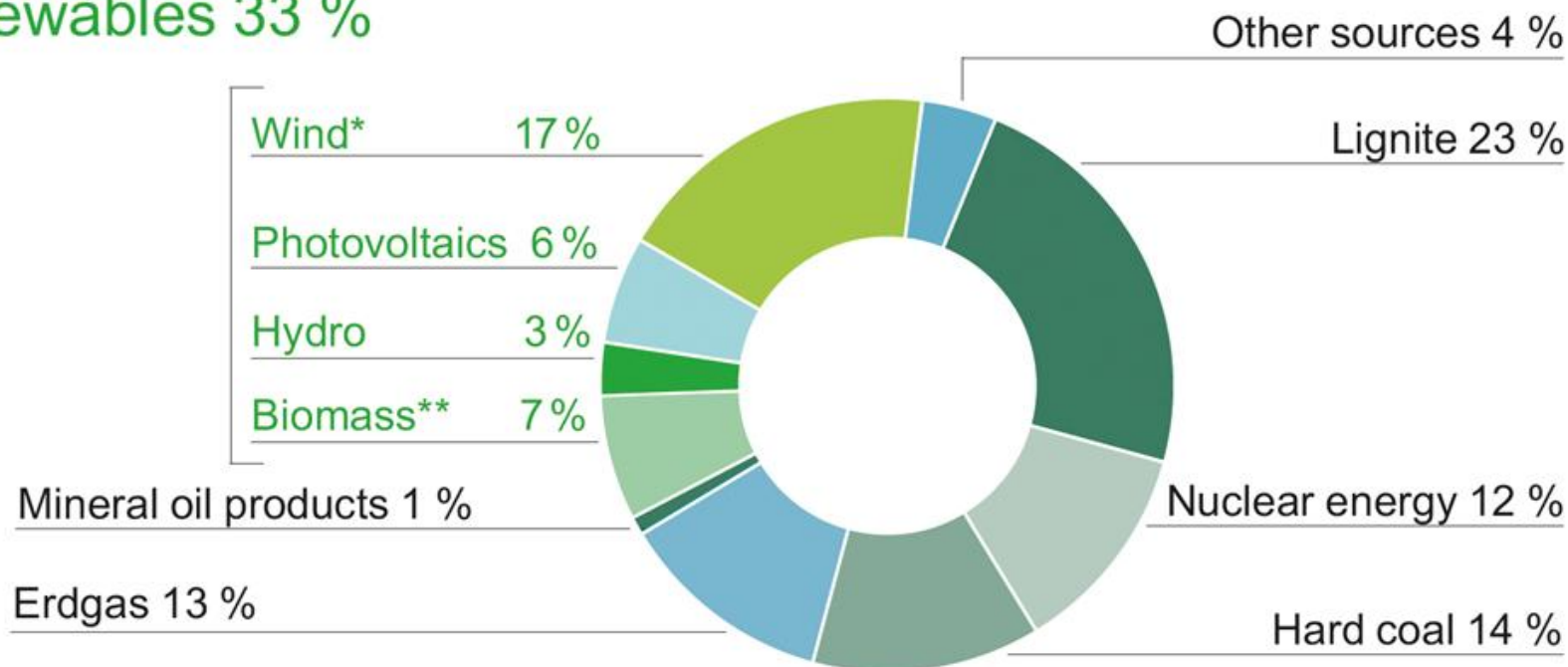
PV

in GW



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

Renewables 33 %



Source: AG Energiebilanzen e. V. (AGEB)

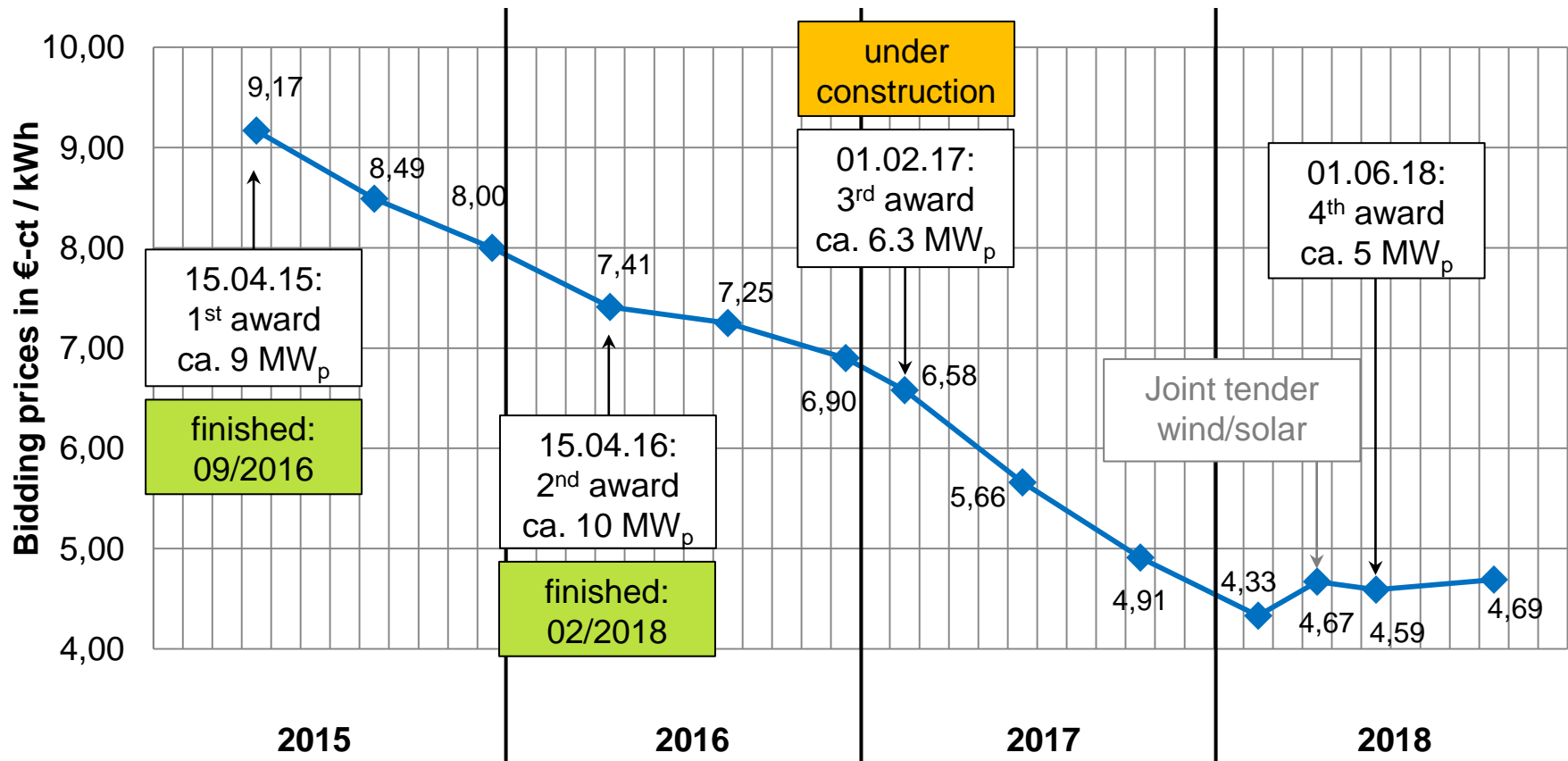
* On- and Offshore

**incl. domestic waste

- **Low feed-in tariffs** due to regulatory changes
- **Continuing pressure on costs and margins** throughout the entire value chain
- **Limited market growth** for wind and solar projects
- **Increasing competition** by tender processes and tariff auctions
- **Development of PPA market** also in Germany

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

Average bidding prices decreased by about 50 percent within 3 years



Results of the tenders for onshore wind

	Month	Volume / MW			Awards / €-ct/kWh			No. projects	
		Tender volume	submitted	awarded	Min.	Max.	Mean	CEI*	total
2017	May	800	2,137	807	4.20	5.78	5.71	65	70
	Aug.	1,000	2,927	1,013	3.50	4.29	4.28	60	67
	Nov.	1,000	2,591	1,000	2.20	3.82	3.82	60	61
2018	Feb.	700	989	709	3.80	5.28	4.73	19	83
	Apr.**	200	395	210	3.96	5.76	4.67	n.a.	32
	May	670	604	604	4.65	6.28	5.73	15	111
	Aug.	670	709	666	4.00	6.30	6.16	n.a.	86
	Oct.	670	396	363	5.00	6.30	6.26	n.a.	57

* Citizens' Energy Initiatives; ** Joint tender for PV/Wind: all awards to PV projects

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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**



Important milestone in the UK: first subsidy-free onshore wind project

Financial Close of Withernwick II (Withernwick extension):

- Energiekontor as a pioneer: first wind farm (8.2 MW) in UK without state subsidies („subsidy free“)

Economical basis:

- Long-term power purchase agreement (PPA) with internationally operating large-scale enterprise from the consumer goods industry



Wind farm Withernwick

Consolidating the pioneering role: subsidy-free wind farms in Scotland and Germany

Continuous realisation of projects in Scotland:

- Building permits for the first two large onshore wind farms
- Economically purely based on PPAs with industrial end-users

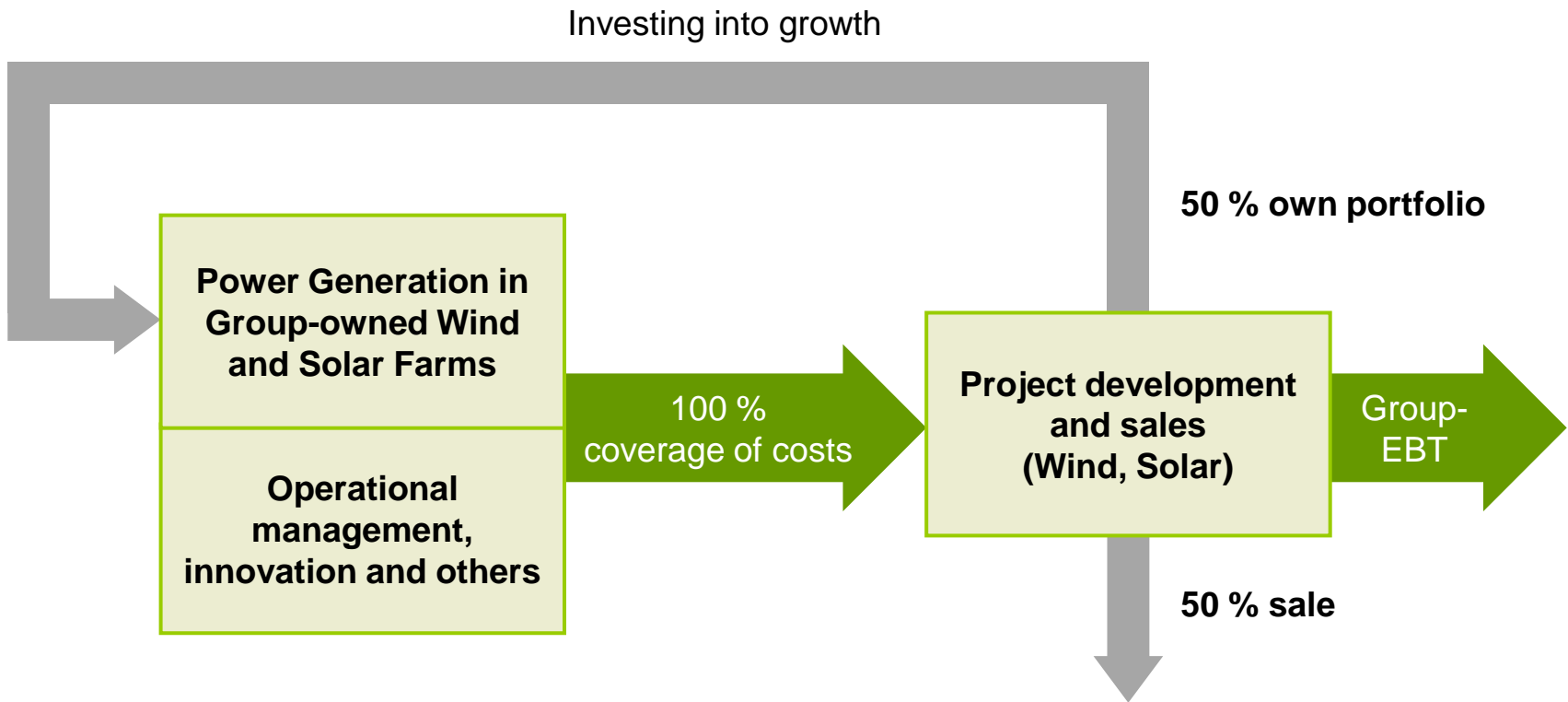
PPA market Germany:

- Realisation of wind farms outside the EEG regime
- Advanced negotiations with potential industry partners



Wind farm Luckow-Petershagen

Energiekontor AG organic growth model



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

Entering new markets

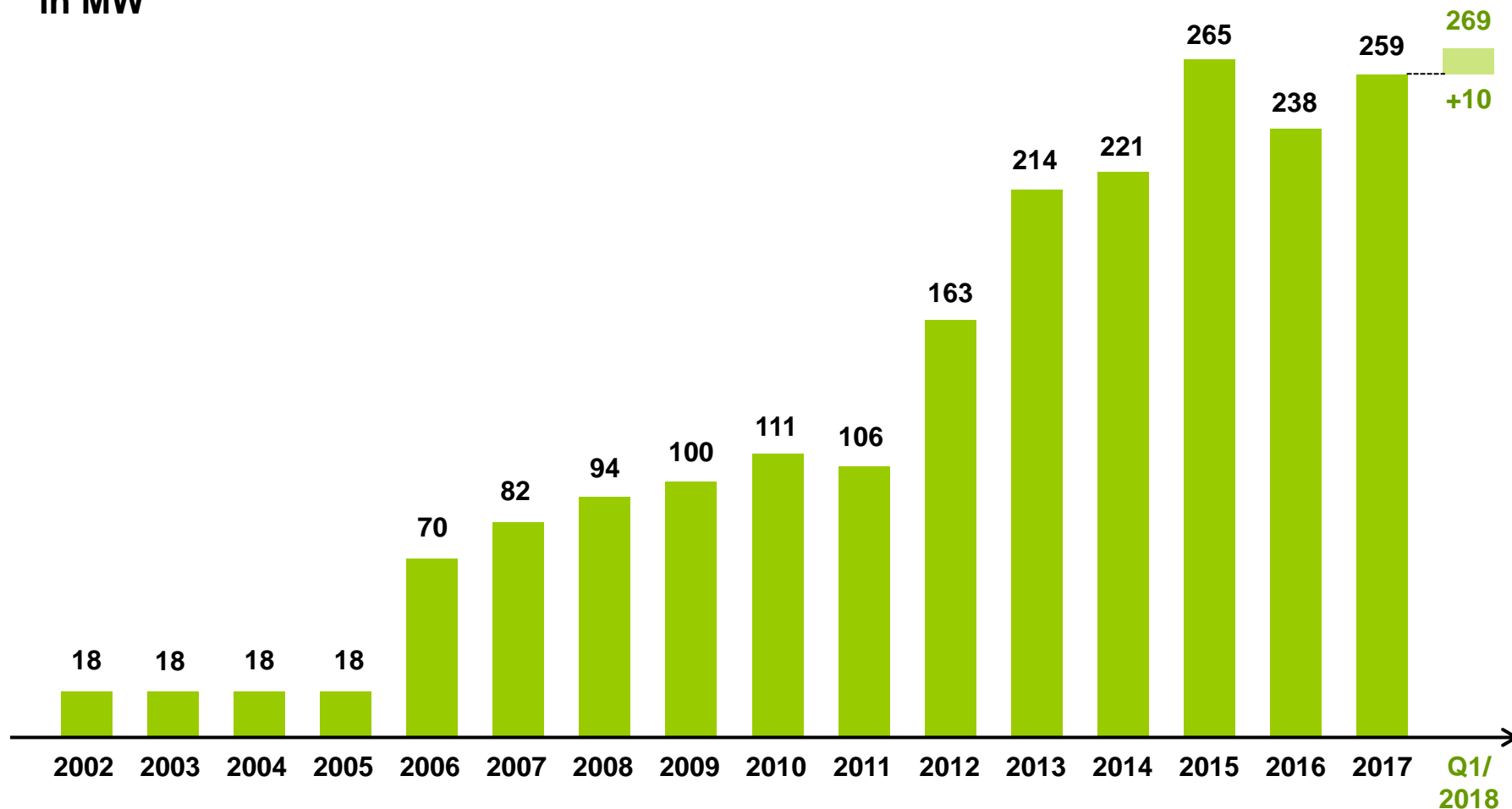
- USA, France, Netherlands

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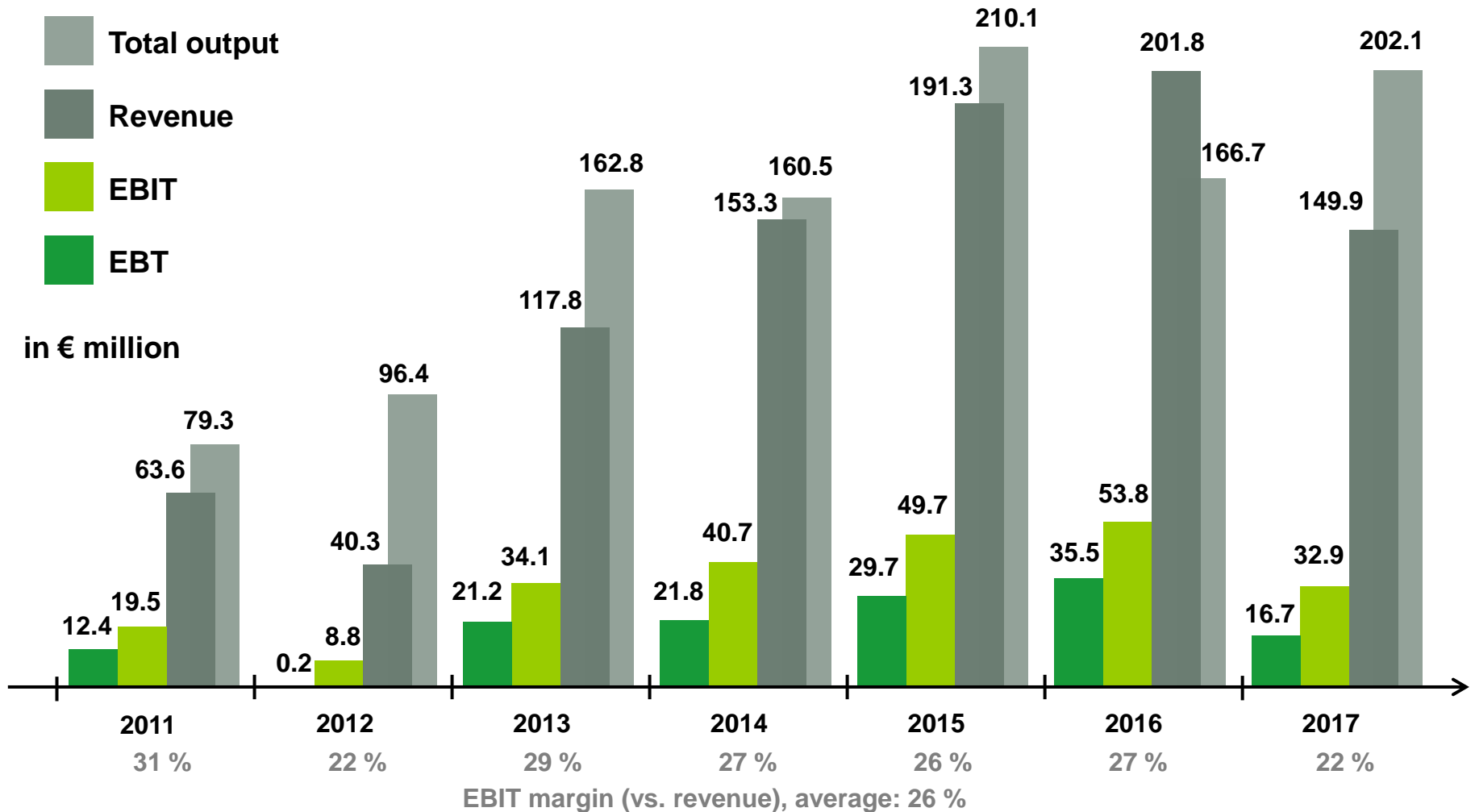
- **2 wind farms, 1 single wind turbine and 1 solar park** with a total of about **38 MW commissioned**
- **Solar parks Garzau-Garzin** taken into **Company-owned portfolio**
- **2 projects** with a total of **23 MW sold** to investors
- **3 projects** (wind and solar) with about **23 MW under construction**
- **Building permit** for two onshore wind projects with a total of up to more than **60 MW in Scotland**
- **6 projects** with an overall area equivalent to about **600 MW solar** in **Texas** under development, security of further sites planned, preparation of PPAs and marketing of project rights

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

in MW



Development of the consolidated results over the past seven years



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

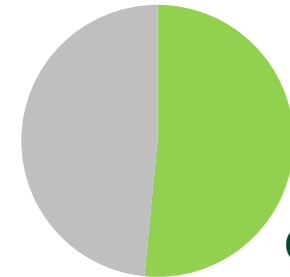
– balance sheet

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%

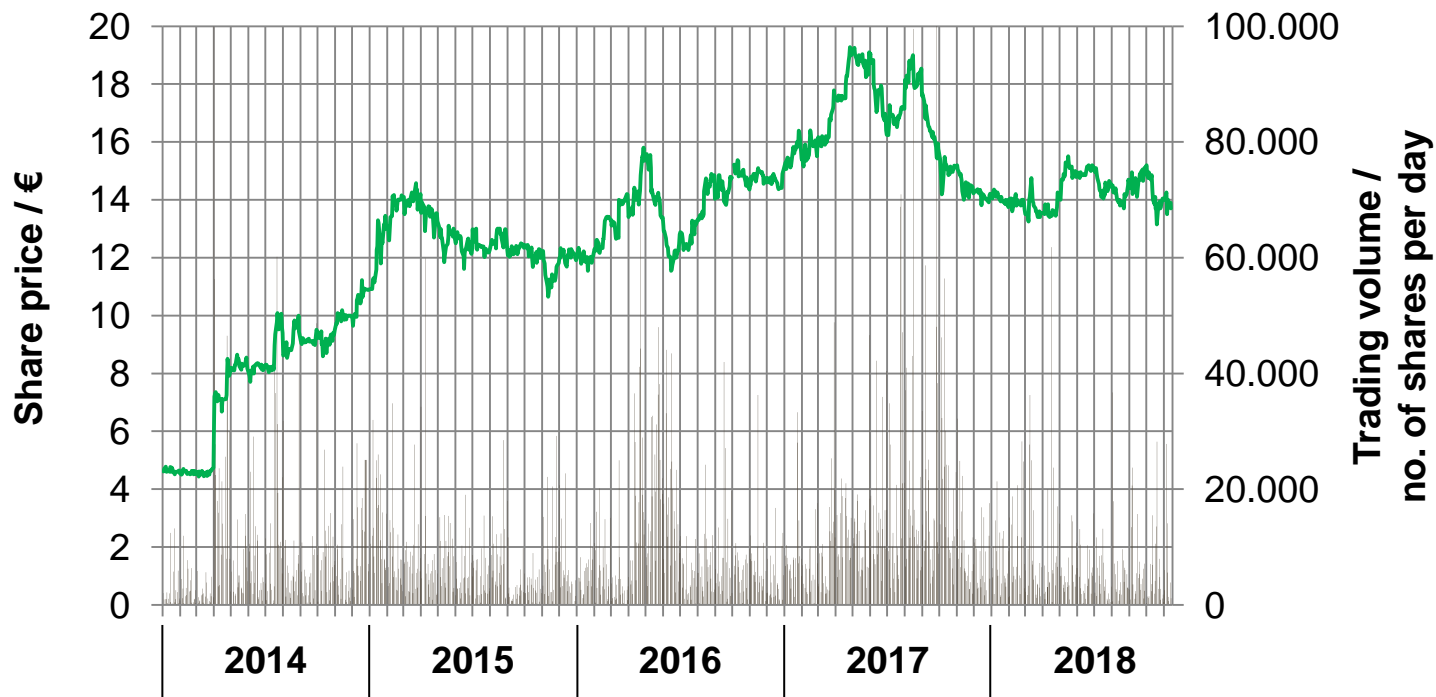
Share price development since 2014 and shareholder structure of Energiekontor AG

Market segment: General Standard
Shares outstanding: 14.578.160 shares
Market Cap: ca. 200 million €

48,5%
Freefloat



51,5%
Company
bodies

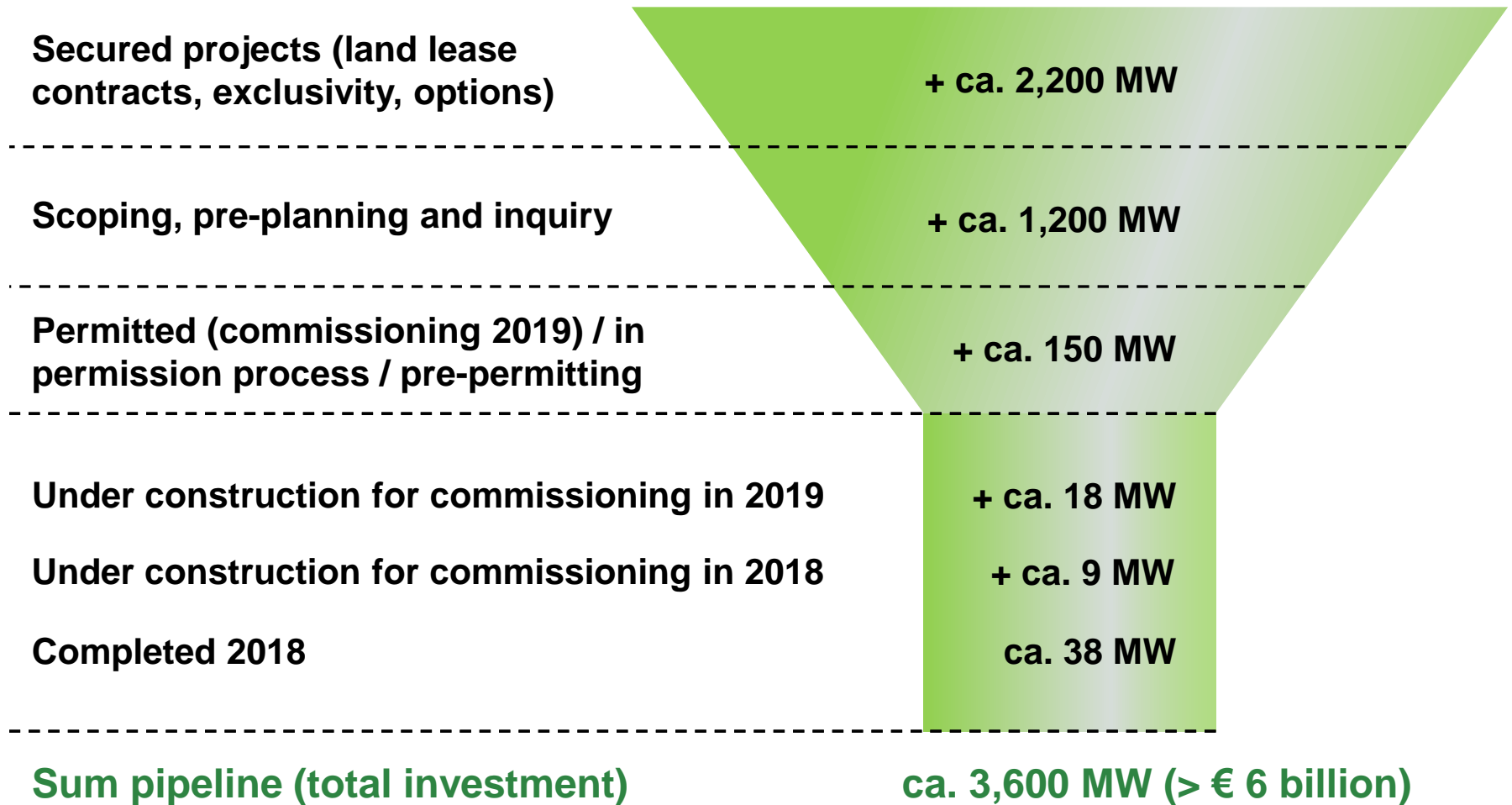


Key multiples for Energiekontor AG

			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	$\frac{\text{Market cap}^{**} + \text{net debt}}{\text{EBITDA}}$		7.2	4.2
KGV	$\frac{\text{Market cap}^{**}}{\text{Net profit}}$		16.8	7.9
* CAPEX = Payments in property, plant + equipment and other intangible assets			33.7 M€	6.9 M€
** Market cap at 13.7 € (share price 11/2018); 14,578,160 shares outstanding			ca. 200 M€	ca. 200 M€

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



Thank you for your attention!

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