



EXPOSÉ ONSHORE WIND POWER NORTHERN FRANCE

INVESTMENT IN ONSHORE-WINDENERGY IN NORTHERN FRANCE

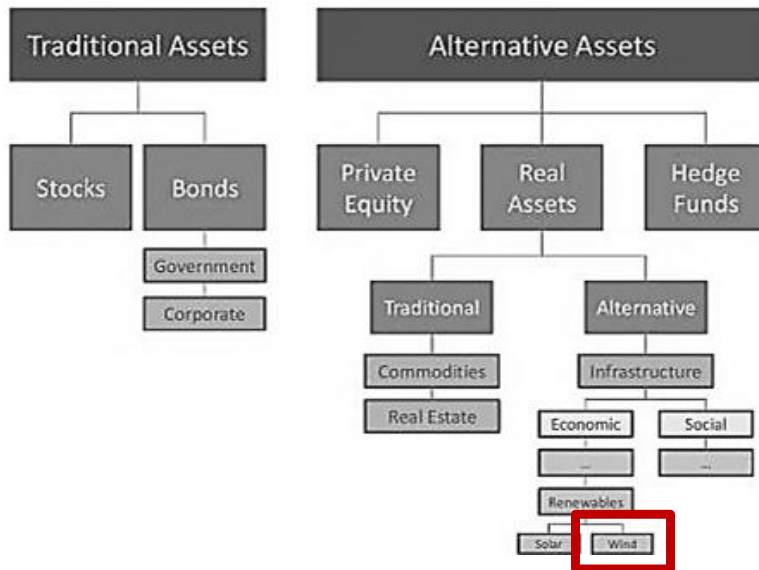
WIND FARMS • CONSTRUCTION AND IN COMMISSION • RISK MINIMIZATION • CUSTOMIZED STRUCTURING POSSIBILITIES

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WHY WIND, WHY FRANCE? – AN OVERVIEW!

Asset class wind power plants

- ✓ Wind as permanent, cost free and endless energy source
- ✓ Governmental guaranteed minimum-sales revenue for produced electricity
- ✓ Onshore wind power already as one of the cheapest kinds of electricity generation
- ✓ Actual availability of modern wind power plants: > 98%
- ✓ Energy conversion efficiency: > 45% (Solar: ca. 20%)
- ✓ Wind power plants as an important part of the new asset-allocation of institutional investors (e.g.: Allianz, axpo, SWM, Munich Re)
- ✓ Highly reliable earning forecasts due to ex ante conducted analysis (e.g. wind report)
- ✓ Stable cash flows and very low systematic risk of loss (market beta)
- ✓ Very high sharp-ratio (risk-adjusted return) and low level of correlation to other asset classes → ideal opportunity for risk diversification of traditional investment portfolios



USPs of France

- ✓ Second highest supply of wind in Europe
- ✓ Largest potential of onshore wind power in Europe (*World Wind Resource Assessment Report 2014*) followed by Sweden, Finland and UK:
 - *Current total output: 8.254 MW (GER: 34.250 MW)*
 - *Expansion target 2020: 11.000 MW*
- ✓ Dominance of nuclear power → 75% of the overall demand of electricity (GER: 17%) → political pressure to improve status quo
- ✓ Currently only 15% of the overall demand of electricity out of renewable energy sources → political advancement
- ✓ Only 3% of the overall demand of electricity covered by onshore wind power (GER: 8,2%)
- ✓ High availability of excellent locations with a constantly high occurrence of wind due to low settlement density
- ✓ Approved regulatory guarantee due to recent conformation of feed-in-tariff mid of 2014
- ✓ Sustainability of political advancement of wind energy with a guaranteed feed-in-tariff of min. 8,2 Cent/kWh for 15 years to come
- ✓ Minimum price model guaranteed by law, including a purchase obligation of the electricity generated via renewable energy on behalf of the grid operator → revenue security
- ✓ Fixation of feed-in-tariff prior to ground-breaking ceremony
- ✓ Annual adjustment of feed-in-tariff – guaranteed by law – by 1,54% p.a. on average → inflation protection
- ✓ Pure assessment system and almost no burden on state budget by the development of renewable energy (EEG apportionment only 1 Cent/kWh in comparison with 6,24 Cent/kWh in GER) → wind power enjoys very high level of acceptance amongst French population
- ✓ Outstanding interest on debt capital: 1,71% p.a. (within KfW-programme 270, price range B („renewable energy“), „Standard“ 20/3/10)

* as of May 2015

DIFFERENCES BETWEEN FRANCE, GERMANY AND OTHER COUNTRIES

Assessment system

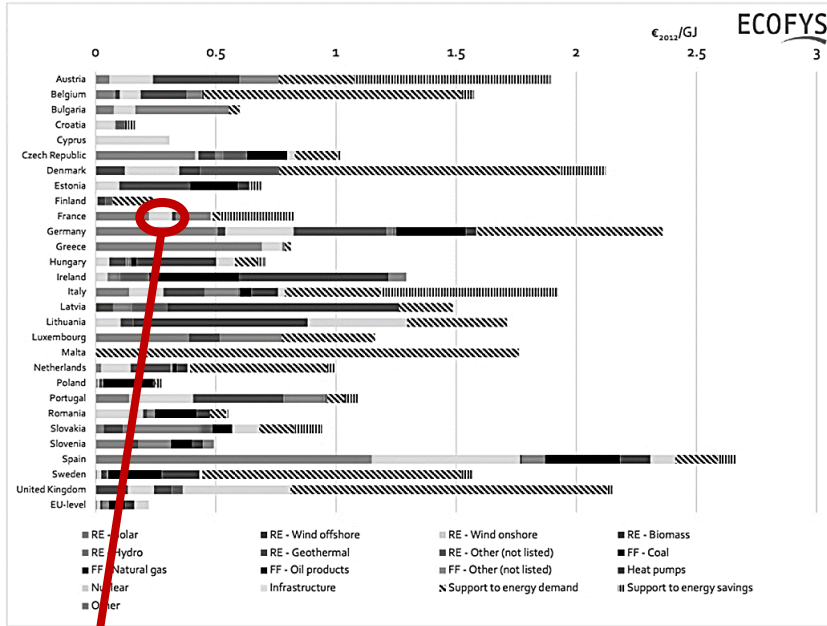
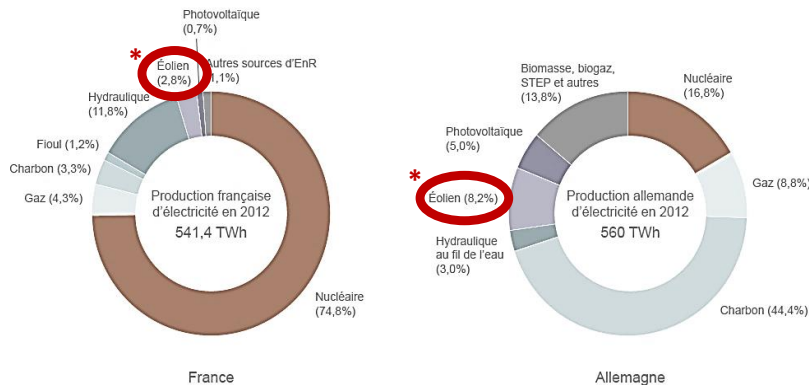


Figure S - 4 Interventions by Member State per unit of primary energy demand (GJ) in 2012³

In France onshore wind power plants have to be promoted with less than 0,1 Cent/kWh from the EEG apportionment (GER: 0.25 Cent/kWh) (2012). This is a result of the high availability of wind-rich locations and as a consequence thereof the high profitability of particular projects.

Electricity mix in comparison



Comparison wind power FRA/GER

	France	Germany
Population:	64.667.000	80.716.000
Population 2050 (prognose):	70.000.000	70.000.000
National territory:	547.062 km ²	357.021 km ²
Coast line:	3.427 km	579 km
Total wind power:	8.254 MW	34.250 MW
Total wind power:	11.000 MW Onshore till 2020	6000 MW Offshore till 2020
	6.000 MW Offshore till 2020	
Stock market electricity fee:	4,971 / Peak: 6,154 Cent / kWh	3,575 / Peak: 5,038 Cent/kWh

- 54% larger national territory and 600% higher rate in terms of coastline
- 20% lower population
- 73% lower total power connected
- Binding expansion targets set by agenda 2020 by far not achieved

Feed-in-tariff in detail

- Confirmation of tariff conditions by French parliament in June/July 2014 → long-term planning- and tariff security
- Amount of initial minimum reimbursement: > 8,2 Cent/kWh
- Minimum remuneration for the sale of produced electricity guaranteed by law for 15 years
- Level of feed-in-tariff already fixed before beginning of construction works (commitment in advance)
- Annual adjustment of feed-in-tariff to the inflation in november:

	2009	2010	2011	2012	2013	2014
	100,0%	102,6%	105,6%	107,0%	107,5%	107,7
Durchschnittliche Anpassung pro Jahr:						1,54%

- Shortfall of 2.400 full-load hours in operating years 1-10 → feed-in-tariff keeps on rising in year 11 according to the inflation
- Exceedance of 2.400 full-load hours in operating years 1-10 → feed-in-tariff moves to exactly 8,8 Cent, unattached by tariff adjustments in previous years and adapts itself again to the inflation in year 12

Legal security feed-in-tariff

- Passage of the law on the advancement of renewable energies („Transition énergétique“) in October 2014 with complete confirmation of the former feed-in-tariff to its full extent:

„The French government presented the new feed-in-tariff for wind power plants on June, 17th and published it on July, 1st. Thereby France proves continuity again. As the new tariff is again the former one:

Inter alia the amount of **8,2 Cent/kWh**, the **promotion duration of 15 years** and the **annual adjustments of the feed-in-tariff to the inflation** are confirmed. The former bill had to be repealed due to a formal mistake within the legislative procedure in May 2014.“

Source:

https://vehicles.com/news/Eolien_publication_au_Journal_officiel_du_nouvel_arrete_tarifaire-1407026796.html

- Basic data to the passed law on the advancement of renewable energies („Transition énergétique“):

„In its first lecture the French national assembly agreed to a draft bill, which is meant to pave the way for an energy revolution („Transition énergétique“). According to this the **carbon emission** should be **reduced about 40% until 2030** in comparison with the level of 1990. Additionally **the energy consumption** should **be halved until 2050** (based on 2012). The **portion of renewable energy** within the total energy mix should increase up to **23% until 2020** and up to **32% until 2030**. At the same time the part of nuclear energy should be reduced to 50% until 2025 (currently > 70%). In support of these actions the bill contains a promotion of producers of renewable energy, which can feed in their electricity for a fixed tariff.“

Source:

http://enr-ee.com/fileadmin/user_upload/Downloads/Energiegesetze/140730_LPTE.pdf

- Former tariff reductions of the feed-in tariff have never been retroactive in France (e.g.: in SPA/ITA) → continual protection of existing assets
- Indefinite right to produce electricity and to use driveways and connections to power supply lines at the acquired location (20% of the initial acquisition costs)

Wind chart France



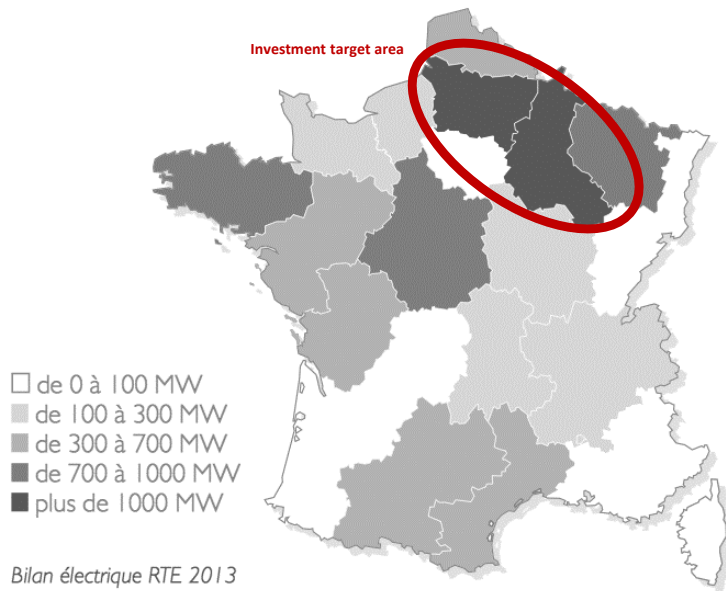
Average wind speed in 30 meters of height in Europe (m/s)



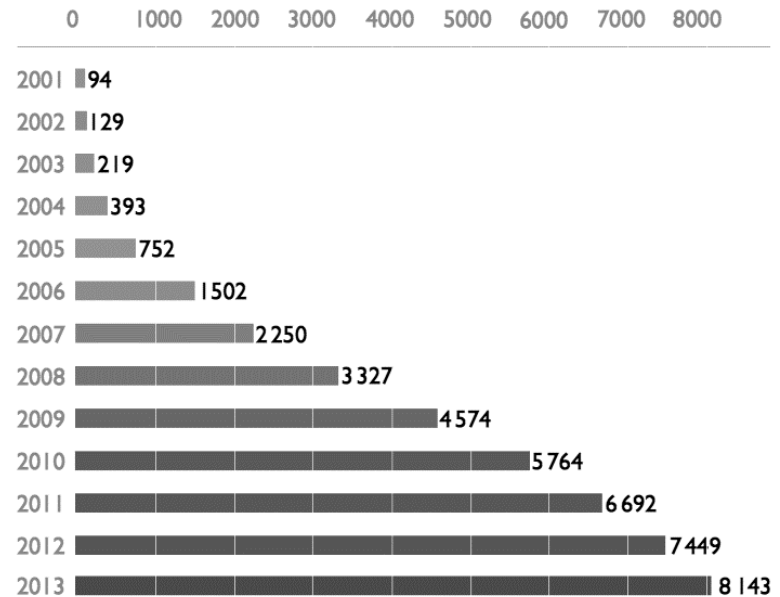
- Highest average wind speed:** central Mediterranean coast, along the English Channel and in the Bretagne
- High wind speed:** Northwestern coasts, Southern zone from the Mediterranean sea to the valley of Rhône
- Planned investment location: Champagne-Ardenne**
 - Location:** Province in the northeastern of France
 - Administrative center:** Chalons-en-Champagne
 - Geographic's:** Largely consisting out of flat farmland
 - Wind speed:** 5,5 – 7 m/s
 - Area:** 25.606 km² (4% of the national territory)
 - Density of population:** 52,2 inhabitants per km²

INVESTORS IN WIND FRANCE ARE IN BEST COMPANY

Wind power plant distribution by region



Development of installed wind power in MW



Current selection of investors in wind power France



30/09/13 – Axpo purchases two wind power plants in France



20/09/13 – Stadtwerke München purchases Nordex-Wind power plant in France



12/08/13 – Elektrizitätswerke Zürich is taking a share in its fifth wind power plant in France



09/08/13 – Two wind power plants in France and one in Italy for Allianz



27/06/13 – Allianz is further extending its portfolio by two wind power plants in France and one in Germany

CALCULATED WITH DUE DILIGENCE – LICENSED TO CHALLENGE, HARDLY TO DISPROVE

Investment example „CAREFUL“

Assumption:

Supply of wind:	P 75
Equity ratio:	30%
Inflation adjustment of feed-in tariff:	1,50% p.a.
Interest rate of debt capital:	3,00% p.a. for 10 years
Further rate of debt capital:	4,50% p.a.
Exit scenario:	Sale of the wind power plant after 15 years
Sales revenue in % of the acquisition costs:	30%

Result of cost and revenue analysis after tax in France for a total project duration of 15 years:

- 8% for the first complete year of operation
- 10% from the 8th operating year
- 12% from the 12th operating year
- 124% for the last operating year (stake value wind power plant: 91,7%)

→ Total: 262%

Investment example „REALISTIC“

Assumption:

Supply of wind:	P 50
Equity ratio:	25%
Inflation adjustment of feed-in tariff:	1,50% p.a.
Interest rate of debt capital:	2,00% p.a. for 10 years
Further rate of debt capital:	4,00% p.a.
Exit scenario:	Sale of the wind power plant after 15 years
Sales revenue in % of the acquisition costs:	60% (e.g. Allianz: 70%)

Result of cost and revenue analysis after tax in France for a total project duration of 15 years :

- 10% for the first complete year of operation
- 12% from the 8th operating year
- 14% from the 9th operating year*
- 264% for the last operating year (stake value wind power plant : 220%)

→ Total: 454%

* The fact that with a production exceeding 2.400 full-load hours per year, the feed-in-tariff is adjusting itself to 8,8 Cent per kWh by the 10th year of operation is considered in the calculation. (cf. page 3)

Possible IRR over 15 years:
10% upward (depending on project structure)

MAXIMIZE YOUR PROFIT, MINIMIZE YOUR RISK

Our services for you

- Demand and feasibility analysis in collaboration with the investor considering his specific general investment conditions
- Identification and selection of appropriate, permission free projects (direct and exclusive access to projects with a volume of approx. 300 MW) → ready-to-build as well as already operating wind power plants (M&A targets)
- Exclusive and direct supply of a project which matches the predefined required criteria of the investor
- Structuring of the investment as requested by the investor (direct investment, fund structure, capital structure)
- Organization and coordination of the overall project communication
- Collective evaluation of the provided project planning documents (profit and loss account, IRR etc.)
- Support with the composition of a legal documents (e.g. Lol & Term Sheets)
- Acquisition of debt capital if desired by the investor (generally between 75-65% of the total investment volume)
- First contact person with regards to the support of current or possible future investments
- Minimization of all potential project risks during the implementation-, building and operating stage via LEONIDAS – a well-known top qualified implementation partner with long-term experience and proven track record (+ 120 MW already implemented):
 - Negotiation and optimization of the set of agreements: lease, main contractor, full maintenance, insurances (duration: 15 years +)
 - Modification and negotiation with well-known plant and turbine manufacturers (preferably VESTAS & NORDEX)
 - Negotiations for the takeover of the SPA and the purchase of the turbines
 - Takeover of construction lead and supervision of the main contractor
 - Execution, support and approval of every single construction stage
 - Securing of the long-term technical and commercial management of the plants
 - Full controlling of the wind power plants

Possible investment structure

Investment:	1. Building and operating wind power plants in Northern France, 2. or investment in already built and connected plants in Northern France
Structure:	According to the individual requirement of the investor: <ul style="list-style-type: none">- Direct investments- Closed fund structure(Special AIF with KVG)- With or without leverage
Target group:	Professional and institutional investors
Currency:	EURO
Equity:	EUR 10 Mio. – EUR 50 Mio. plus
Investment period:	18 months
Capital Calls:	Call after final financial commitment for particular project (subscription Lol)
Building phase:	12-18 months after first Capital Call
Duration of the investment:	36 months – 15 years plus
Possible exit scenarios:	1. Placement of the plant on the stock market 2. Sale of portfolio stake to an investor (secondary) 3. Further operation after optimization (e.g. repowering)

Your advantages

- ✚ Choice between an investment in a wind park project in the brownfield-phase or in the greenfield-phase (higher revenue, according to your required risk structure!)
- ✚ Total freedom of choice with regards to choice of the preferred investment vehicle → structuring is taking place tailor-made to your given requirement criteria!
- ✚ Investment security due to experienced players, who have been active in the market for many years with a unique focus in the field of wind energy!
- ✚ Greatest possible transparency throughout the complete project- and operation phase with a maximum total investment rate!

OUR SETUP FOR YOUR SUCCESS

Leonidas Associates GmbH – Operative Manager

- Leonidas Associates GmbH was founded in 2005 by Antje Grieseler (advisory board for closed eco-funds by the Stiftung Warentest) and Max-Robert Hug. The company is located at Kalchreuth/Nürnberg and Reims/Champagne.
- Leonidas is specialized in building and operating wind power plants in France. The company covers all fields of the project assessment, the successful financing, the support of the building stage right through to the business and technical management of the plants.
- 50 employees in total; thereof 20 of French origin; thereof 15 employed at the French HQ in Reims.
- Total investment volume exceeding EUR 500 Mio:
 - Thereof EUR 310 Mio. in 7 wind farms in France (+125 MW)
 - Thereof EUR 161 Mio. in 27 French PV-farms
- 2013 and 2014 following EDF and GDF Suez as the third biggest investor in the French wind market (2013: 632 MW onshore Wind in total, thereof 100 MW by Leonidas).
- 100% rate of project realization, outstanding track record and nominated twice for the SCOPE Award.
- Outstanding access to financing banks (Saar LB, HSH, Oséo), specialized legal offices, general contractors and turbine manufacturers.
- Strategic cooperation with the University of St. Gallen and the German Stiftung Warentest.



ARTEMIS Group – Asset Manager

- ARTEMIS Group is a Corporate Finance Advisor and BaFin licensed Asset Manager which has been operating in the market since 2001.
- Initialization, realization and management of projects in the field of agricultural economy and renewable energy.
- Customized financing solutions to meet specific needs of any kind of investor.
- For more than 14 years ARTEMIS Group – together with its international network of agricultural and renewable experts – is involved in a variety of global agricultural- and renewable energy projects.
- Supervision of institutional investors and family offices in all kind of questions regarding asset management for many years.
- Financing and business development for international projects.
- Strategic cooperation with the Hochschule Weihenstephan-Triesdorf.

Contact ARTEMIS

For further interest we are glad to present our investment strategy in a personal conversation.



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