



Consolidated Financial Statements 2019, Outlook 2020e . . . and beyond

Encavis AG, Online Capital Markets Day 2020, www.encavis.de, April 22, 2020

ENCAVIS transforms Renewable Energies into profitable business





We are a leading European
Independent Power Producer (IPP)
from renewable
energy sources

Our generation capacity of solar parks
and wind parks sums up to ~ 2.5 GW ...
and it is growing.

ENCAVIS: Improving efficiency and cost reduction through Economies of Scale and Economies of Scope

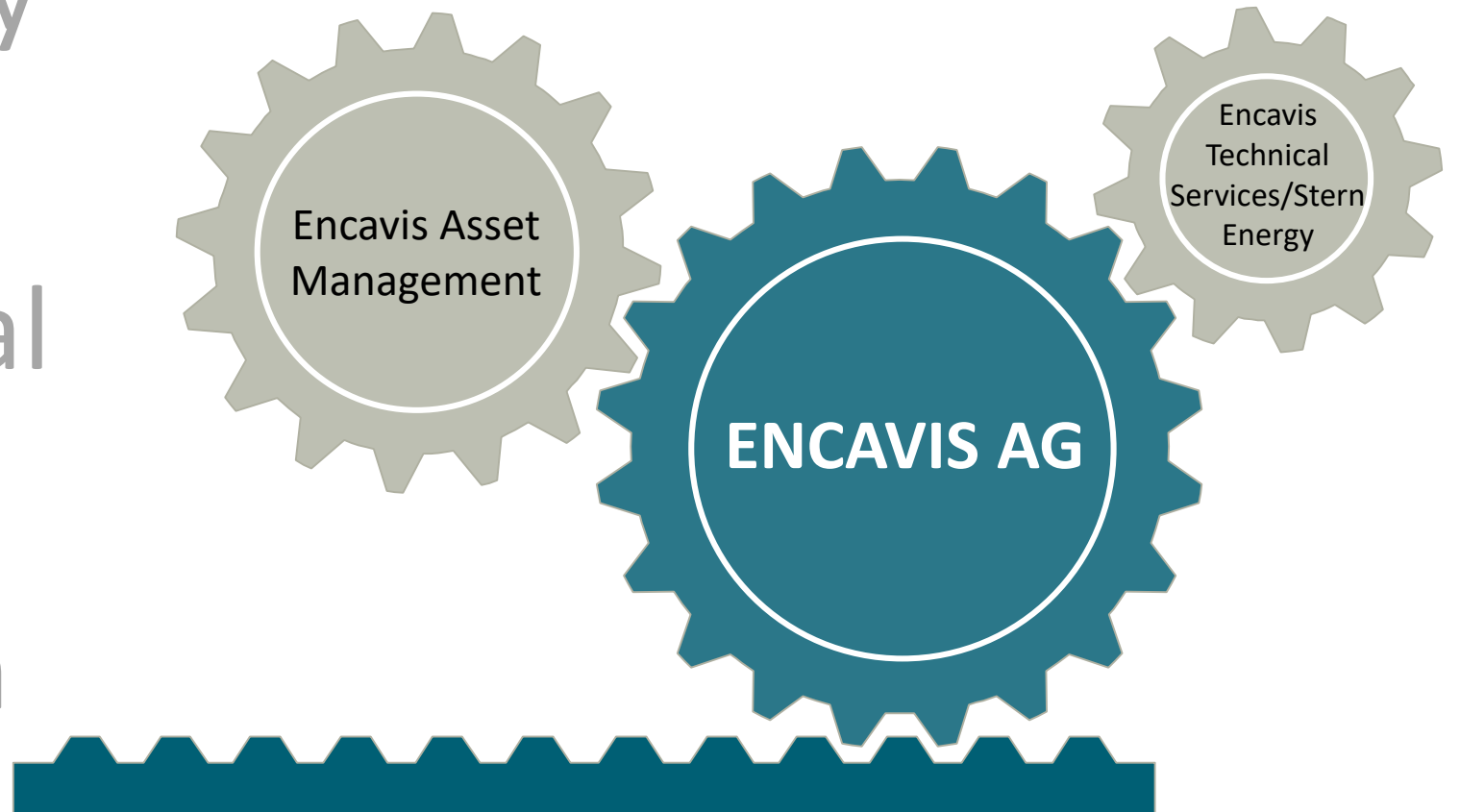


ENergy

CApital



VISION



Record high operational figures 2019 – New acquisitions and favourable meteorological conditions



2019 - Strong Growth in all KPIs

KPIs (EUR million)	2018	2019	Change (in %)
Revenue	248.8	273.8	+10%
Oper. EBITDA	186.9	217.6	+16%
Oper. EBIT	113.7	132.2	+16%
Oper. Cash flow	174.3	189.3	+9%
EPS (in EUR)	0.31	0.43	+39%



Positive weather effects supported the 2019 financial results

KPIs (EUR million)	2019	Weather related effects	FY 2019 adjusted for weather effects (wa)
Revenue	273.8	10.5	263.3
Oper. EBITDA	217.6	7.0	210.6
Oper. EBIT	132.2	7.0	125.2

Significant earnings growth after 12M/2019 benefited from new acquisitions/parks connected to the grid, the sale of minority interests in wind parks and positive weather effects besides regulatory changes of IFRS 16

Operating figures (in EUR million)	Q1 2018	Q1 2019 (incl. IFRS 16)	Q2 2018	Q2 2019 (incl. IFRS 16)	Q3 2018	Q3 2019 (incl. IFRS 16)	Q4 2018	Q4 2019 (incl. IFRS 16)	FY 2019 (incl. IFRS 16)
Revenue	45.9	59.5	76.9	84.5	78.1	79.4	47.9	50.4	273.8
Oper. EBITDA	31.5	44.7	62.5	76.1	61.3	65.0	31.6	31.8	217.6
Oper. EBIT	13.6	23.4	44.2	54.8	43.0	43.6	12.9	10.4	132.2
Oper. Cash Flow	27.3	15.9	51.0	60.5	50.5	56.4	45.6	56.5	189.3
Oper. EPS (EUR)	- 0.01	0.05	0.20	0.25	0.19	0.19	- 0.07	- 0.06	0.43



Improved earnings quality in Q3/2019 supported overall earnings growth in FY 2019

FY 2019 vs FY 2018 and FY 2017 – adjusted for weather effects (wa)






Increasing positive weather effects in FY 2019: EUR +10.5m (FY 2018: EUR +6.7m and 2017: EUR +4.3m)

Operating figures (in EUR million)	FY 2017	Weather adjusted FY 2017 (wa)	FY 2018	Weather adjusted FY 2018 (wa)	FY 2019	Weather adjusted FY 2019 (wa)	Change FY 2019(wa)/ FY 2018 (wa) in %
Revenue	222.4	218.1	248.8	242.1	273.8	263.3	+ 9%
Oper. EBITDA	166.8	162.5	186.9	180.2	217.6	210.6	+ 17%
Oper. EBIT	100.4	96.1	113.7	107.0	132.2	125.2	+ 17%



Strong growth y-o-y (weather adjusted) is based on new acquisitions (e.g. Denmark) and parks connected to the grid (e.g. The Netherlands)

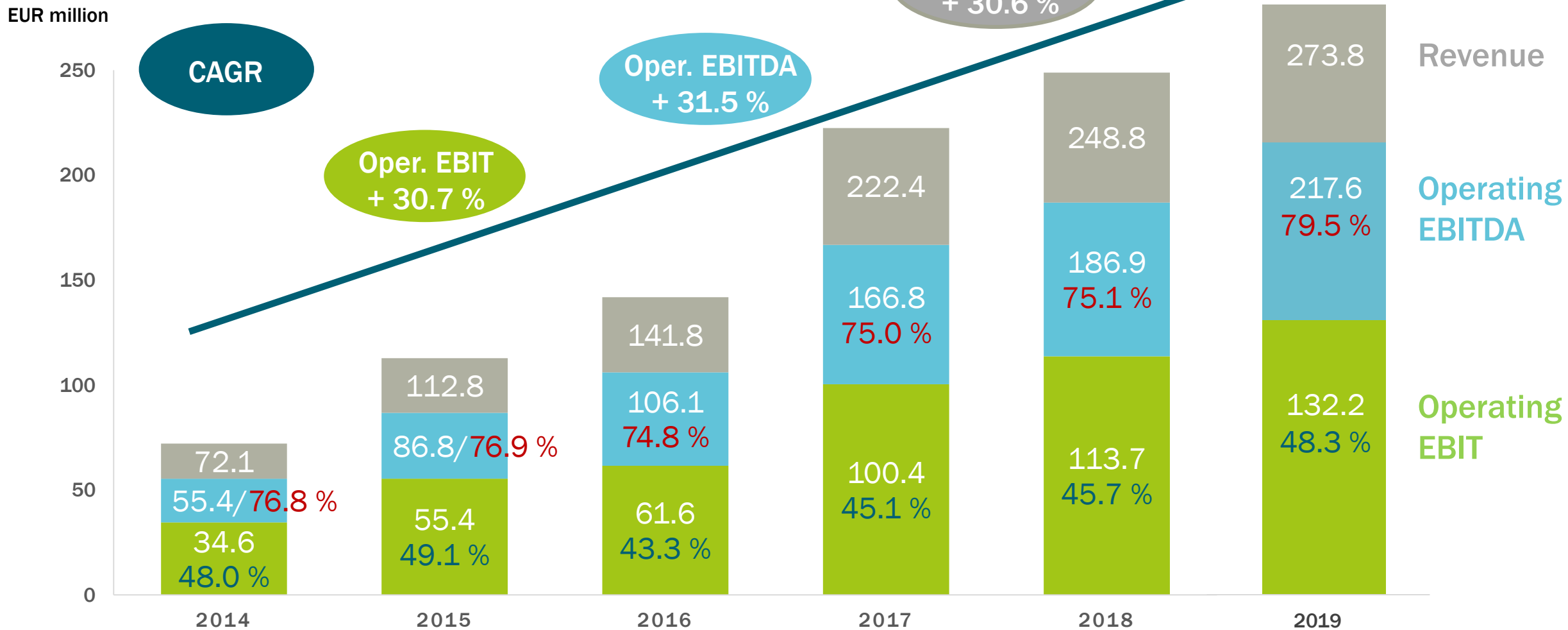
Margin improvement in the operating business segments in FY 2019 vs. FY 2018

Operating P & L (in EUR million)	Solar Parks 		Wind Parks 		Technical Services 		Asset Management 		HQ 	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Revenue	186.5	200.1	57.8	63.1	4.6	4.7	4.1	11.6	-	-
EBITDA	152.2	167.3	41.6	51.9	1.6	1.5	- 1.0	5.6	- 7.5	- 8.7
EBITDA margin	82%	84%	72%	82%	37%	32%	- 25%	49%	-	-
EBIT	97.6	104.9	23.8	30.4	1.6	1.4	- 1.7	5.0	- 7.6	- 9.5
EBIT margin	52%	52%	41%	48%	36%	31%	- 41%	44%	-	-



Operating expenses distributed among Business Segments

Earnings increase with almost constant margins



ENCAVIS #1 among the top 70 European solar PV portfolio owners
is paving the way for attractive growth financing in the future

New ESG investors

First „Green Schuldscheindarlehen“
of EUR 50 million successfully placed in 2018

Bond certified by **Climate Bond Standard**
Executive Board

Encavis got a **Prime-Label** by ISS-oekom



Investment grade issuer rating confirmed in 2020

Encavis received **Investment Grade** issuer rating by
Scope Ratings (BBB-) initiated in 2019

Rating reflects Encavis' **risk-adjusted business model**,
regional diversification as well as the high proportion
of **non-recourse financing**

Strong creditworthiness revealed

Positive impact on financing conditions realized

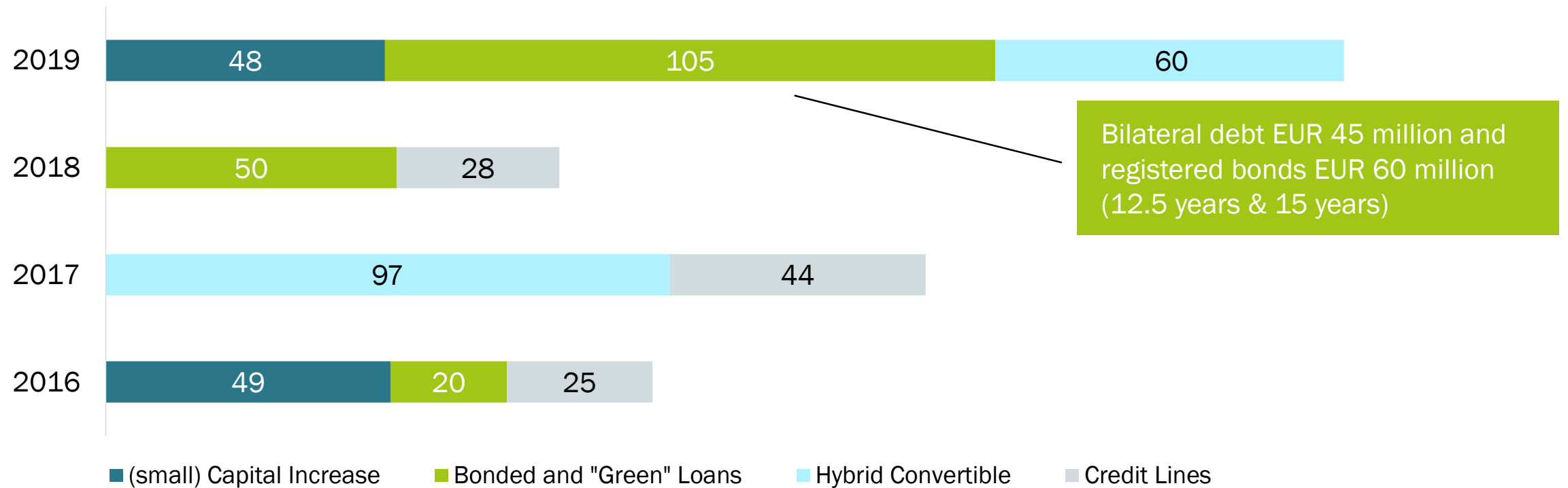


ENCAVIS

Securing growth capital (2016 – 2019) while keeping a strong equity ratio

2019/12/31
Equity ratio
> 25%

Financing measures implemented (in EUR million)





Outlook 2020e
... and beyond

NO impact of CoVid-19 on the operating business of generating energy from renewable resources

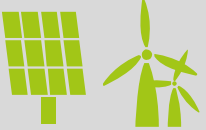

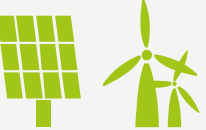

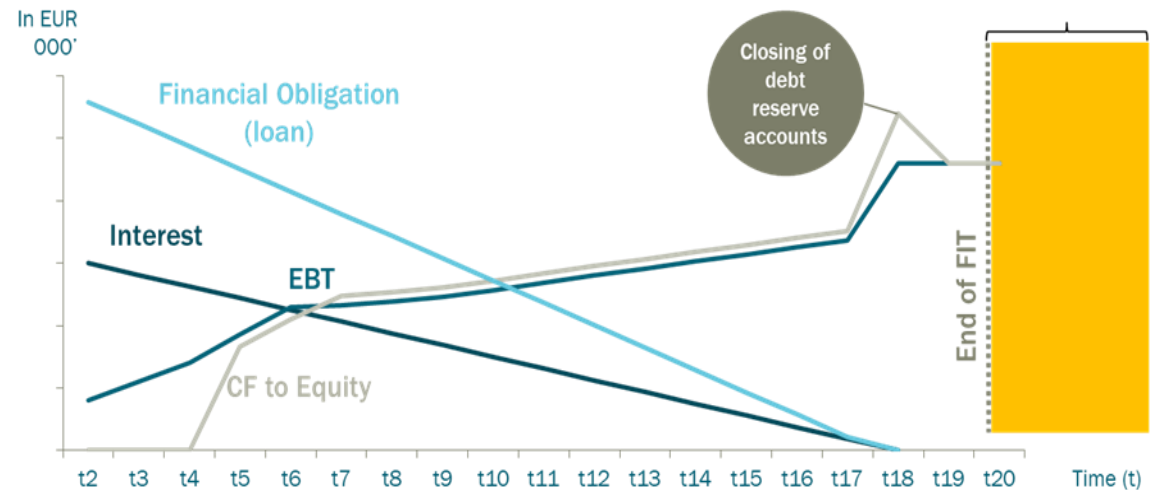
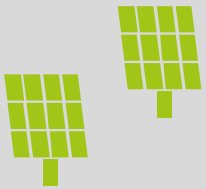


Operating areas	Potential impact of CoVid-19 . . .
	<p>Remote controlled operation of ground mounted PV and onshore wind parks → NO risk at business as usual / The sun is shining – The wind is blowing</p>
 	<p>Secured revenues based on Feed-in-Tariffs for remaining 13 years (on average) and Power Purchase Agreements (PPAs) for 10 years</p>
	<p>Secured liquidity for the whole cash planning (covering the next 18 months) and IT-based payment system TIS in use</p>

Illustration of the different cash flows of a solar park (PV)



ENCAVIS is well prepared for turbulent markets

Operating areas	Potential impact of CoVid-19 . . .
	<p>Very limited impact on guidance 2020e by delayed connection to the grid of the two PV parks under construction in Spain by maximum two months until years-end Worst case in delay this year would result in a negative sensitivity on the EPS for 2020e of EUR 0.01 / Force majeure would shift the PPA to starting point COD</p>
	<p>Macro hedges in all parks limit currency exposure down to dividend payments Currency exposure is limited to Danish Crown (DKK) and British Pound (GBP) While DKK is very stable, the volatile GBP is hedged already until end of 2023 → no currency risk</p>
	<p>Technical maintenance of PV parks by our technical service unit (ETS / Stern Energy) maybe affected to a minor extend of a few weeks delayed services</p>

! Sustainable valuation of all assets and NO doubt on the Growth Strategy >> Fast Forward 2025



Segments	Highlights in Q1 2020
	<p>Encavis AG disclosed its growth strategy: >> Fast Forward 2025 that set concrete targets and growth rates in its strategic outlook</p>
	<p>Encavis and its strategic development partner Solarcentury celebrated the Foundation Stone at Spanish solar park Talayuela (300 MW capacity)</p>
	<p>Scope Ratings confirmed its investment grade issuer rating BBB- with stable outlook on Encavis AG</p>
	<p>Encavis announces dividend proposal to the AGM for fiscal 2019 of EUR 0.26 offering the scrip dividend for the seventh time in a row will grant shareholders maximum flexibility to choose receiving cash dividend or new shares</p>
	<p>Encavis Asset Management acquired three solar parks in The Netherlands and one wind farm in Germany with a total generating capacity of more than 55 MW for the Encavis Infrastructure Fund II Renewables Europe II</p>

Moderate growth expected for FY 2020e vs FY 2019 (wa = adjusted for weather effects)






2020e will be a year of transition in which the acquired PPA parks in Spain will have COD in Q3 or Q4 and new acquisitions don't contribute to 2020e P&L – but step-up in 2021e

Operating figures (in EUR million)	FY 2019	Weather adjusted FY 2019 (wa)	Guidance FY 2020e	Change Guidance FY 2020e / FY 2019 (wa)	Showcase FY 2021e / Change vs. Guidance FY 2020e
Revenue	273.8	263.3	> 280.0	+ 6.3%	> 320.0 / + 14.3%
Oper. EBITDA	217.6	210.6	> 220.0	+ 4.5%	
Oper. EBIT	132.2	125.2	> 130.0	+ 3.8%	
Oper. EPS	0.43	0.40	0.41	+ 2.5%	
Oper. Cash flow	189.3		> 200.0		



Large Spanish projects Talayuela and La Cabrera are under construction in 2020 and distribute FY revenue and operating cash flow to the Group in 2021

Guidance FY 2020e by Business Segments

Operating P & L (in EUR million)	Solar Parks 			Technical Services 		Wind Parks 			Asset Management 		HQ 	
	FY 2019	FY 2019 (wa)	Guidance 2020e	FY 2019	Guidance 2020e	FY 2019	FY 2019 (wa)	Guidance 2020e	FY 2019	Guidance 2020e	FY 2019	Guidance 2020e
Revenue	200.1	186.0	> 190	4.7	> 4	63.1	66.7	> 74	11.6	> 12	-	-
EBITDA	167.3	156.7	> 159	1.5	> 2	51.9	55.4	> 62	5.6	> 5	- 8.6	< - 9
EBIT	104.9	94.3	> 95	1.4	> 2	23.8	34.0	> 38	5.0	> 5	- 9.5	< - 10



Based on average meteorological conditions and the already secured solar park and wind farm portfolio as of March 2020

Dr Christoph Husmann
Chief Financial Officer

CFO since Oct 2014
Reappointed until Sep 2025



Member (CFO) and later CEO of the Management Board of HOCHTIEF Projekt Entwicklung GmbH
Head of Corporate Controlling and M&A of STINNES AG and HOCHTIEF AG,
Controlling of VEBA AG

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Appendix:

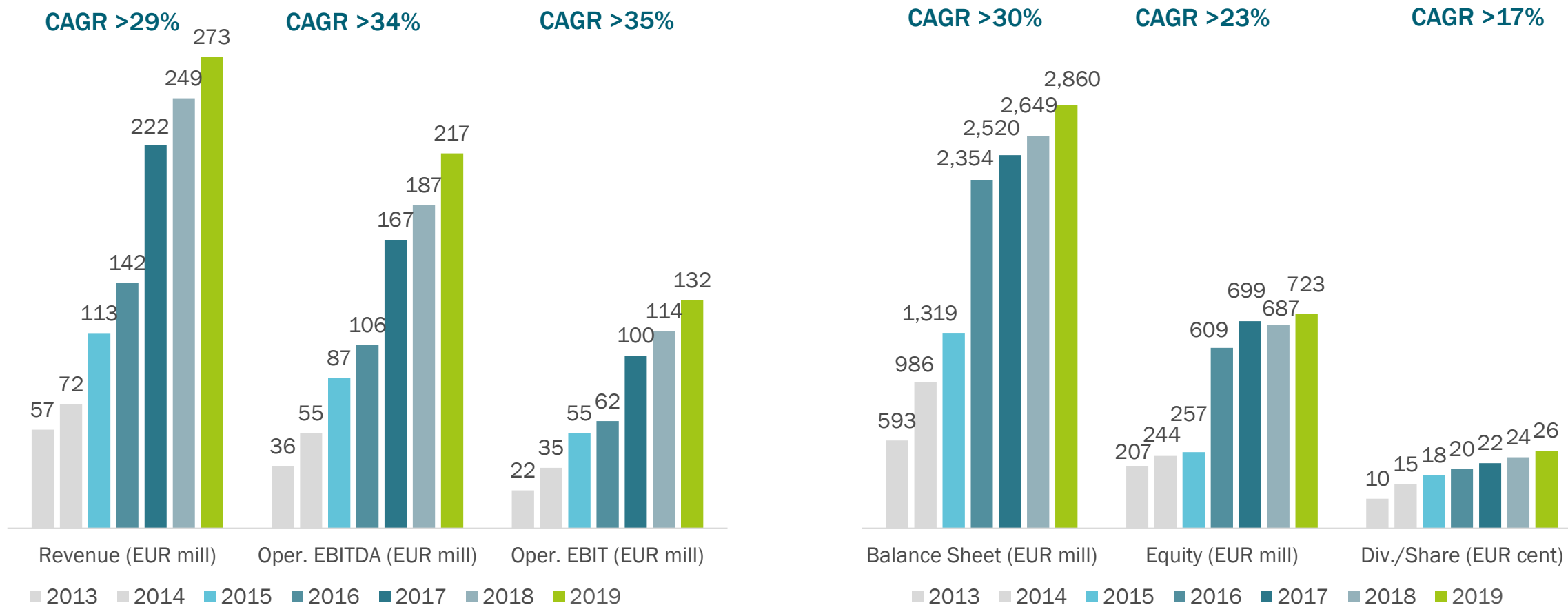
Twice increased guidance in 2019 fulfilled – even post capital increase in December 11, 2019

Operating P&L (in EUR million)	Guidance of March 2019	Guidance of March 2019 (incl. IFRS 16)	Updated Guidance post Q1/2019 (May 28, 2019 / incl. IFRS 16)	2nd Updated Guidance post Q2-H1/2019 (wa) (Aug 28, 2019 / incl. IFRS 16)	FY 2019 (Dec 31, 2019 / incl. IAS 28 and IFRS 16)
Revenue	> 255	> 255	> 260	> 270	✓ 273.8
Oper. EBITDA	> 190	> 199	> 210	> 218	✓ 217.6
Oper. EBIT	> 112	> 114	> 125	> 132	✓ 132.2
Oper. Cash Flow	> 180	> 188	> 190	> 198	✓ 189.3
Oper. EPS (EUR)	> 0.35	> 0.35	> 0.40	> 0.42	✓ 0.43
Equity ratio	26%	25%	25%	25%	✓ 25.3%



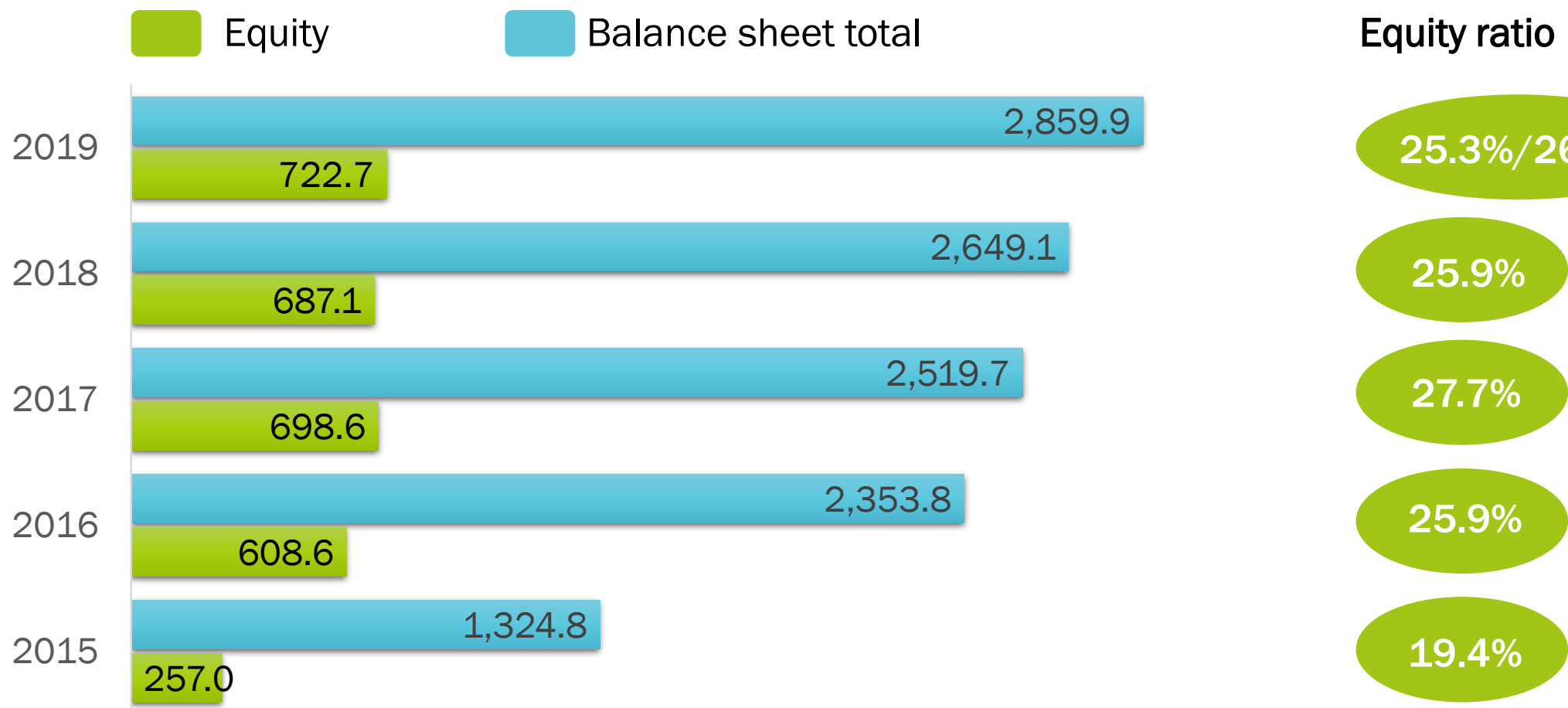
Shortfall of EUR 9 million in operating cash flow due to (again) late repayment of capital gains tax of EUR 9m by German tax authority, originally planned for Nov 2019, actually paid beginning of March 2020

ENCAVIS success story – steady and dynamic growth path



Only 2019 includes effects of IFRS 16

Continuously growing operating business backed by solid equity ratios



*) Equity ratio of 25.3% according to temporary treatment of 10-year lasting PPA by IAS 28 / Effect is expected to be fully compensated with COD in second-half of 2020 / Correct treatment of PPAs result in an equity ratio of 26.9%

Equity ratio
of 25.3%
vs. 26.9%

Explanation of accounting rule of 10-year PPA by IAS 28

Source: Audited Management Report, Encavis AG Annual Report 2019, page 31






[...] In 2018 and 2019, Encavis acquired 80% shareholdings via Encavis Iberia GmbH in each of the project companies Talayuela and Cabrera, both of which are building a solar park in Spain. The purchase price for the two Spanish investments was determined together with the partner Solarcentury using financial models that already take into account the PPAs to be concluded in the expected inflows. [...]

In the 2019 financial year, both companies concluded a PPA in the form of a derivative for a period of ten years, in which the fixed electricity purchase price is presently below the current market price level, but at the level of the joint valuation model with Solarcentury and thus the assumptions of the purchase price.

In the context of equity accounting, the derivatives with a negative market value recognised in the balance sheets of both participating interests mean that, following a complete reduction of the equity approaches (due to the attributed pro rata results) in accordance with IFRS regulations, the associated loans are also reduced in part with no effect on income. **The recognition of the derivatives in the balance sheet is separate from the determination of the investment values in which the effects of the PPAs were already included in the purchase price.** This consolidation technique does not in any way lead to the intrinsic value of the participating interests being impaired.

The current equity ratio of 25.3% would be 26.9% without the recognition of derivatives at the level of the Spanish investments.

Highlights
in the first
half 2019

Segments	Highlights in H1 2019
	Acquisition of another solar park in The Netherlands “Zierikzee” +14 MW increases generation capacity in the Dutch market to >100 MW
	Sale of 49% each in four different wind parks of Northern Germany to Versicherungskammer Bayern processed by Encavis Asset Management
	Acquisition of 30% stake in Stern Energy SpA – Strategic step forward to strengthen the technical solar services business
	Encavis AG received investment grade issuer rating (BBB-) from Scope Ratings
	Successful issuance and placement of EUR 105 million of bilateral debt and registered bonds of Encavis AG to banks and institutional investors

Sale of 49% each in four different wind parks of Northern Germany to Versicherungskammer Bayern processed by Encavis Asset Management

- Direct asset investments of institutional funds / ENCAVIS AG will keep the 51% and manage the parks
- Recycling of cash: Total cash inflow of EUR 24 million
- Diversification of local wind risk position
- IFRS book values slightly exceeded

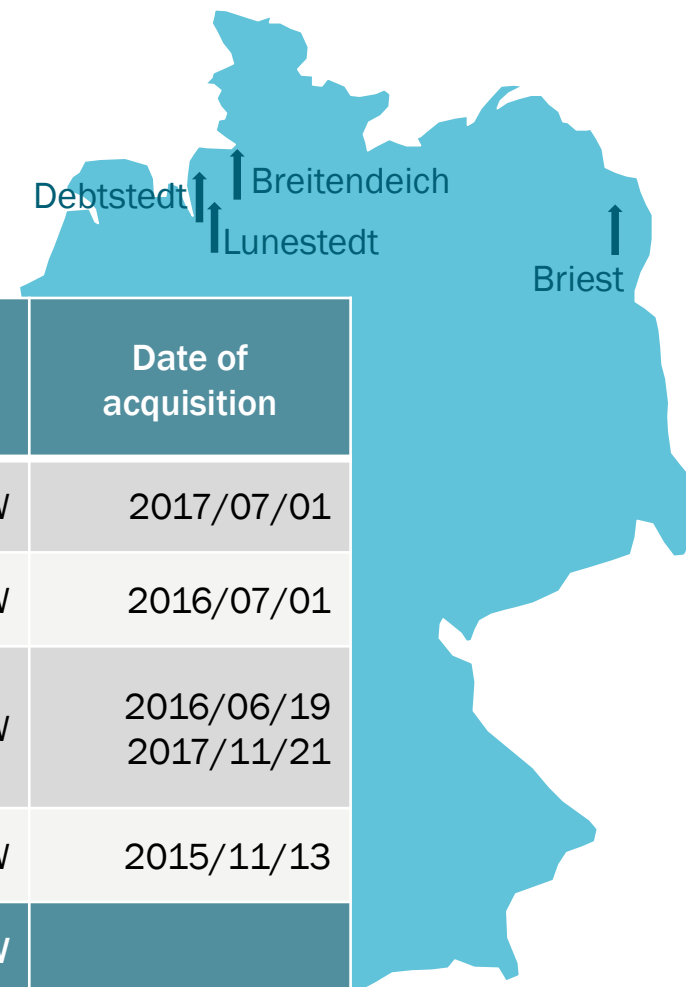
▪ Book Values according to German GAAP (HGB)

Sales Price today (100%) 50.72 EUR million






Book Value today (100%) 38.72 EUR million

Profit + 12.00 EUR million

respectively + 31.0 %








Wind Park	Capacity	Date of acquisition
Briest (I)	3.2 MW	2017/07/01
Breitendeich (II)	6.4 MW	2016/07/01
Debtstedt (III)	18.0 MW	2016/06/19 2017/11/21
Lunestedt (IV)	38.4 MW	2015/11/13
TOTAL	66.0 MW	

Segments	Highlights in H2 2019 (I)
	<p>Banks subscribed special fund and enable additional investments of more than EUR 100 million by Encavis Asset Management</p>
	<p>Encavis Asset Management advised two Luxembourg special funds on investments in wind (14 MW) and solar (22 MW) parks in Germany and France</p>
	<p>Encavis AG tapped its Hybrid Convertible Bond in an aggregated nominal amount of EUR 53 million up to EUR 150.3 million and received EUR 60 million in cash</p>
	<p>Encavis AG signed long-term power purchase agreement (PPA) for 10 years for Spanish solar park Talayuela (300 MW capacity)</p>
	<p>Encavis AG signed additional long-term power purchase agreement (PPA) for 10 years for Spanish solar park Cabrera (~200 MW capacity) with Amazon</p>

Segments	Highlights in H2 2019 (II)
	<p>Encavis AG extended CEO & CFO contracts by a further five years until autumn 2025 at an early stage</p>
	<p>Encavis AG resolved to a small capital increase of ~4% for growth financing and gained Versicherungskammer Bayern as new major shareholder (4%) and received gross proceeds of around EUR 48 million in cash</p>
	<p>Encavis AG acquired an operational 81 MW wind farm portfolio in Denmark expecting revenues of EUR 13.4 million p.a. based on a normalized year Enterprise Value of EUR 108 Million with an equity share of EUR <52 million</p>
	<p>Encavis Asset Management acquired five German solar parks (35 MW) including the first subsidy-free solar park of BayWa r.e. for the Encavis Infrastructure Fund II S.A. (SICAV-RAIF)</p>

ENCAVIS is focused on growth to skim Economies of Scale

Portfolio is actively managed by international and experienced team (examples)

Measures implemented	Status	
Negotiations with local authorities by Encavis workforce comprising native speakers from all countries where Encavis is active	Ongoing	
Financial optimization by releasing reserve accounts due to high performance of parks and trust in Encavis	Q4 2018 - Q2 2019	
Optimization of insurance by auctioning all insurance contracts of Encavis parks in a European wide process. Leading to an improved coverage and reduction of premiums by 40 per cent	2018	
Optimization of low level operation contracts by clustering parks and auctioning service with local suppliers	2018	
Digitalization of the business – improving technical availability by remote control of the parks, implementing a digital backbone for data flow from the parks via accounting into IFRS statement	Ongoing/2018	

ENCAVIS is focused on growth to skim Economies of Scope (1)



Constant monitoring of parks

Integration of all parks into our centralized 24h control room

Calculation of yield reports and simulations based on actual irradiation levels

Handling of failure reports 365 days a year

Management of fast response fault clearance actions



Onsite visits

Failure analysis and repair works directly on site are conducted by experienced and trained team

Our service vehicles hold comprehensive stock of spare parts

For major repairs teams of the component manufacturers are requested (for instance defective power sections)

ENCAVIS is focused on growth to skim Economies of Scope (2)



Constant improvement of parks

Regular screening of solar parks with GPS navigated drones with thermos cameras to detect hotspots

Re-energization of PV parks to stop degradation of modules

Investment into winglets to improve rotation of wind blades in our wind farms to improve energy production

















Maintenance

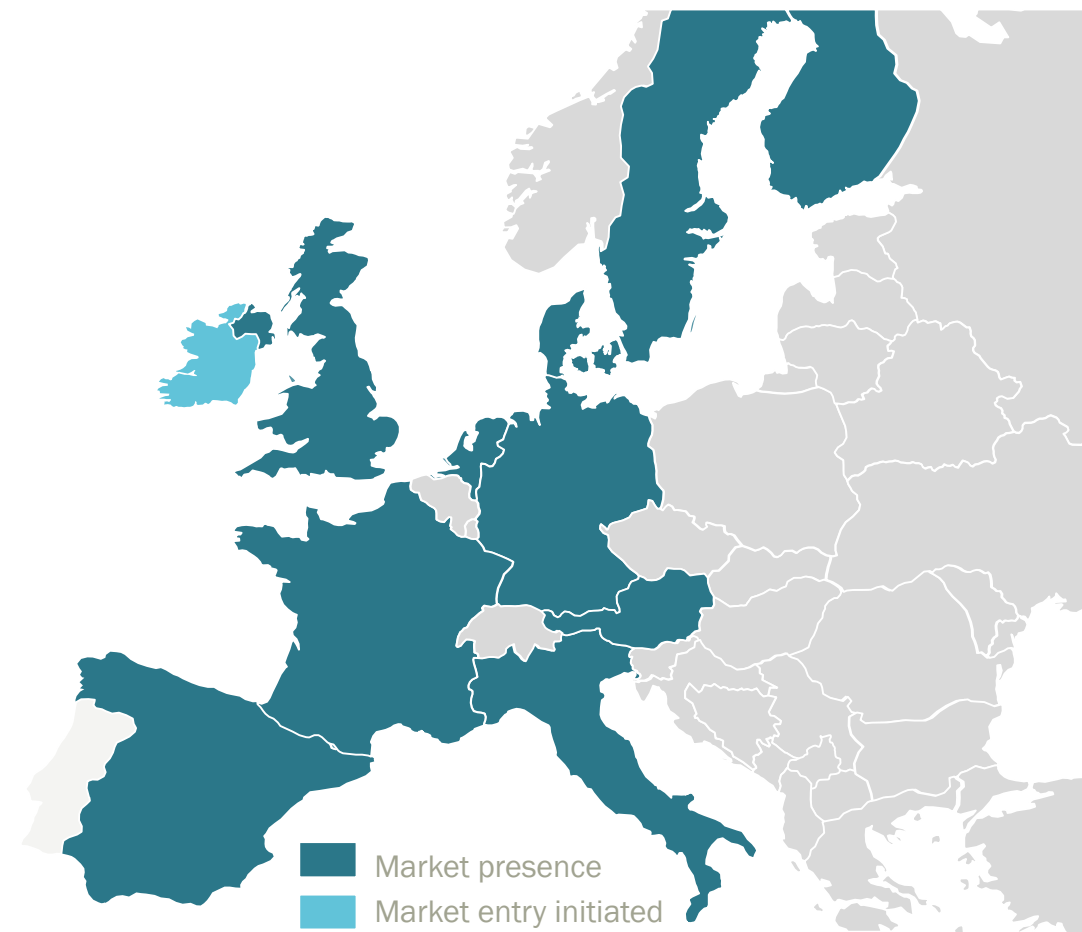
For solar parks either maintenance by own experienced employees or supervision of trained subcontractors

For wind parks maintenance usually done by turbine manufacturers – regular maintenance service supervised by onsite accompaniment of our own experienced employees

Regional diversification of portfolio further increased

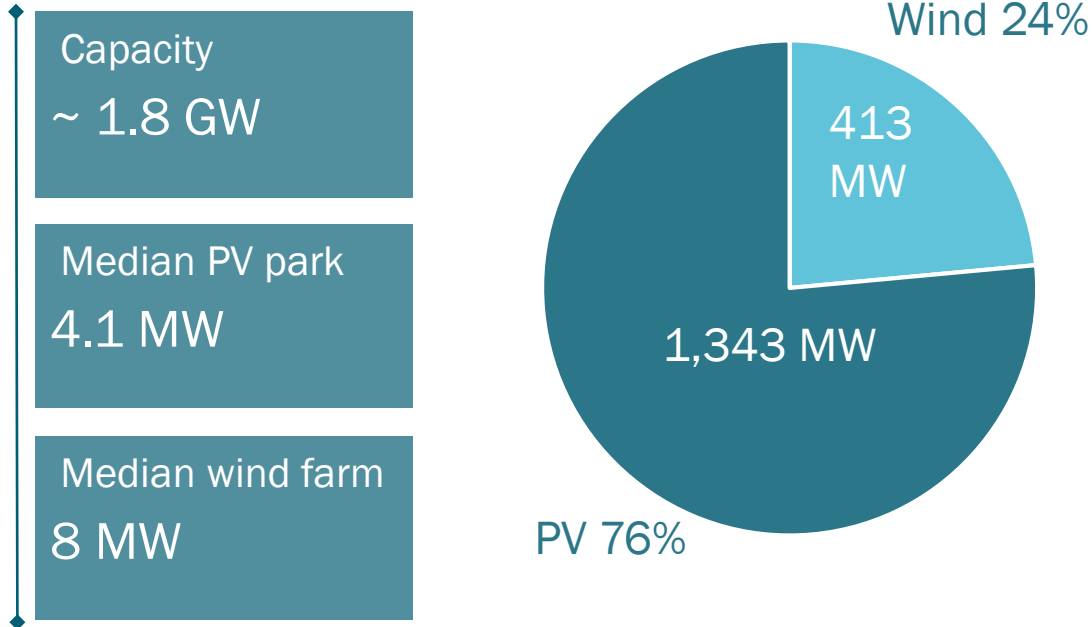
190 solar parks and 83 wind parks in 10 European countries: total capacity ~2.5 GW

WIND PARKS		OWN ASSETS	ASSET MANAGEMENT
Germany		215 MW	351 MW
France		36 MW	103 MW
Austria		36 MW	17 MW
Finland		-	13 MW
United Kingdom		-	18 MW
Sweden		-	10 MW
Italy		6 MW	-
Denmark		120 MW	-
Total		413 MW	512 MW
SOLAR PARKS		OWN ASSETS	ASSET MANAGEMENT
Germany		262 MW	103 MW
Italy		154 MW	7 MW
France		194 MW	34 MW
United Kingdom		127 MW	-
The Netherlands		106 MW	81 MW
Spain		Under construction: 500 MW	
Total		1,343 MW	225 MW
GROUP TOTAL		2,493 MW	

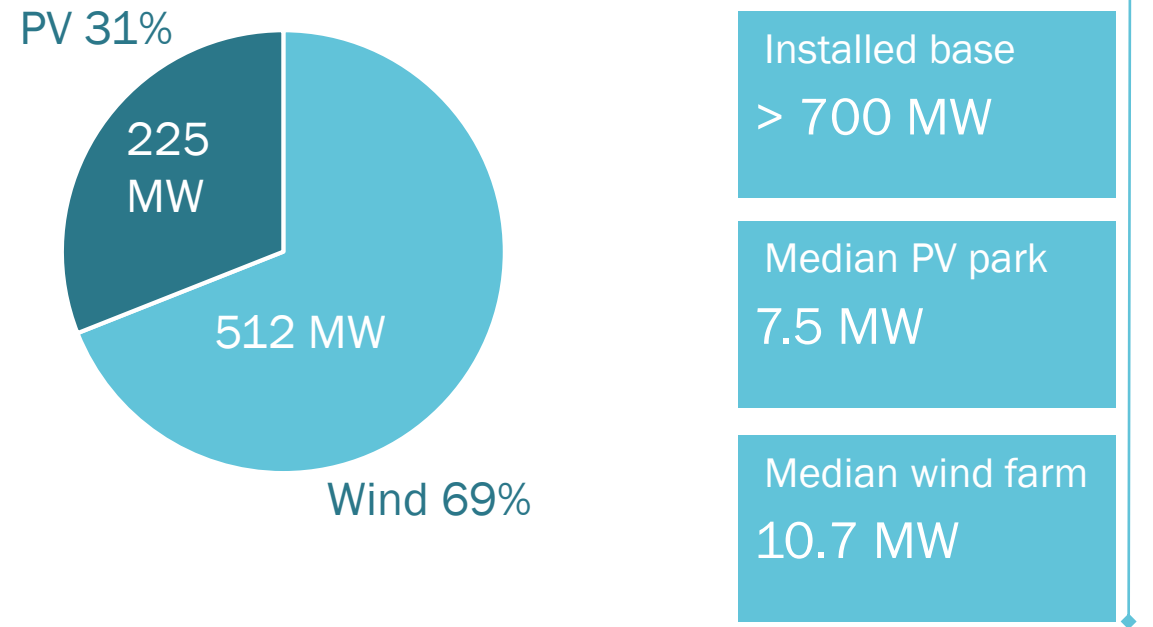


Encavis Portfolio: PV accounts for > 75% of the Encavis Portfolio

Encavis Portfolio by technology



Asset Management Portfolio by technology



Most of the Renewable Energy Portfolio of Encavis is based on a FIT:
~13 years remaining FIT maturity

The „golden end“ of ENCAVIS' power plants

Illustration of the different cash flows of a solar park (PV)



Assumptions

Solar-park connected to the grid in 2010 with FIT for 20 years (t20)

Park was bought in Q2 2011, 2012 first full year of operation (t2)

Non-recourse project financing will be serviced and paid-off by the park



As the loan is paid-off during the FIT-period, parks are very profitable in the “golden end”