



WORTH RETHINKING

ANNUAL REPORT
2019

Brief portrait

of Energiekontor AG

A solid business policy and a lot of experience in renewable energy: Energiekontor has stood for this for 30 years. Founded in 1990 in Bremerhaven, the Company is one of the pioneers in the industry and is today one of the leading German project developers. The core business ranges from planning and construction to the operational management of wind farms in Germany and abroad and was expanded in 2010 to include solar energy. In addition, Energiekontor operates wind and solar parks with a nominal output of almost 287 megawatts (MW) in its own portfolio.

Energiekontor AG also plays a pioneering role from an economic point of view and wants to realize the first wind and solar parks in all target markets as quickly as possible at market prices, independent of state subsidies.

In addition to its headquarters in Bremen, Energiekontor has offices in Bremerhaven, Hagen im Bremischen, Aachen, Bernau near Berlin, Potsdam and Augsburg. In addition, the

Company has branches in England (Leeds), Scotland (Edinburgh, Glasgow), Portugal (Lisbon), USA (Austin/Texas and Rapid City/South Dakota) and France (Toulouse, Rouen).

The proud balance since the Company was founded: 126 wind farms and eight solar farms with a total output of over 1 gigawatt (GW). This corresponds to an investment volume of almost EUR 1.7 billion. The wind and solar parks realised produce more than 200 million kWh of electricity per year. This corresponds to the electricity requirements of a large city like Hamburg.

The Company went public on 25 May 2000. The share of Energiekontor AG (WKN 531350/ISIN DE0005313506) is listed in the General Standard of the German Stock Exchange in Frankfurt and can be traded on all German stock exchanges.

Investor Information (Overview)

Stock exchange listing	German Stock Exchange, Frankfurt (tradable on the Frankfurt Stock Exchange, XETRA, and all other German trading places)
Market segment	General Standard
Class of shares	Bearer shares
Branch	Renewable Energy
Initial listing (IPO)	25 May 2000
WKN	531350
ISIN	DE0005313506
Reuters	EKT
Shareholding structure	51.53% Management and Supervisory Bodies; 46.34% free float; 2.13% Energiekontor AG
Research	Dr. Karsten von Blumenthal, First Berlin Guido Hoymann, Metzler Capital Markets Jan Bauer, Warburg Research
Designated Sponsor	ODDO SEYDLER BANK AG
Financial Calendar	09 April 2020: Publication of annual report 2019 15 May 2020: Publication of the report for the 1st quarter 2020 20 May 2020: Annual general meeting of Energiekontor AG 28 August 2020: Publication of half-year report 2020 13 November 2020: Publication of report on the 3rd quarter of 2020 16-18 November 2020: German Equity Forum, Frankfurt a. M.
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Consolidated key figures

of Energiekontor AG

Income statement

in EUR million	2019	2018
Revenue	63.7	110.2
Total output	96.4	128.7
EBITDA (EBIT plus depreciation and amortisation)	38.9	40.6
EBIT (EBT plus financial result)	16.3	22.1
EBT (earnings before tax)	0.8	9.6
Consolidated net income	0.2	6.7

Balance sheet

in EUR million	2019	2018
Plant and equipment (wind and solar farms)	192.4	204.0
Equity	56.2	68.4
Total assets	389.9	348.4
Equity ratio	14.4 %	19.6 %
Notional equity ratio (see also explanation in Management Report, page 80)	18.7 %	20.3 %

Cashflow

in EUR million	2019	2018
Cash flow from operating activities (operating cash flow)	13.3	45.4
Cash and cash equivalents at end of period	67.0	73.3

Please see note on page 215 regarding pro-forma figures.

30 years of Energiekontor

A success story

Foundation of the Company



In Bremerhaven, Günter Lammers and Dr. Bodo Wilkens founded Energiekontor Windkraft GmbH. The prerequisite for this was the electricity feed-in law passed at the time, which paves the way for the young wind power industry to enter the electricity market.



1990



Construction of the first wind farm

In the early years, the Company was mainly active on the North Sea coast of Lower Saxony. The first wind farm was built in Misselwarden near Bremerhaven in 1994. Ten turbines with a rated output of 500 KW each were installed there – the largest on the market at the time.



1994

Repowering begins

Modern wind turbines are becoming increasingly powerful and efficient. This enables older turbines to be replaced by new, more powerful ones – so-called repowering. Energiekontor carried out the first repowering measures at Misselwarden wind farm in 2001. The nominal output of the converted turbines is thus increased by 30 percent. Today, it is already possible to multiply the turbine output at a single location.



IPO

By 2000, Energiekontor had constructed wind farms with a capacity of over 200 MW. In order to be able to expand abroad, the Company went public that year. The listed Company Energiekontor Aktiengesellschaft was created.

2001

2000

1995



First branches abroad

In Greece and Portugal Energiekontor founded the first subsidiaries in other European countries. In 1999 the first subsidiary in Great Britain followed, today the second core market of the Company besides Germany.

2002

New funds for project financing

Energiekontor Finanzierungsdienste GmbH & Co KG is founded. Its task is the interim and project financing of wind energy projects in Germany and abroad. To date, the Company and other subsidiaries have financed a large number of wind farms through step-up bonds.



First approval offshore

Energiekontor had already started planning offshore wind farms in 2001. Three years later the time had come: The offshore wind farm Borkum Riffgrund West received the first provisional construction permit. It was the first of three offshore projects that Energiekontor developed and later sold these project rights. (2004 first offshore building permit)

2003

First wind farms in Portugal and Great Britain

International expansion is gathering pace. In Great Britain, a building permit was granted for a 2.7 MW site. Construction of the Forest Moor wind farm project began in mid-2004. In Portugal, construction work on the Maraó (10.4 MW), Montemuro (10.4 MW) and Penedo Ruivo (13 MW) projects began in December 2004. Commissioning took place in 2005.

2004



2008

The first corporate bond is placed

In addition to tiered interest bonds, the Energiekontor Group has also regularly offered corporate bonds since 2008. This gives investors the opportunity to participate in the success of the Company and at the same time to promote the successful expansion of wind and solar energy in Germany. The money raised through the bonds is used in particular for pre-financing, interim financing and refinancing of the projects.

During the mostly five-year terms of the bonds, investors receive a guaranteed and attractive interest rate. This makes the papers interesting for short- to medium-term investors who value a good return with a manageable risk. It will also issue the corporate bonds from 2008.



500 MW of
wind power onshore

2009

Energiekontor reached the milestone of “500 MW of wind power planned and erected onshore” in 2009, with wind farms with this rated output located in the Group’s German core regions in northern Germany and North Rhine-Westphalia as well as in the national markets of Portugal and the UK. The total investment volume amounted to over EUR 720 million.

2010

The first solar power project



In 2010, Energiekontor supplemented its core business of wind energy with the development of photovoltaic sites. In the same year, the Company erected the first solar roof on the Bremerhaven Innovation and Start-up Centre.

2011

Conclusion of the first private electricity supply contracts (PPAs) in the UK

In 2011 Energiekontor created a pioneering achievement that caused a sensation. For the Hyndburn and Withernwick wind farms, private sector electricity supply contracts for 15 years were concluded for the first time in the UK with a globally active industrial end user.

2012

Expansion of the Group's own electricity production

As an independent power producer, the Energiekontor Group has been operating its own wind farms in Germany and Portugal since 2002. At the turn of the year 2012/2013 two British projects were added for the first time. Since then, the portfolio of own wind farms has grown continuously due to the pursued growth model of the Energiekontor Group. The sale of the electricity produced ensures continuously increasing current income.

First wind farm with public participation

In North Rhine-Westphalia, Energiekontor commissioned the Zülpich wind farm. Since then, two of the seven wind turbines have been owned by local residents, the remaining five were taken over by an infrastructure fund.

2014

2016

Record year for approvals

The tender pilot project Nadrensee was successfully realised by Energiekontor and the contract for a further solar park in Brandenburg was awarded. All wind farms erected in 2016 were connected to the grid as planned by the end of the year, including three repowering projects with a total capacity of 27.4 MW. In addition, the Company has secured numerous permits: In Germany alone, these concern wind farms with a total of around 80 MW of capacity. As these permits were already available at the end of 2016, the projects can be implemented independently of the tendering procedures for renewable energies that will start in 2017. In the UK, too, approvals for around 20 MW of wind power had been obtained by the end of the year.

2015

Company anniversary and first solar pilot tenders

25 years after the Company was founded, Energiekontor had realized around 580 wind turbines with a total output of over 840 MW. This corresponds to an investment volume of more than EUR 1.3 billion. In its European focus regions, the Company is preparing intensively for the upcoming tenders for renewable energies; for the Nadrensee project in Mecklenburg-Western Pomerania, Energiekontor was awarded the contract in the first round of the German pilot tenders for ground-mounted photovoltaic plants.

2017

Ten projects will be commissioned



On the basis of the permits obtained in 2016, a record number of wind farms were built in 2017. In total, ten projects with a total capacity of 67 MW were completed and commissioned by the end of the year.



2018

Defying the adverse market conditions

Despite very difficult market conditions, in particular due to the introduction of the tendering regime for wind turbines in Germany in 2017, three wind farms, a single turbine and a solar farm with a total of around 47 MW were commissioned.

2019

Pioneering achievement: first PPA concluded in Germany

Energiekontor concludes a long-term Power Purchase Agreement (PPA) with EnBW Energie Baden-Württemberg AG for a solar park planned by Energiekontor. The solar park, which Energiekontor will build and operate, is to produce around 88 GW hours of electricity annually with an installed capacity of around 85 MW. The power purchase agreement is the first of its kind in Germany. It enables Energiekontor to build and operate the solar park without EEG subsidies.

2020

We celebrate anniversary

Energiekontor celebrates its 30th anniversary



Letter

to our shareholders

*Dear shareholders' business partners'
investors and employees'*

No
significant
impact from
Corona

Even if an annual report is essentially a review of the past year, we would like to take this opportunity to address the topic that has been holding us and the world spellbound since the beginning of the year: the COVID 19 pandemic, known as the Corona virus pandemic. Our business model is very robust and therefore we should only be affected by the consequences of this global virus outbreak to a manageable extent. Since the beginning of March we have taken a number of strict measures to ensure that Energiekontor does not come to a standstill if individual employees are affected. However, even if our ability to work should be affected in part in the future, this would lead to postponements of projects in the worst case from today's perspective. The same applies, of course, to delays caused by bottlenecks at business partners, local authorities and government agencies. The bottom line is that from today's perspective we do not expect to have any significant impact on our business activities after a short phase of conversion and getting used to the new working methods and processes. It is to be expected, however, that due to the dependence on external third parties, project development will be more affected than operations management and power generation. All the more reason for us to share the concerns of our fellow human beings, who are much more affected by the pandemic.

The 2019 financial year was another difficult year for both Energiekontor and the wind energy sector in Germany. While at the beginning of the year one could have hoped that the federal government, the federal states and the approval authorities would take measures to clear the existing backlog of approvals, in the course of the year one had to conclude with disillusionment that this did not happen. Rather, further uncertainty was fuelled by planned clearance regulations with the result that the construction of new wind turbines in Germany came to a virtual standstill. In 2019, a total of 325 onshore wind turbines (WTGs) with a capacity of 1,078 MW were installed in Germany. Taking into account the decommissioning of 82 wind turbines with a capacity of 97 MW, the net addition is just 243 wind turbines with 981 MW. Although installation activities improved somewhat in the second half of the year compared with the first half, 2019 was nevertheless the year with the lowest increase in over 20 years. Given that projects with a volume of more than 6 GW are (stuck) in the approval phase and that a net expansion of around 4 GW per year is necessary to achieve our climate targets, this is a shame!

Since the business focus of Energiekontor continues to be in Germany, these difficult conditions in the domestic market also had a significant impact on the business results in the past fiscal year. Despite these adversities, by the end of December it looked as if the forecast made at the beginning of the year with regard to the annual result would be achieved. However, due to significant weather-related construction delays, a wind farm that was crucial for the Group's EBT in 2019 could no longer be completed and commissioned as planned at the end of 2019. Although every effort was made to complete the wind farm located in North Rhine-Westphalia in 2019, it could not be commissioned until January 2020. This postponement due to weather conditions, which is not unusual in the project business, meant that the earnings contribution from this project was postponed completely until 2020.

It is therefore not surprising that the Group's key figures for the past financial year were below those of the previous year. For example, sales revenues fell to around EUR 63.7 million (2018: EUR 110.2 million), earnings before taxes (EBT) to around EUR 0.8 million (2018: EUR 9.6 million) and consolidated net income for the year to EUR 0.2 million (2018: EUR 6.7 million).

Nevertheless, the 2019 financial year was a good year for Energiekontor.

- The Withernwick II wind farm (8.2 MW, April 2019) was commissioned, taken into operation and added to the Company's own stock.
- We were successful in four wind tenders (February, May, October and December).
- The Zapel solar park was completed and sold (6.3 MW, March 2019).
- In the solar sector, we were successful in three tender rounds (February, March and December).
- The Absberg, Gefrees and Karstädt solar parks are about to be commissioned. A PPA was agreed with Innogy for the Absberg solar park in May 2019.
- For the Marlow/Dettmannsdorf solar park, we have concluded a PPA for 85 MW with EnBW (February). PPA agreements for further solar projects in Germany are currently being negotiated.
- For Scotland, there are now 6 permits for more than 150 MW.
- In the USA we are about to sell project rights for 2 solar projects.
- The acquisition of space in France and also in the solar segment in Germany is progressing according to plan.
- A wind farm located in Lower Saxony could not be realized due to the insolvency of the wind turbine manufacturer Servion. It is currently being replanned with a Nordex turbine; commissioning is scheduled for 2021.



Peter Szabo

**CHAIRMAN OF THE
MANAGEMENT BOARD**



Günter Eschen

**MANAGEMENT
BOARD MEMBER**



Torben Möller

**MANAGEMENT
BOARD MEMBER**



Repowering: Increasingly important

- A further repowering wind farm is under construction and will be completed in 2020.
- In Scotland, we currently have six building permits for wind farms with a total capacity of more than 150 MW. Three further permits for approx. 100 MW are expected in the coming weeks and months.

The tendering procedure for onshore wind turbines introduced in Germany in 2017 has not yet led to the result desired by the legislator. Instead of reducing an excessively large offer to a smaller number of wind farms that are as economical as possible and thus establishing the lowest possible feed-in tariff, the megawatt number of projects submitted for tender has remained in some cases dramatically below the quantities tendered for on almost all tender dates. As market participants were able to prepare for this, most of the projects that took part in the tenders of the last two years were awarded contracts close to the maximum prices set for the respective tender. This situation is expected to continue well into the current year. With the successful bids at the last tendering dates, Energiekontor has secured attractive margins for its wind farm projects in planning/under construction. This compensates for the fact that currently only a fraction of the number of projects from previous years is being realised.



With our very well-filled and resilient project pipeline in Germany and abroad, the great progress made in the realization of projects on a pure PPA basis (PPA = Power Purchase Agreement; power purchase agreement without state subsidies) and the expected initial contributions to earnings from the new foreign markets, we have created the conditions that could make 2020 a good fiscal year again. It is expected that Corona will lead to delays in project development. It is not yet possible to say whether this will cause projects that are scheduled to go into operation in 2020 or 2021 to be postponed until the following year.

The operative business of Energiekontor AG developed largely as planned during the 2019 business year. However, simply looking at the results without considering the sustainable growth model of Energiekontor leads to a false perception. The area of power generation in the Group's own wind parks grows by Energiekontor taking over projects from project development into its own portfolio. The more wind farms are transferred to the Group's own portfolio, the more the future cash surpluses from electricity sales and operational management activities increase. This, in turn, means that more funds are available for future project development, which drives growth. However, a transfer to the Company's own portfolio means that the margins that would be disclosed as profits in the event of a project sale remain in the

Strong acquisition: Successful expansion of project pipeline

plant portfolio as hidden reserves in such a case. In 2019, the Witherwick II wind farm was transferred to the Company's own portfolio. We will continue to pursue this strategy of sustainable growth systematically and continuously in the current and coming years.

In total, only one wind farm and one solar farm could be put into operation in 2019. The Waldfeucht wind farm, which could only be completed in January 2020, was sold to a Group of investors in Hamburg in October.

Even though only a small number of projects could be put into operation, Energiekontor used the business year to set the course for the coming years: Our employees have used the scope they have been given to shape their own lives and have shown initiative. In agile project Groups, all essential processes are continuously examined for optimisation potential. This has led to considerable cost reductions along the entire value chain, so that thanks to various efficiency measures Energiekontor is one of the price leaders and is thus still in a position to develop economically profitable wind and solar projects despite the increased pressure on margins.

After we were able to conclude PPAs for the first two large solar projects in 2019, we are currently in advanced talks on the conclusion of further PPAs. Construction of the projects for which contracts have been signed in 2019 will start in late summer this year. Completion is scheduled for the first half of 2021.

We assume that both we and our competitors will conclude further PPAs in the near future and that the power generation market will change dramatically as a result. The realization of non-subsidized projects will be the first step towards the realization of wind and solar parks with power generation costs below the generation costs of coal-fired and nuclear power plants in the medium term.

After a three-year phase of very moderate business figures, we are now looking forward to much better times. Even if the outlook has clouded slightly recently due to Corona, we should finally be back on the road to success in 2020. The large number of projects we are pushing ahead with and the measures we have introduced are slowly bearing fruit, and we have a clear goal: We want to grow sustainably and thus continue to live up to our pioneering role. The way we are positioned today, we have the best prerequisites for this.

Energiekontor
Well-positioned for
the future

The good performance of the share despite mixed business results proves that our shareholders believe in the positive prospects of the Company. This both spurs us on and is our obligation. We will continue to do everything in our power to continuously improve Energiekontor.

We would like to thank all our employees and partners and look forward to continuing on this successful path together with you, our shareholders. Above all, we wish you good health!

Bremen, April 2020

The Management Board



Peter Szabo
Chairman Management
Board



Günter Eschen
Management Board
Member



Torben Möller
Management Board
Member

Report

of the Supervisory Board

*Dear shareholders, business partners,
investors and employees,*

In the 2019 financial year, the Supervisory Board again continuously monitored the Management Board's management of the Company and regularly advised it on the management of the Company. In doing so, we were always able to satisfy ourselves of their legality, appropriateness and regularity. The Management Board fulfilled its information duties and informed us regularly, promptly and comprehensively in written and verbal form about all issues of strategy, planning, business development, risk situation, risk development and compliance relevant to the Company and the Group. This also included information about deviations in actual performance from previously reported targets and deviations in business performance from planning. The members of the Supervisory Board always had ample opportunity to critically examine the reports and resolution proposals submitted by the Board of Management and to make their own suggestions. In particular, we intensively discussed all business transactions of importance to the Company on the basis of written and oral reports by the Board of Management and checked them for plausibility. On several occasions, the Supervisory Board dealt in detail with the Company's risk situation, liquidity planning and the equity situation. As a result of an analysis of the value potential of the Group's businesses and the opportunities and risks of strategic steps, critical operational issues were presented to the Supervisory Board in a clear and differentiated manner. The Supervisory Board gave its approval to individual business transactions to the extent required by law, the Articles of Association or the rules of procedure for the Board of Management.

The Chairman of the Supervisory Board also maintained a close and regular exchange of information and ideas with the Management Board between the committee meetings and kept himself informed of important developments.

There were no indications of any conflicts of interest on the part of members of the Management Board and Supervisory Board that would have to be disclosed to the Supervisory Board without delay and about which the Annual General Meeting should be informed.

Meetings and participation

A total of four Supervisory Board meetings (3 April 2019, 15 May 2019, 25 September 2019 and 16 December 2019) took place in the 2019 financial year, at each of which the Supervisory Board was fully represented. The members of the Board of Management participated in the Supervisory Board meetings, unless otherwise determined by the Chairman of the Supervisory Board.

The Supervisory Board consists of three members and has not formed any committees. Resolutions of the Supervisory Board were passed both in meetings and by written circular. All resolutions of the Supervisory Board were passed unanimously. The Supervisory Board was also in close contact with the Management Board outside the Supervisory Board meetings and kept itself informed about the course of business and significant events.

Focal points of the Supervisory Board's deliberations

The development of sales, earnings and employment, as well as the financial situation and liquidity development of Energiekontor AG and the Group were subjects of regular discussions at the meetings of the Supervisory Board.

The dominant topic at the Supervisory Board meeting on 3 April 2019 was the preparation and adoption of the 2018 annual financial statements for the Group and the AG. In addition, the current declaration on the Corporate Governance Code and the declaration on corporate governance pursuant to Section 289 f of the German Commercial Code (HGB) were discussed. Furthermore, the agenda of the 2019 Annual General Meeting was discussed and subsequently approved. In addition, a resolution to buy back own shares for the purpose of cancellation using the authorization of the Annual General Meeting on 21 May 2015 was approved by the Management Board. The Supervisory Board gave its approval to the resolution of the Management Board. Subsequently, Energiekontor AG published the relevant insider information pursuant to Article 17 MAR (ad hoc notification).

The Supervisory Board meeting on 15 May 2019, served primarily to prepare and discuss the upcoming Annual General Meeting.

At the meeting on 25 September 2019, the current status of this year's business development was discussed and it was established that everything has gone according to plan so far. As expected and announced, 2019 would be another economically weaker year for Energiekontor. The development in the solar sector and in Scotland, where there were further building permits for onshore wind projects, was positive. The grid connection remains the limiting factor in Scotland, however.

At the Supervisory Board meeting on 16 December 2019, the Supervisory Board dealt in detail with the efficiency review with regard to the cooperation between the Management Board and the Supervisory Board. Looking back at the 2019 financial year as a whole, it was established that the 2019 financial year had generally gone according to plan, but that the Waldfeucht wind farm (3 wind turbines) was unexpectedly still under construction. Nevertheless, commissioning was still scheduled to take place by the end of the year and therefore a number of measures were taken (3-shift operation, request for a 2nd and 3rd construction crane, incentive mechanisms).



Dr. Bodo Wilkens

**CHAIRMAN OF THE
SUPERVISORY BOARD**



Günter Lammers

**DEPUTY CHAIRMAN OF
THE SUPERVISORY BOARD**



Darius Oliver Kianzad

**MEMBER OF THE
SUPERVISORY BOARD**

Corporate Governance

All members of the Supervisory Board participated in all Supervisory Board meetings.

There were no conflicts of interest of the members of the Supervisory Board in connection with their activities as members of the Supervisory Board of Energiekontor AG.

In March 2019, the Management Board and the Supervisory Board issued a joint declaration of compliance in accordance with section 161 of the German Stock Corporation Act (AktG). The declaration was made permanently available to the public on the Company's website at www.energiekontor.de.

At its meeting on 16 December 2019, the Supervisory Board carried out the efficiency review provided for in the Corporate Governance Code.

In addition, the Board of Management also reports on corporate governance at Energiekontor AG on behalf of the Supervisory Board in the corporate governance report and in the corporate governance statement.

Annual and consolidated financial statements

PKF Deutschland GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart branch, the auditor elected at the General Meeting of Shareholders on 22 May 2019 and commissioned by the Supervisory Board, has audited the annual financial statements and the consolidated financial statements of Energiekontor AG for the financial year from 1 January to 31 December 2019, as well as the combined management report of Energiekontor AG and the Group for the same financial year.

In accordance with Section 317 (4) of the German Commercial Code (HGB), the auditors examined and found that the Management Board has set up a monitoring system, that the statutory requirements for the early detection of risks threatening the existence of the Company have been met and that the Management Board has taken appropriate measures to detect developments at an early stage and to avert risks.

The auditor issued the declaration of independence required by the Corporate Governance Code to the Supervisory Board and disclosed the audit and consulting fees incurred in the respective financial year to the Supervisory Board.

The auditor explains the auditing principles in his audit report. As a result it can be stated that Energiekontor AG has complied with the rules of the HGB and IFRS. No objections were raised by the auditors.

The annual financial statements and the consolidated financial statements as well as the combined management report for the AG and the Group each received an unqualified audit certificate. The annual financial statements, the consolidated financial statements, the combined management report for the

AG and the Group and the auditor's report were submitted to all members of the Supervisory Board in good time. The financial statement documents were discussed in detail at the balance sheet meeting of the Supervisory Board on 2 April 2020, in the presence and following a report by the auditor. The Supervisory Board examined in detail the annual financial statements, the consolidated financial statements, the combined management report of the AG and the Group and the proposal for the appropriation of the balance sheet profit on its own responsibility.

No objections were to be raised after completion of this audit. The Supervisory Board concurred with the results of the audit and approved the financial statements prepared by the Management Board for the 2019 financial year and the combined management report. The 2019 annual financial statements of Energiekontor AG were thus adopted. The Supervisory Board reviewed the proposal of the Board of Management for the appropriation of the balance sheet profit. The Supervisory Board concurs with the proposal of the Board of Management. No objections were raised following the final result of the Supervisory Board's examination.

Thanks

The Supervisory Board would like to express its thanks and recognition to the Management Board and all employees for their outstanding work in the 2019 reporting year, and for their high level of commitment and performance.

The Supervisory Board is very pleased to see how all employees of Energiekontor, against the background of the challenges caused by the Corona pandemic, stick together and collectively maintain full business operations. We would like to express special praise for this.

We wish all shareholders, our partners in industry and local authorities and last but not least our employees good health and hope that you will come through these difficult times as unscathed as possible.

Bremen, April 2020



Dr Bodo Wilkens

Chairman of the Supervisory Board

Corporate Governance Report

Transparency
+ Responsibility
+ Sustainability
**Good Corporate
Governance**

The German Corporate Governance Code has been in force since 2002 and was last updated in February 2017, containing regulations, recommendations and suggestions for proper and responsible corporate governance. The Code serves to create more transparency in order to strengthen the confidence of investors, customers, employees and the public in the corporate management of German companies. Energiekontor AG welcomes the provisions of the German Corporate Governance Code (DCGK), which take into account the interests of the companies as well as their investors.

Good and sustainable corporate governance is of particular importance for Energiekontor as a group with a large number of shareholdings. The Board of Management and the Supervisory Board are convinced that good corporate governance, which takes into account Company and sector-specific aspects, is an important basis for the success of Energiekontor AG. The implementation and observance of these principles is seen as a central management task.

In the 2019 financial year, the Board of Management and the Supervisory Board again dealt intensively with the corporate governance of Energiekontor AG and the Group as well as with the contents of the German Corporate Governance Code. During the reporting period, Energiekontor AG complied with the recommendations of the German Corporate Governance Code with a few exceptions specific to the Company.

The Supervisory Board and the Board of Management of Energiekontor AG submitted the declaration of compliance required by the Austrian Stock Corporation Act during the reporting period in March 2019 and most recently on 10 March 2020. It can be viewed at all times on the Company's internet site (www.energiekontor.com) under the "Investor Relations/Corporate Governance" path.

Declaration by the Board of Management and the Supervisory Board of Energiekontor AG on the recommendations of the “Government Commission on the German Corporate Governance Code” pursuant to Section 161 of the German Stock Corporation Act (AktG).

1. Since the last declaration of conformity in March 2019, Energiekontor AG has complied with the recommendations of the “Government Commission on the German Corporate Governance Code” in accordance with the then valid version of the German Corporate Governance Code of 7 February 2017 with the following exceptions:

Section 3.8 (3): When filling management functions, the Management Board orients itself to the requirements of the corresponding function and searches for the best possible person who fulfils these requirements. If there are several equally qualified candidates available, the Management Board will take care to ensure diversity and appropriate consideration of women in the Company when appointing candidates, without making these criteria a priority principle.

Section 4.1.5: When filling management functions, the Management Board orients itself to the requirements of the corresponding function and searches for the best possible person who fulfils these requirements. If there are several equally qualified candidates available, the Management Board will take care to ensure diversity and appropriate consideration of women in the Company when appointing candidates, without making these criteria a priority principle.

Section 5.1.2: The Supervisory Board bases its appointments to the Management Board on suitability and qualifications and seeks the best possible candidates for Management Board positions. In the opinion of the Company, the special weighting of further criteria specified in the Code would limit the selection of possible candidates for the Management Board.

Section 5.4.1: It also applies to the composition of the Supervisory Board that suitability, experience and qualification are the relevant selection criteria. A commitment to specifications regarding future appointments restricts flexibility without any other advantages for the Company. This applies all the more since the Supervisory Board consists of only three members.

Section 7.1.2: Energiekontor AG is guided by the post-admission obligations of the Regulated Market, which provides for publication of the annual financial report within 4 months of the end of the reporting period and publication of the half-yearly financial report within 3 months of the end of the reporting period.

2. Energiekontor AG will comply with the recommendations of the “Government Commission on the German Corporate Governance Code” in the version of 7 February 2017 with the following exceptions:

Section 3.8 (3): The D&O insurance taken out by the Company for the Supervisory Board does not provide for a deductible. In addition, the Management Board and the Supervisory Board are of the opinion that agreeing on a deductible would not be suitable to improve the motivation and responsibility with which the members of the Supervisory Board perform the tasks and functions assigned to them.

Section 4.1.5: When filling management functions, the Management Board orients itself to the requirements of the corresponding function and searches for the best possible person who fulfils these requirements. If there are several equally qualified candidates available, the Management Board will take care to ensure diversity and appropriate consideration of women in the Company when appointing candidates, without making these criteria a priority principle.

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Further development of corporate governance

Energiekontor AG is continuously developing its understanding of good and responsible corporate governance. A professional and efficient corporate management and control within the Group is based on governance, risk and compliance systems.

First and foremost, risks must be prevented where they can arise, and if this is not possible, they must be identified and reduced. To ensure this, internal controls are implemented in the business processes as automatically as possible. Since this is not always fully feasible, management must take additional control measures to ensure the effectiveness of the control system.

Secondly, this is done, for example, through guidelines and work instructions within the framework of the design of the internal control system, the risk

management system and the compliance management system. Close integration of the internal control system, the risk management system and the compliance management system ensures the greatest possible efficiency in the avoidance and management of risks. Management monitors the appropriateness and effectiveness of the implemented processes and systems by means of independent audits. The model is rounded off by external monitoring by the auditor.

Appropriate control and risk management

A responsible handling of risks is part of the corporate governance at Energiekontor AG. Continuous and systematic management of entrepreneurial opportunities and risks is of fundamental importance for professional corporate governance. It helps to identify risks at an early stage, to evaluate them and to control them by taking measures. The Management Board regularly reports to the Supervisory Board on the current development of the major Group risks. The Supervisory Board regularly focuses on monitoring the effectiveness of the internal control and risk management system. Energiekontor AG continuously develops the individual systems and measures and adapts them to changing conditions. Essential features of our control and risk management system can be found in the opportunities and risks report.

Compliance

Compliance as Group-wide measures for observing the law, legal regulations and internal Company guidelines is a major management and monitoring task at Energiekontor AG. There is a clear commitment to compliance with law, legislation and internal guidelines: Violations are not tolerated in the sense of “zero tolerance”. All indications of misconduct are followed up.

Objectives of the Supervisory Board and the Management Board with regard to their respective composition and the composition of the management levels below the Management Board

The Supervisory Board currently consists of three male members. They have been appointed until the end of the Annual General Meeting that resolves on the discharge for the 2023 financial year. Provided there is no resignation, the future composition of the Supervisory Board will not be decided until the Annual General Meeting in 2023. The Supervisory Board in office until then continues to stand behind its April 2018 determination that the target figure for the proportion of women on the Supervisory Board of Energiekontor AG to be achieved is 0%.

The Management Board currently consists of three male members. The Supervisory Board is of the opinion that the Management Board positions are currently filled to the best possible extent and that an expansion of the Management Board is not appropriate in view of the size and structure of the Company. For this reason, the Supervisory Board continues to support its determination of April 2018 that the target figure for the proportion of women on the Board of Management of Energiekontor AG to be achieved is 0%.

At present there is only one management level below the Board of Management at Energiekontor AG. The Management Board has set the target to be achieved for the proportion of women in the management level below the Management Board at 17 %. Currently, the proportion of women in the management level below the Board of Management is 25 %. The target figure has thus been achieved.

Avoidance of conflicts of interest

Consulting or other service and work contracts existed between members of the Supervisory Board and the Company in the year under review. The contractual relationships in the financial year are presented in the remuneration report. There were no conflicts of interest of members of the Management Board or Supervisory Board, which must be disclosed to the Supervisory Board without delay.

Related party disclosures are presented in section VIII. 4 of the notes to the consolidated financial statements.

Reportable securities transactions and shareholdings of the Management Board and Supervisory Board

According to Art. 19 MAR (8), members of the Management Board and the Supervisory Board or persons close to them are obliged to disclose reportable transactions in shares of Energiekontor AG or related financial instruments, if the value of the transactions reaches or exceeds the sum of EUR 5,000 within a calendar year. The BaFin has increased the threshold value from EUR 5,000 to EUR 20,000 by a general ruling with effect from 1 January 2020. The following transactions were reported to the Company in the 2019 financial year:

Date	Registrant	Function in the Company	Nature of transaction	Price in EUR	Aggregated volume in EUR
13 September 2019	Peter Szabo	Chairman of the Management Board	Share subscription	11.02272	1,102,272
13 September 2019	Peter Szabo	Chairman of the Management Board	Sale	16.30	1,630,000

The following members of the Supervisory Board held the following interests in the Company's share capital as of 31 December 2019:

Name	Function	Quantity	In percent
Dr Bodo Wilkens	Chairman of the Supervisory Board	3,759,835	25.79
Günter Lammers	Deputy Chairman of the Supervisory Board	3,752,474	25.74



Shareholders and Annual General Meeting

The shareholders of Energiekontor AG exercise their rights at the General Meeting of the Company, which is chaired by the Chairman of the Supervisory Board in accordance with the Articles of Association. The Annual General Meeting takes place once a year. Each share grants one vote.

Shareholders may either exercise their voting rights at the Annual General Meeting in person or have them exercised by a proxy of their choice or by a Company-appointed representative bound by instructions. Shareholders also have the opportunity to cast their votes in writing by postal vote without authorizing a representative. All documents and information relating to the Annual General Meeting are available to shareholders on the Company's website at an early stage. In addition, there is the opportunity to address questions to the employees of the Investor Relations department by telephone or e-mail.

Transparency through high information quality

Our dialogue with the capital market is based on the principle of informing all target Groups comprehensively, equally and promptly, while providing valuation-relevant facts in the highest possible quality.

The presentations given to analysts and investors can be viewed freely on the website in a very timely manner. There, the Investor Relations department also provides comprehensive facts and figures to help analysts and investors better understand and evaluate our business and its value prospects.

We provide information on recurring dates, such as the date of the Annual General Meeting or the publication dates of the interim reports, in a financial calendar published in the Annual Report, in the interim reports and on the Company's website.

Our website also provides information on current developments in the Group. All press releases and ad-hoc announcements of Energiekontor AG are published there in German and English. The Company's Articles of Association can be accessed on the website, as can the consolidated financial statements, interim reports and information on the implementation of the recommendations and suggestions of the German Corporate Governance Code. All interested parties can also register on the website for an IR distribution list which will keep them up to date with news from the Group.

Declaration on corporate governance

The current declaration of the Board of Management and the Supervisory Board of Energiekontor AG on corporate governance pursuant to § 289f and § 315d HGB (German Commercial Code) is generally and permanently accessible on the website of Energiekontor AG (www.energiekontor.com) under the path Investor Relations/Corporate Governance/Declaration on Corporate Governance. The declaration explains the relevant corporate governance practices that are applied beyond the legal regulations. It also describes the working methods of the Management Board and Supervisory Board and describes the composition of the Management Board and Supervisory Board.

Remuneration Report

Information on the remuneration of the Management Board and Supervisory Board can be found in the remuneration report in the management report.

Bremen, April 2019

For the Supervisory Board

On behalf of the Management Board



Dr Bodo Wilkens
Chairman of the
Supervisory Board

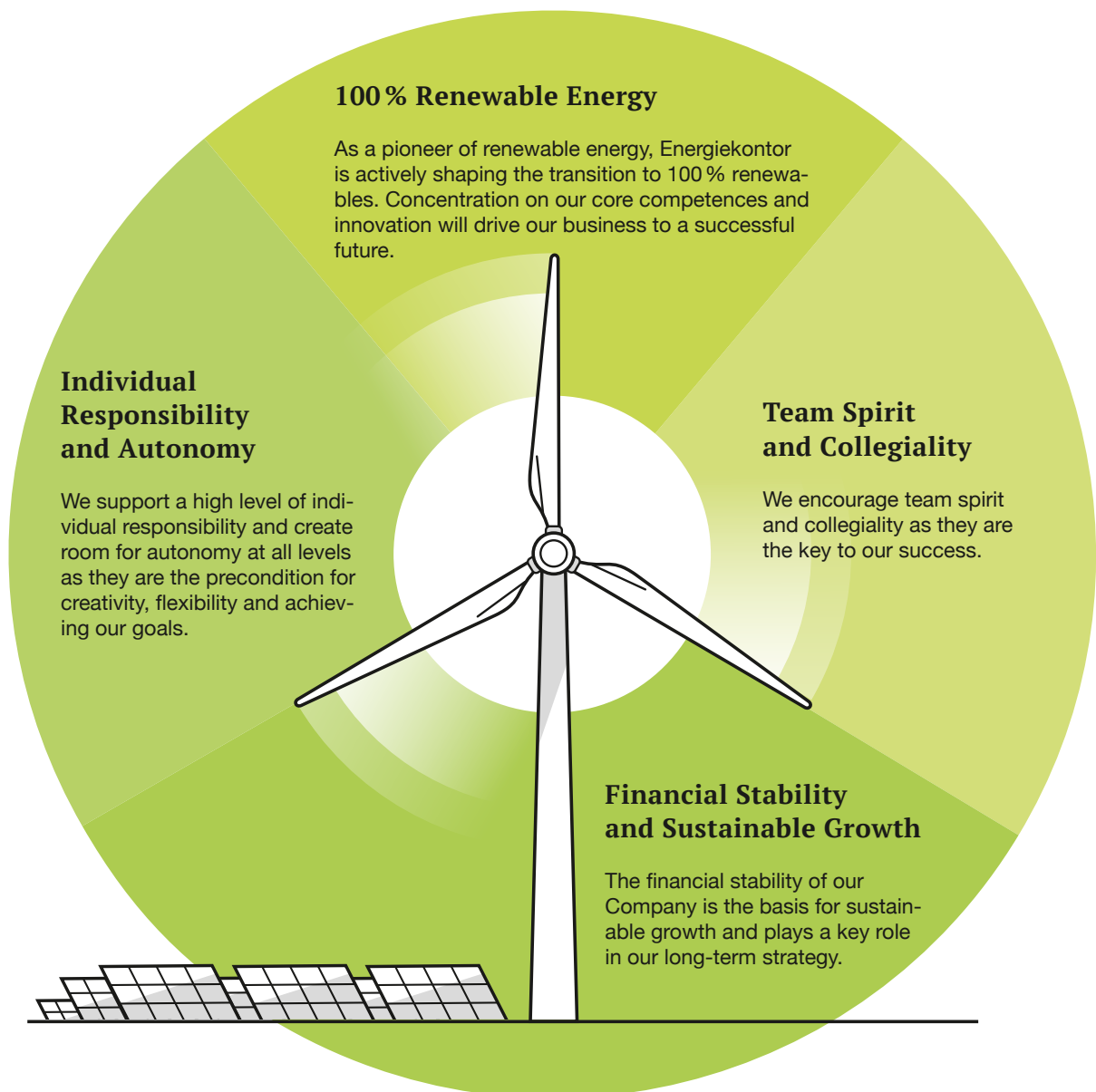


Peter Szabo
Chairman of the Board



Worth rethinking

Our mission statement



Worth rethinking
Our mission statement





Our vision

100% renewable energy - laborious but possible

Energiekontor has a clear vision of the future: a world in which the entire energy requirement is covered 100 percent by renewable energy. This vision shapes our mission statement. It goes without saying that this goal will neither be achieved by us alone nor in the foreseeable future. But it is an extremely rewarding task to approach this goal. The awareness of working on something big motivates our employees again and again.

Renewable energies have always had to live with the accusation that they only exist because of lavish subsidies and that these are mainly paid for by private consumers through higher electricity prices. However, this argumentation does not take into account the fact that energy production from fossil fuels and nuclear energy have also been heavily subsidised to date. But unlike renewables, these are not shown on the electricity bill.



The best way to overcome the existing resistance and to achieve a sustainable penetration of the energy market with renewable energies is to generate electricity from renewable energies at costs below that of fossil and nuclear power generation. Here Energiekontor makes an important contribution. We are a pioneer in this field and are already planning wind and solar parks in the markets we address, whose electricity production costs are lower than those of the conventional energy industry.

An increasing number of projects are also being implemented worldwide without subsidies. We are thus facing a fundamental paradigm shift. Renewable energies are increasingly asserting themselves over fossil fuels, not only because of their much higher environmental compatibility but also because of their superior economic efficiency.

It is to be expected that social support will increase significantly if the expansion of wind and solar energy does not lead to rising electricity prices but in the medium term even to falling prices. The triumphal procession of renewable energies has only just begun.

**Production costs
of renewable
energies
≤ Costs of
the conventional
electricity industry**

**Solution for
the future**

The potential *of sun and wind*

As the largest energy source, the sun delivers an amount of energy of about $1.5 \cdot 10^{15}$ MWh per year to the earth's surface. This amount of energy corresponds to almost 10,000 times the world's energy demand of mankind per year.

The composition of the solar spectrum, the duration of sunshine and the angle at which the sun's rays fall on the earth's surface depend on the time of day, season and latitude. This also means that the radiated energy differs. For example, it is about 1,000 kWh per square meter per year in Central Europe and about 2,350 kWh per square meter per year in the Sahara. There are various scenarios on how a renewable energy supply for the EU could be realised, including energy conversion in North Africa and high-voltage direct current transmission. For example, studies by the German Aerospace Centre (DLR) have shown that with less than 0.3 percent of the available desert areas in North Africa and the Middle East, thermal solar power plants could generate enough energy and water to meet the growing demand of these countries and Europe.

As early as 2009, researchers at Harvard University determined the global wind energy potential under conservative assumptions and came to the conclusion that it far exceeds the world energy demand: 40 times the electrical energy demand at the time, 5 times the total energy demand.

The Potential Atlas of Germany, compiled by the Agency for Renewable Energy 10 years ago, came to the conclusion that wind turbines could cover approx. 20 % of Germany's electricity needs on 0.75 % of the country's land area. In 2013 the Federal Environment Agency published a study on the nationwide area and power potential of wind energy on land. The potential was modelled by the Fraunhofer Institute for Wind Energy and Energy System Technology on the basis of detailed geodata and modern wind turbine technology. According to this, on the basis of the assumptions made, in principle 13.8 percent of the area of Germany is available for wind energy use. This area potential enables an installed capacity of around 1,190 GW with an annual electricity yield of around 2,900 TWh. The realisable potential of on-shore wind energy is of course much smaller (e.g. due to species protection issues or economic framework conditions), but these studies show that even Germany with its densely populated area would have sufficient space for a self-sufficient electricity supply with renewable energies.



The energy system transformation

A global success story

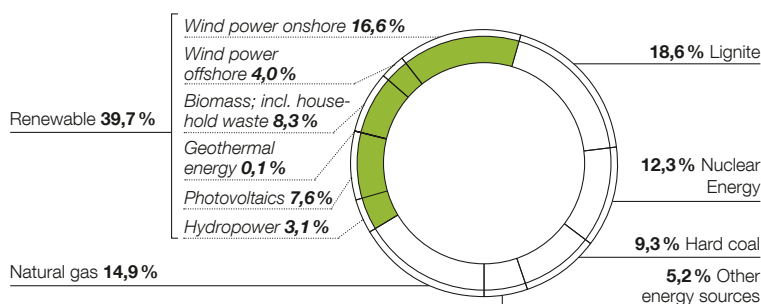
Ensuring a reliable, economical and environmentally compatible energy supply is one of the greatest challenges of the 21st century. The expansion of renewable energies is of paramount importance here. Accordingly, it is not surprising that the accumulated capacity of renewable energies increased again in 2019, even though there were clear signs of a slowdown in expansion, particularly in Germany. At the end of 2019, around 650 GW of wind energy and around 600 GW of photovoltaic capacity had been installed worldwide, corresponding to growth rates of around 10 % and over 20 % respectively.



Even if Germany has long since ceased to be the country with the highest installation figures – China took over this role some years ago – the result of the expansion of renewable energies over the past few years remains remarkable. The share of renewable energies in gross electricity generation in Germany was already 39.7 % in 2019 (2018: 35.2 %), which is significantly more than hard coal and lignite combined. Onshore wind energy contributed by far the largest share of 16.6 %, followed by electricity generation from photovoltaics with 7.6 %.

Gross electricity generation in Germany 2019

Source: Agentur für erneuerbare Energien e.V., 2019



It is the declared goal of the German government to achieve at least an 80 percent share of renewable energies in the electricity supply by 2050. With the Act on the Priority of Renewable Energies (Renewable Energy Sources Act - EEG), an interim target was defined, after which the share of renewable energies in the electricity supply is to be increased to at least 35 percent by 2020, 40 to 45 percent by 2025 and 55 to 60 percent by 2035. The first interim target was reached much faster and the target for 2025 will most likely be reached as early as 2020.

Other countries and above all the EU have also set themselves ambitious targets for the expansion of renewable energies: at the end of 2019, the new Commission President Ursula von der Leyen presented the so-called "European Green Deal", a concept with the aim of reducing net emissions of greenhouse gases in the European Union to zero by 2050 and thus becoming the first continent to become climate neutral. The European Green Deal is one of the six priorities of the von der Leyen Commission. The European Green Deal comprises a series of measures relating to financing, energy supply, transport, trade, industry and agriculture and forestry. For example, the previous target of reducing the European Union's CO₂ emissions by 40 percent by 2030 compared to 1990 levels is to be tightened up to a reduction of 50 to 55 percent. To this end, the EU member states are to adapt their climate plans accordingly by 2023. A corresponding law was presented in March 2020. In addition, a total of EUR 100 billion is to be provided to help countries that are particularly affected to convert to an emission-free economy.

+ 10%
Growth rate
in the wind
energy sector

+ 25%
Growth rate
in the solar
energy sector

In the wind energy sector, the Global Wind Energy Council (GWEC) expects annual growth in global wind power capacity of around 65 GW or more over the next five years, with Asia, and China in particular, likely to continue to defend its leading role in expansion. As in 2018, most of the new wind farms in 2019 were again built in China, with a total capacity of more than 25 GW. But the USA is also becoming an increasingly important market. Here, new installations reached a volume of 9.1 GW. This means that China and the USA together account for more than half of the new wind turbines being built worldwide.

The global expansion of photovoltaics should progress even more strongly than wind energy. The PV Market Alliance, an association of leading market researchers, expects global installed capacity to grow by 120 GW in 2019, an increase of a good 20 percent.

The global transformation of energy systems will be decisively determined by the following factors in particular:

- The negative effects of climate change and the associated new and stricter international agreements on climate protection and combating global warming, such as the Paris Climate Change Convention. In addition, there are numerous other national and supranational initiatives and measures to achieve climate goals, phase out nuclear energy and create a carbon-free economy.
- Private sector initiatives such as “RE100” show that companies, too, have a growing interest in covering a large part of their energy requirements with renewable energies, even without government regulations and legislative initiatives. There are many reasons for this. In addition to aspects of sustainability as well as image and reputation gains, the increasing economic efficiency of renewable energies and the long-term planning of energy costs through the conclusion of long-term power purchase agreements play a major role.
- The significant drop in electricity generation costs, especially in the area of photovoltaics and wind power, has significantly increased the competitiveness and profitability of electricity generation from renewable energies.
- The higher efficiency is also driven by the rapid technical development and the significant price decline in the use of modern storage capacities. In the future, battery storage will enable an energy supply based on the use of renewable energy sources that is more independent of meteorological conditions. The future coupling of renewable energies and battery storage offers a high degree of supply security and has the potential to become the superior energy system of the future.

- In addition, the demand for energy continues to rise worldwide. The digitalization of the economy, the advancing urbanization of society, and the issue of electro mobility are resulting in a further increase in global energy requirements. By 2040, global energy demand is expected to increase by around 30 percent compared to the base year 2015.

Climate protection and a secure energy supply are among the most important global challenges. Renewable energies, energy savings and the use of efficient technologies are central strategies to meet these challenges.

Energiekontor has set itself the task of expanding and using renewable energies from wind and solar power. In this respect Energiekontor makes an important contribution to the vision of 100 percent renewable energies through this strategic positioning.

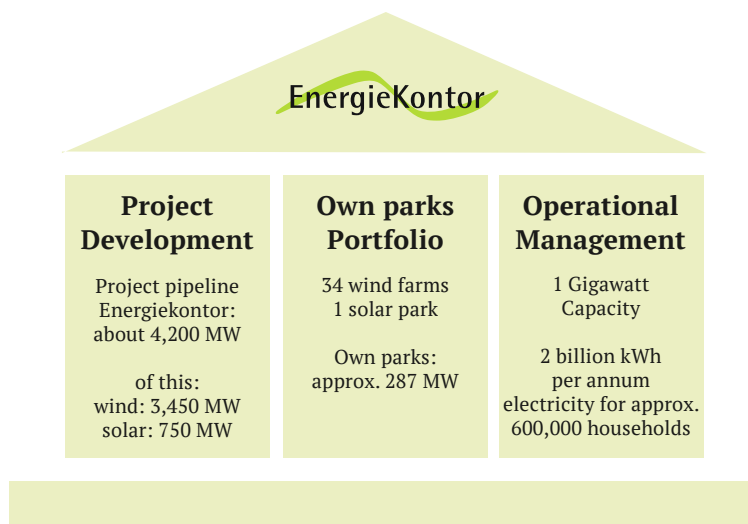
+ 30%

**Increase in
global energy
demand until 2040**



Energiekontor stands on three stable pillars

Energiekontor's business model consists of three mutually supporting areas: project development in selected country markets and key regions, the operation of the Group's own wind and solar parks and the optimisation of value creation through operational management, efficiency enhancement and innovation.



Pillar 1

Project Development with 30 years of experience

Project development

Energiekontor looks back on 30 years of experience in project development. From site acquisition, planning and financing to the turnkey construction of wind and solar parks, project development is the core business of the Group. Energiekontor is an expert and contact partner with its own teams directly on site in five countries. In the meantime, the Company has realised wind and solar parks with a total output of more than one gigawatt. The amount of electricity generated corresponds to the needs of large city as Hamburg.

In addition to the development of wind farms, the Company is significantly expanding its solar business. Not only in Germany, but also in the USA and France, large-scale photovoltaic parks are to be built in the next few years according to the plans of the Energiekontor Group.

Worldwide, the remuneration for electricity from wind and solar parks is falling due to the discontinuation of subsidy programmes and falling production costs. Energiekontor has been preparing for this for years and has

developed a series of efficiency measures to reduce costs. Energiekontor wants to make an important contribution to the market penetration of renewable energies and therefore aims to be one of the first companies to realise wind and solar parks in all addressed markets at electricity production costs below those of fossil or nuclear power plants.

Own Park Portfolio

In addition to project development, Energiekontor has built up a Group portfolio of own wind and solar parks over the last few years. This own stock enables the Company to generate continuous income from the sale of electricity to cover the costs of project development and thus independence and flexibility through a stable liquidity basis. Even in times of unfavourable framework conditions for project development, this allows the Company to maintain a constant number of employees while keeping up a constant level of advance costs.

The portfolio of own parks is to be further expanded mainly by taking over projects developed in-house. In addition to onshore wind farms, more solar parks are to be transferred to the Company's own portfolio in the future. The plants currently held in the Company's own portfolio are located in Germany, Great Britain and Portugal. The distribution across different wind regions and the expansion of solar parks in the Company's own portfolio, which has been initiated, ensure natural diversification and a steady cash flow even in the event of annual regional fluctuations in wind strengths and solar irradiation.

Operational Management

Energiekontor generally takes over the operational management of the projects it develops itself, regardless of whether they are sold or remain in its own portfolio. In this way, continuous income is generated in addition to the electricity income from own parks. This includes commercial services, such as the handling of all business transactions with energy suppliers, lessors and investors, as well as technical management from monitoring and maintenance to the implementation of measures to improve performance and extend operating life. This is where the many years of experience gained from the constantly optimised operation of the Group's own parks are incorporated. The cost-cutting momentum that comes into play here benefits both Energiekontor and its customers. Energiekontor plans to significantly expand this service for third parties.

Pillar 2

Own park portfolio
for continuous
income

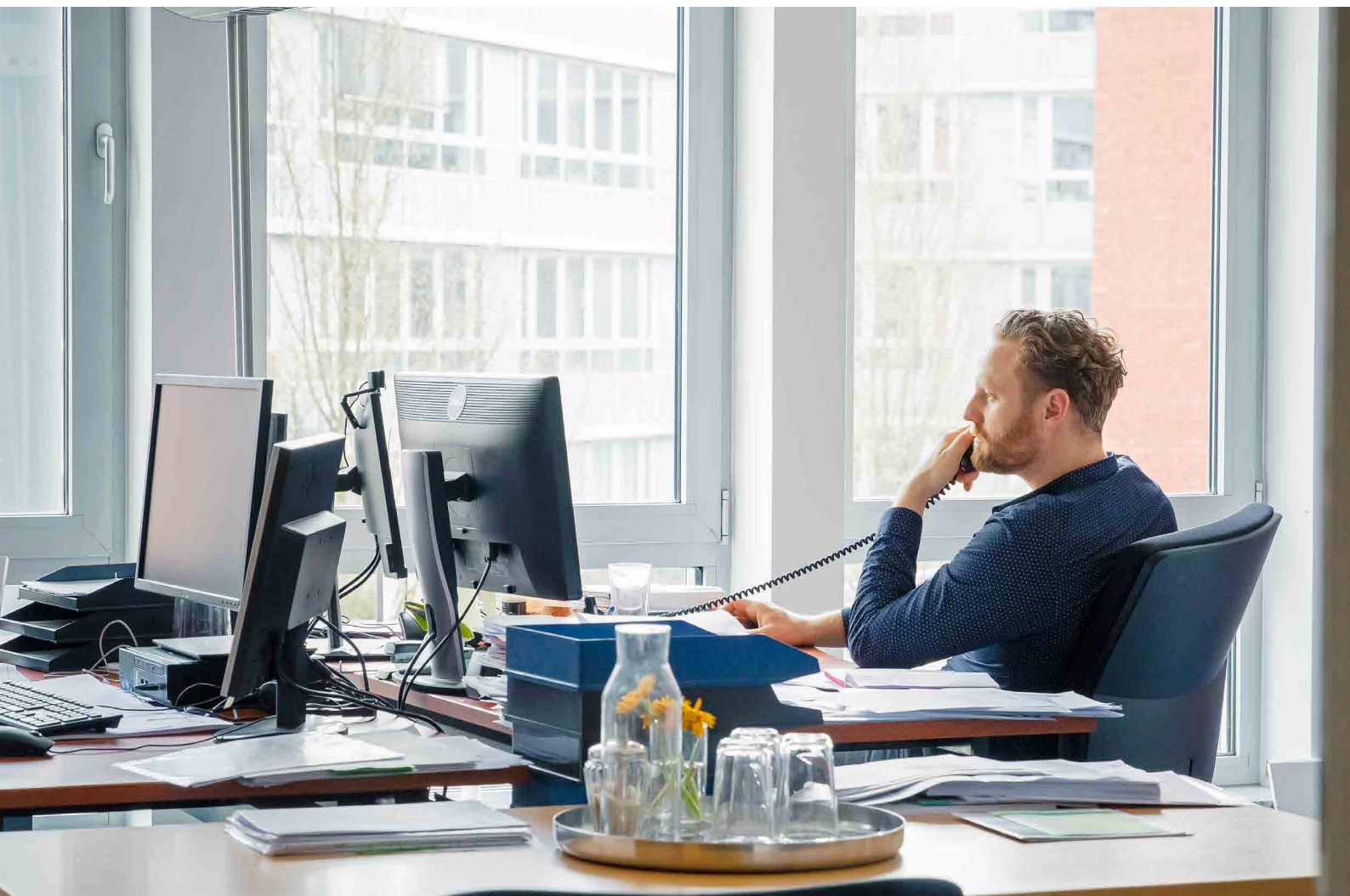
Pillar 3

Assumption
of operational
management

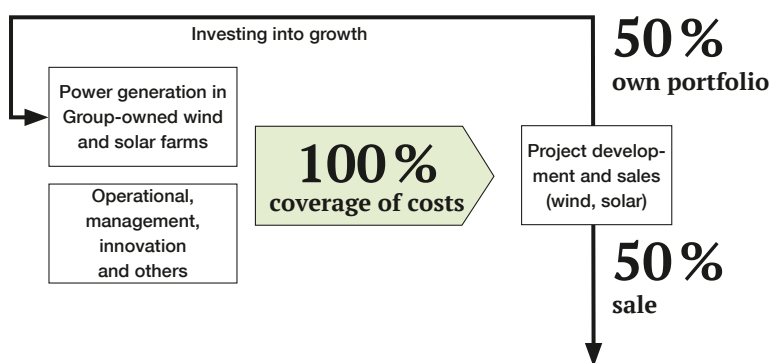
The Energiekontor growth model

As a pioneer of the energy turnaround, Energiekontor is guided by the vision of 100 % coverage of electricity demand by renewable energies. This vision can only become reality if the electricity production costs from renewable energies are equal to or lower than those of conventional energy production. For many years Energiekontor has pursued very ambitious price targets for its projects. It is our ambition to realise the most economical projects in the field of wind power and photovoltaics in order to be able to continue to grow and operate profitably even under intensified competitive conditions. The very solid basis of our business activities is based on our model of dynamic growth synergies that we have been pursuing for many years.

The generator and core element of the growth model is the expansion of electricity generation from the Group's own wind and solar parks. Continuous income is generated by selling the electricity generated in the wind and solar parks. Together with the steady income from the operation of the Group's own



Growth model of Energiekontor AG



and third-party wind farms, this income from the sale of electricity ensures financial stability and forms the basis for the sustainable growth of the Company. With the cash surpluses generated by its own parks and the operational management, Energiekontor essentially covers the costs of project development including Group-wide personnel and overhead costs. One half of the projects developed is generally allocated to the Company's own park portfolio, which leads to higher power generation capacities and corresponding annual additional income. The other half will be sold. The proceeds from the sale of the developed wind and solar parks largely determine the reported net income for the year and are used to pay taxes and dividends and to form liquidity reserves.

Corporate growth takes place in different ways in the individual segments. In the project development sector, Energiekontor is driving growth by intensifying the acquisition of locations and expanding into new markets. On the other hand, the area of power generation in the Group's own wind farms is growing as the Company takes over projects from project development into its own portfolio or purchases external operational wind farms. The more wind or solar parks are transferred to the Group's own portfolio, the greater the future cash surpluses from electricity sales and operational management activities will be. This, in turn, means that more funds are available for project development, which will drive growth. This organic growth process will be reinforced by accompanying innovation and efficiency measures that will lead to further increases in earnings and cost reductions and further increase the cash surplus from electricity generation.

Pioneering role

for Energiekontor

Long-term Power Purchase Agreements (PPAs) with large industrial partners or other electricity consumers are an important milestone in being able to offer electricity from wind and solar parks at pure market prices without state subsidies.

A PPA is often a long-term electricity supply contract between two parties, usually between a power producer and a consumer (electricity consumer or electricity trader). The PPA sets out all the terms and conditions, such as the volume of electricity to be supplied, the prices negotiated, the accounting treatment and the penalties for non-compliance with the contract. Since it is a bilateral contract, a PPA can take many forms and can be tailored to the parties. Electricity can be delivered physically or on the balance sheet. Since PPAs can reduce market price risks, they are particularly suitable for large electricity consumers and for large planned investments in the construction or continued operation of renewable energy systems. In Germany, unlike in the USA or the Mediterranean countries, PPAs are still virtually unknown. Energiekontor was the first Company to conclude a PPA for a major PV project in Germany last year. The decisive factor here is the many years of experience that Energiekontor has gained in the UK, where the Company was also the first ever to conclude a PPA in the wind power sector in 2011. A significant increase in PPAs in Germany can be expected from 2021 onwards, when a large number of wind farms will be phased out of the 20-year EEG remuneration.

PPAs offer the possibility of securing fixed electricity prices over long periods of time, thereby protecting against sharp fluctuations and significant increases in electricity prices on the electricity exchanges. This long-term advantage is worth a short-term higher electricity price for many large industrial companies and energy suppliers. In the UK, Energiekontor has already been successfully working with PPAs for almost ten years and has thus gained the trust of major industrial partners. Thanks to the measures described in the previous sections, Energiekontor is already able to realise renewable energy projects economically on the basis of PPAs alone.

PPA
establish a presence
in the market

In Scotland in particular, where large-scale wind farms are planned under excellent wind conditions, projects on a PPA basis will be developed. In the USA, PPAs are also planned for the development of large-scale solar parks in the West Texas region. And in Germany, too, there is an increasing number of discussions with industrial customers on long-term power purchase agreements. Energiekontor is playing a pioneering role in the development of this important market, which underlines our good competitive position.

Regional presence

as competitive advantage

Energiekontor is convinced of the regional principle. While competitors often spread their activities over as large an area as possible, Energiekontor concentrates on certain key regions. A strong regional presence and long-term local roots have their undeniable advantages. This is why Energiekontor has its own offices in the regions where the Company plans wind and solar parks. It is important to have specialised employees who are not only familiar with the business of project development in the respective region, but also with the culture, language and procedures, thus ensuring effective and tailor-made planning and management of the projects. This is why the majority of the parks have been or are being developed within a radius of approximately two hours' drive from the offices. This approach of short distances has proven its worth and contributes to building the trust of all parties involved.

Energiekontor is a respected and reliable partner and offers local communities and municipalities a high level of competence and many years of experience. The regional positioning allows us to respond to the respective needs of local authorities, residents and land owners in a special way. The intensive cooperation with public utilities, craftsmen and banks as well as offers for citizen participation in the developed projects also promotes value creation at regional level. All this creates trust and increases acceptance for the expansion of renewable energies.

Since the regional presence has proven itself over the years to be an important and valuable prerequisite for successful project development for all parties involved, Energiekontor also follows this principle when developing foreign markets.

<2 hours
Radius around office
locations for
regional presence

Our country markets

and key regions

Energiekontor's long-standing core markets are Germany, the United Kingdom and Portugal. In order to strengthen the internationalisation and diversification of business activities, they were expanded to include the USA and France. We expect these new markets in particular to make a substantial contribution to further Company growth.

Germany

Since the introduction of the Electricity Feed Act and the later EEG, Germany has been considered a pioneer in the expansion of renewable energies in Europe. The nuclear reactor disaster in Fukushima in March 2011 and the subsequent renewed decision by the Federal Government to phase out



nuclear energy and, most recently, the so-called coal compromise, have demonstrated the need to accelerate the expansion of renewable energies in Germany.

With the introduction of the tendering system in Germany for solar (2015) and onshore wind (2017), the prices for the remuneration of electricity from wind and solar parks had fallen sharply. However, thanks to forward-looking development, a large number of efficiency measures and cost savings, Energiekontor is still in a position to implement economically profitable projects.

Thanks to the consistent acquisition activities of the Energiekontor Group in the key regions of Lower Saxony, North Rhine-Westphalia and Brandenburg, the Company was able to build up a sustainable project pipeline for the coming years. In the solar sector, acquisition activities are carried out in the key regions of Brandenburg and Mecklenburg-Western Pomerania as well as in Schleswig-Holstein, Bavaria and Baden-Württemberg. With a large number of awards for wind and PV projects, Energiekontor has shown that it can also operate successfully under the current remuneration regime.



Great Britain

Great Britain is and remains one of the main markets for project development by the Energiekontor Group. After the discontinuation of support measures for onshore wind in 2015, Energiekontor concentrated on large-scale locations with excellent wind conditions, such as those found primarily in Scotland. There, the Company has built up a well-filled project pipeline through its intensive acquisition activities with its office in Glasgow and the office in Edinburgh, which opened in 2019.

The plans presented by the British government at the beginning of March 2020 to reintroduce Contracts for Difference (CfD) for established technologies such as onshore wind and solar, should pave the way for strong growth in the industry. The British government has also set itself the goal that the UK should no longer emit greenhouse gases by 2050.

Currently, all projects pursued by Energiekontor in Scotland are to be implemented on the basis of long-term power purchase agreements with large industrial customers. Thus Energiekontor is planning these projects without any subsidy measures, thus underlining the pioneering role the Company



also plays in Great Britain in the realisation of wind farms at pure market prices. Energiekontor was the first Company to conclude the first PPA in Great Britain almost 10 years ago.

It remains to be seen to what extent the Brexit with possible import duties as well as currency and interest rate fluctuations will influence Energiekontor's business. As far as possible, such effects have already been priced into the Company's profitability calculations as a preventive measure and, where it was or is economically sensible within the project financing, hedged.

Portugal

Portugal has a large number of windy locations. In the south of the country there are also good irradiation conditions for the implementation of solar projects. However, there has been no new tender for grid connections for many years. New projects can only be applied for under general market conditions. Therefore, Energiekontor's activities in Portugal are still limited to the management of existing wind farms

We will continue to monitor the market and do not rule out the possibility of our involvement there again in the future.

USA

In the USA, Energiekontor has identified the states of South Dakota and Texas for the development of onshore wind and solar projects after detailed analyses. In the north of the country, conditions prevail with wind speeds of 8 to 10m/s at a height of 80 metres, as is almost exclusively found at sea in Europe. In contrast, the southwest of the USA – and thus also Texas – is one of the sunniest regions on earth with average global radiation values of over 2,000 kWh/m² per year, twice as high as in Germany.

Because of the faster implementation, Energiekontor is initially concentrating on the development of solar projects. For this purpose, a separate subsidiary was founded locally. From Austin, project development is driven forward with its own locally well networked employees. Land use rights for several hundred MW for the development of photovoltaic projects have already been secured. Energiekontor is currently in the process of selling project rights for two solar projects to investors in order to gain initial experience in the US market and generate initial income. In the next step, Energiekontor plans to realize solar parks in Texas. A similar approach is being pursued with the wind activities in South Dakota, where the first areas for large power plants have already been secured.

>2,000 kWh/m²
Global radiation
levels in Texas

8m/s
Wind speeds on the
coasts of France

France

Energiekontor has also stepped up its activities in France. We are developing our solar activities around the Toulouse location in the south of the country. We coordinate the development of onshore wind farms in the Normandy region from our office in Rouen on the northwest coast of France. While the coastal locations have excellent wind conditions of more than 8 m/s, in the south of the country the annual global radiation levels of 1,300 to 1,700 kWh/m² are far above the average in Germany.

In the past financial year, we made very good progress in acquiring suitable sites for both solar and wind projects and built up a promising pipeline of more than 100 MW in both areas. Energiekontor expects that solar projects can be realised first and wind projects at a later date, but not before 2023.

Hidden reserves

at the parks in the own portfolio

The sustainable corporate strategy, which is based on the Energiekontor growth model, provides for a continuous expansion of the Group's own wind and solar parks in order to develop further projects and to stabilise the inflow of liquidity with the current income from electricity sales. The aim is to transfer about half of the projects developed by the Company itself to its own portfolio each year.

However, the inclusion of wind and solar parks in the Company's own portfolio has consequences for the balance sheet and the income statement of the Group. As the Group's own wind and solar parks developed in-house are only recognised at external production costs, i. e. without the profit margins from the construction or sale of the projects, the consolidated balance sheet contains hidden values in the form of hidden reserves. Consequently, the consolidated equity ratio decreases with each additional wind and solar park that is transferred from project development to the Group's own portfolio, because the profit margin is eliminated in the course of Group consolidation and is therefore not recognised in the income statement.

On the other hand, the hidden reserves represent a significant substantial added value for the Company, which could be realised at any time by selling all or part of the Group's own wind and solar parks at their market value. In this case, the Group equity ratio would increase abruptly. However, such a sale is not in line with the corporate strategy. This note is merely intended to illustrate how much additional substance is contained in the Company that is not directly reflected in the key financial figures.

Irrespective of this, the hidden reserves of the Group's own wind and solar parks are successively disclosed over their useful lives and thus lead to an improvement in earnings and an increase in the Group equity ratio and possible dividend payments, even if conditions remain unchanged. This is due to the lower annual depreciation resulting from the lower depreciation bases, which do not include hidden reserves. However, this long-term effect will not yet have a significant impact within the coming years, as new wind and solar parks with hidden reserves are added to the Company's own portfolio every year as planned, which means that the equity ratio will probably remain at a lower level. In the medium term, the Company plans to expand its own park portfolio to over 500 MW from its current level of just under 287 MW.

500 MW

**Planned expansion
of the own park
portfolio**

Transparency

and security for all investors

In project development and corporate financing, Energiekontor AG essentially follows three different paths:

1. Project development from own resources

Project development as the core business of Energiekontor AG is financed with own funds. Due to the large number of imponderables in project acquisition, planning and approval procedures, the greatest risks are inherent in this step of implementing wind and solar parks. It is therefore one of the most important strategic principles of Energiekontor to keep the liquidity reserves at a sufficient level in order to always have sufficient funds available for project development. The sustainable growth model of Energiekontor secures this component.

2. Interim financing of projects via corporate bond

Shortly after obtaining the building permit for a wind or solar park typically the financial close (the granting of long-term bank loans) takes place. A prerequisite for this is the provision of the equity capital required for financing by Energiekontor AG.

For the equity financing of the wind or solar parks, overdraft facilities with banks, so-called working capital loans, as well as corporate bonds with a term of five years are used. With the sale of the project, the equity financing will be replaced. Thus, the loan drawdowns can be reduced again and used for the next project.

Over the past 17 years, Energiekontor AG has issued seven corporate bonds with a total volume of about EUR 54 million. After the first five bonds have already been repaid on schedule, the current portfolio is valued at about EUR 15 million as of 31 December 2019. The next bond will be repaid at the beginning of 2021.

3. Project acquisition and refinancing via the step-up interest rate bonds

Energiekontor AG has developed the instrument of the step-up interest bond to finance wind park purchases, as well as to refinance wind parks that are already in its own portfolio.

The current step-up interest rate bond XII with a volume of EUR 13.4 million has a term of 17 years and an initial interest rate of 4 percent, which increases step-by-step to 5 percent.

Like its predecessors, the step-up bond XII was reviewed by ECOreporter.de AG (www.ecoreporter.de) and was recognised as a sustainable financial product in its ECO investment check on 26 July 2019 based on the collateralisation concept that is supported by specific wind farms.

In the past ten years Energiekontor has issued twelve tiered interest bonds with a total volume of EUR 145 million. Some of the step-up bonds in the amount of about EUR 58 million have already been repaid.

**EUR 13.4
million.**

**Volume of the step-up
interest bond XII**





Pioneering role

what does it mean for Energiekontor?

We are in the middle of a paradigm shift. Up to now, renewable energies have had the reputation of relieving the environment but putting an above-average burden on electricity customers. Now we are experiencing a fundamental change: the entire market environment for renewable energies is currently undergoing a fundamental transformation, not only in Germany but worldwide. In the past, legally regulated subsidies in the form of grants, levies, subsidies and tax incentives ensured that electricity from renewable energies was remunerated at a certain level over a defined period of time, thus creating investment security. An example of this was the remuneration under the old EEG Act in Germany. These support measures are now increasingly disappearing and are being replaced by tendering and auction models in many countries. In Germany, the tendering model has been in force for solar since 2015 and for onshore wind since 2017, thus increasing the pressure on costs and margins along the entire value chain. The competition for suitable locations for renewable energies is increasingly turning into a competition for the most favourable electricity prices. Anyone who wants to survive in this competition and operate successfully in the long term must compete for the lowest electricity production costs.

Energiekontor sees the tenders in Germany as well as the expiring tax incentives in the USA or the increasingly reduced subsidies in other countries as an incentive to be able to offer electricity from renewable energies already now in direct competition with electricity from conventional energy sources. The current market development shows that the path taken by Energiekontor is exactly the right one. For example, we were not only the first to implement the first wind project in England that does not require state subsidies. In February 2019, we concluded a long-term power purchase agreement with EnBW, which was also the first of its kind in Germany. It enables Energiekontor to build and operate the solar farm without EEG subsidies. We are confident that further projects of this kind will secure our pioneering role in the future.

THE ENERGIEKONTOR SHARE

The Energiekontor share at a glance

International Securities Identification Number (ISIN)	DE0005313506
Securities identification number (WKN)	531350
Ticker symbol	EKT
Transparency level	General Standard
Designated Sponsor	ODDO SEYDLER BANK AG
First listing	25 May 2000
Share capital in EUR as of 31 December 2019	14,678,160.00
Number of shares as of 31 December 2019	14,678,160
Stock market price as of 31 December 2019*	EUR 21.20
Highest price in the period from 1 January to 31 December 2019*	EUR 21.90 (6 December 2019)
Lowest price in the period from 1 January to 31 December 2019*.	EUR 12.70 (3 January 2019)
Market capitalization on 31 December 2019	EUR 311,176,992
Earnings per share – financial year 2019	EUR 0.02

* On XETRA

General market development

After the disappointing stock market year 2018, share prices developed extremely positively in 2019; not only in Germany but worldwide. While the German selection indices all rose by at least 23 %, the increase in the General Standard was much lower at 11.3 %. On average, American shares rose even more than German shares.

This development came as a surprise to many market participants, as the escalating trade dispute between the USA and China, the uncertainty associated with the Brexit and a number of global trouble spots (Syria, Iran, North Korea, etc.) created considerable uncertainty among investors.

However, the international central banks continued to open the floodgates, including the ECB, which further relaxed its monetary policy in the face of negative economic signals. With zero interest rates, or even increasingly negative yields on Bunds, more and more investors were attracted to the stock market.

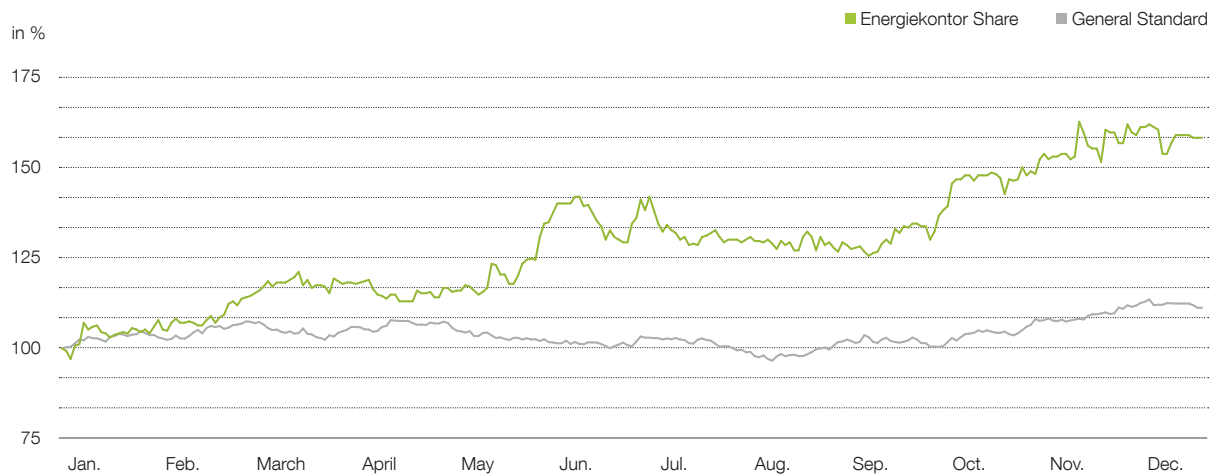
Development of the Energiekontor share

For the shareholders of Energiekontor, the 2019 stock market year was particularly pleasing. The share price rose continuously until mid-May and then consolidated at the level reached until mid-September. Afterwards the share price started to rise strongly again and thus the Energiekontor share again clearly outperformed the broad market.

Starting from EUR 13.25 at the beginning of the year, the Energiekontor share rose with not inconsiderable fluctuations to EUR 21.20 by the end of the reporting period, taking into account that a dividend of EUR 0.40 was paid for the 2018 financial year. Overall, this results in a performance of more than 63 % for the 2019 financial year.

The General All Share Performance Index performed weaker than the German selection indices. Starting from an opening price of 2,004.91 points in 2019, it rose moderately until mid-April, only to relinquish these gains by August. It then rose again until the end of the year, closing at a level of 2,231.36 points by the end of the year. This represents an increase of around 11 percent.

Performance of the Energiekontor share* from 1 January 2019 to 31 December 2019 compared to the General All Share Performance Index



* On XETRA

Share buyback program

By resolution of the Annual General Meeting of Energiekontor AG on 21 May 2015, the Board of Management was authorised, pursuant to § 71 Para. 1 No. 8 AktG, to acquire own shares of the Company up to a total of 10 percent of the current share capital.

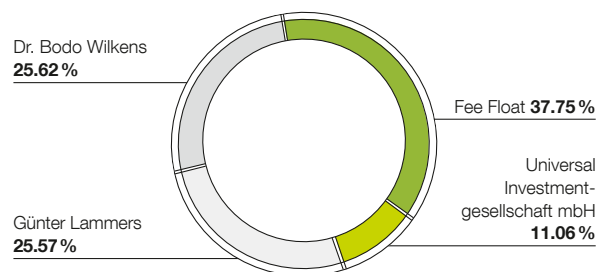
As part of the share buyback programme launched on 1 June 2018 and relaunched on 23 April 2019, 282,449 shares were acquired for a total amount of EUR 4,965,287.19 in the 2019 financial year. This corresponds to an average price per share of EUR 17.58. In total, Energiekontor held 313,372 (31 December 2018: 29,920) treasury shares as of 31 December 2019.

Name	Function	Quantity	in %
Dr Bodo Wilkens	Chairman of the Supervisory Board	3,759,835	25.62
Günter Lammers	Deputy Chairman of the Supervisory Board	3,752,474	25.57
Universal Investment Gesellschaft mbH		1,623,538	11.06

Shareholder structure

The Management Board is aware of the following direct or indirect shareholdings in the capital (Section 315 (4) No. 3 HGB) in excess of 10 percent:

Shareholder structure as of 31 December 2019



Share trading and market capitalization in fiscal 2019

The following table shows the monthly highs and lows, the monthly closing prices, the monthly turnover on XETRA and the market capitalization of the Energiekontor share at the respective month end in 2019.

Share trading and market capitalisation of Energiekontor AG

2019 Month	High (EUR)	Low (EUR)	Monthly closing price (EUR)	Monthly turnover (pieces)	Market capitalization at the end of the month (EUR million)
January	14.50	12.70	14.40	151,574	209.9255
February	15.25	14.00	15.25	88,592	222.3169
March	16.20	15.10	15.85	87,860	231.0638
April	16.15	14.75	15.25	133,278	222.3169
May	16.90	15.05	16.65	119,900	242.7264
June	19.00	16.50	17.30	239,488	252.2022
July	19.00	16.95	17.30	112,674	252.2022
August	17.95	16.85	17.50	77,625	255.1178
September	18.00	16.30	18.00	96,984	264.2069
October	20.40	17.20	19.60	154,359	287.6919
November	21.80	19.55	21.50	202,911	315.5804
December	21.90	19.85	21.20	129,996	311.1770

Source: Oddo Seydler

Research Coverage

In the 2019 financial year, three renowned analyst firms (First Berlin, Bankhaus Metzler, Warburg Research) regularly published equity research reports on Energiekontor and the markets in which we operate. At that time, two of the three financial analysts covering our share as of 31 December 2019, had issued a “buy” recommendation, while one analyst lowered his recommendation to “accumulate” (“add”) due to the very high price increase. The average target price at the end of December 2019 was EUR 23.63 (2018: EUR 21.15).

At the time this report went to press, the Energiekontor share had a buy rating from all three analyst firms with an average target price of EUR 26.00.

Our Investor Relations activities

Transparency and openness in a continuous dialogue with our shareholders and capital market participants are our aspiration. Our investor relations work is aimed at strengthening confidence in our share in the long term and achieving a fair valuation on the capital market. To this end, we provide our shareholders and the capital market with accurate, prompt and relevant information both on Energiekontor’s business and on the market environment in which we operate. Furthermore, Energiekontor is committed to adhering to the principles of good corporate governance.

In one-on-one or Group discussions at investor road shows, our management and investor relations team answered questions from investors and financial analysts on Energiekontor’s business strategy and development as well as industry and market trends.

The number of Energiekontor shares traded in 2019 was roughly the same as in the previous year. However, due to the significantly increased share price in 2019, the trading volume was approximately 22 % higher than in the previous year. In general, it should be noted that investors’ interest in companies in the renewable energy sector is continuing to grow, especially against the background of the grid parity that has now been achieved. The average XETRA trading volume in 2019 was approximately 133 thousand shares per month.

The Annual General Meeting of the Company was held on 22 May 2019. All items on the agenda were approved by a clear majority, including the dividend of EUR 0.40 per share.

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Phone: +49 421 3304-126
Email: ir@energiekontor.de



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**RESPONSIBILITY
STATEMENT**

Basic principles of the Group

Business model of Energiekontor AG

Energiekontor AG specialises in project planning and operation of wind and solar parks at home and abroad. As one of the pioneers in this field, the Company can draw on 30 years of experience and covers the entire value-added chain in the field of onshore wind farms and solar parks, from acquisition and project development to financing and the construction of the plants and their operation.

By the end of the 2019 fiscal year, the Energiekontor Group had planned and erected 631 wind turbines with a total output of around 973 MW in 126 wind farms in Germany, Great Britain and Portugal as well as eight PV ground-mounted systems of around 55 MW in Germany. The total investment volume of these projects amounts to almost € 1.7 billion.

Complementing the sale of turnkey projects, the Energiekontor Group also operates a portfolio of Group-owned wind farms as an independent power producer. Owner-operated facilities amount to almost 287 MW at the end of the 2019 financial year.

The Company is active in Germany, Great Britain, Portugal, USA and France.

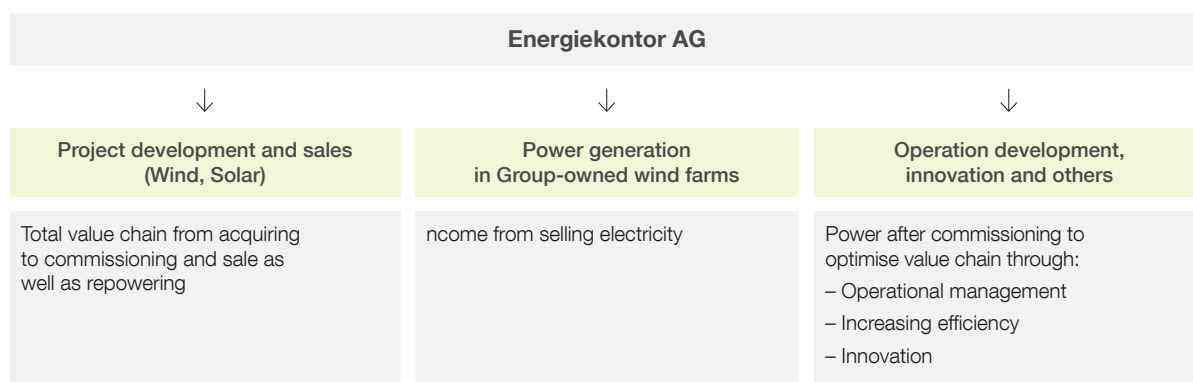
Business operations of the Energiekontor Group are handled by three divisions. Segment reporting also follows this same structural model:

- a) Project Development and Sales (Wind, Solar)
- b) Power Generation in Group-owned Wind Farms
- c) Operation Development, Innovation and Others

a) Project Development and Sales (Wind, Solar)

The Project Development and Sales (Wind, Solar) segment comprises project development for onshore wind farms and solar parks that are either included in the Group's own portfolio or sold to third parties. This division handles the entire value chain from business development, planning and financing through to construction and/or repowering and the final sale of the plants. Buyers of wind farms and solar parks include German and international institutional investors, private turnkey system buyers and members of local communities. An independent project company is formed for each wind farm or solar park project.

The repowering of locations, i. e. the replacement of old plants by new, more powerful plants, has been an important part of the Energiekontor Group's business activities for many years. Starting in 2021, a large number of wind farms in Germany will be phased out of the 20-year guaranteed remuneration every year. It is therefore foreseeable that repowering projects will gain enormously in importance in the future.



b) Project Development and Sales (Wind, Solar)

This segment comprises electricity generation in the Group's own wind and solar parks. The expansion of the portfolio of the Group's own wind and solar parks is the core component for the organic growth of the Company. In addition, the operation of the Company's own wind and solar parks allows Energiekontor to cover ongoing Company costs, e. g. in the event of delays in project implementation, and also increases its independence from political conditions as well as interest rate and commodity price developments. Hidden reserves are also created by the investments in the company's own portfolio. If necessary, these assets could be sold and the funds tied up in them plus the hidden reserves released. Additional potential lies in the possibility of upgrading the Company's own wind farms, for example through repowering or efficiency-enhancing measures.

The Energiekontor Group added the first wind farm to its own portfolio in 2002. Since then, the portfolio has been continuously expanded. This is currently done mainly by taking over self-developed projects into the own portfolio. Thus, about half of all projects developed by the Company itself each year are to be transferred to the Company's own portfolio. In the past, economically interesting operative wind farms were also purchased. These were projects developed and sold by Energiekontor itself in earlier years as well as projects from other developers and operators. The total output of the wind and solar parks owned by Energiekontor in Germany, Great Britain and Portugal amounted to 286.6 MW at the end of the 2019 financial year.

Group-owned wind and solar parks as of 31 December 2019

Name of the wind/solar park	Total output/MW
Altlüdersdorf	13.5
Balje-Hörne	3.9
Beckum	1.3
Breitendeich	6.0
Briest (Tandem II)	7.5
Briest II	1.5
Debstedt	3.0
Engelrod	5.2
Flügeln	9.0
Geldern	3.0
Giersleben	11.3
Halde Nierchen I	5.0
Halde Nierchen II	4.0
Hanstedt-Wriedel	16.5
Heinsberg-Waldenrath	7.2
Kajedeich	4.1
Krempel	14.3
Krempel II	6.5
Kreuzau-Steinkaul	5.5
Lengers	4.5
Mauritz-Wegberg (Energiekontor holds 88.52 percent)	7.5
Niederzier-Steinstraß	8.3
Nordleda (Energiekontor holds 51 percent)	6.0
Osterende	3.0
Prenzlau	1.5
Schwanewede	3.0
Sievern (Tandem II)	2.0
Thüle	14.0
Wind farms in Germany	178.1
Mafomedes	4.2
Marão	10.4
Montemuro	10.4
Penedo Ruivo	13.0
Wind farms in Portugal	38.0
Hyndburn	24.6
New Rides	9.0
Withernwick	18.5
Withernwick II	8.4
Wind farms in Great Britain	60.5
Garzau-Garzin	10.0
Solar parks in Germany	10.0
Total	286.6

c) Business development, innovation and others

All services aimed at optimising operating value added after the wind and solar parks have gone into operation are combined in the business development, innovation and other segment. These include in particular the technical and commercial management of wind and solar parks, including the direct marketing of the electricity generated, as well as all measures to reduce costs, extend the service life and increase yields in order to optimise the yields of wind and solar energy plants, e. g. by

- updates in the plant control system or replacement of the old controls with new, modern controls
- more precise wind tracking and increase of generator power
- reduction of failure rates through preventive maintenance
- reduction of downtimes by converting to permanent live data monitoring with automated fault clearance workflow
- consistent reduction of electricity generation costs for existing parks

Irrespective of whether the projected plants are sold or taken over into the Company's own stock, Energiekontor usually provides the commercial and technical management and thus generates a running cash flow for the Company.

Commercial activities include, in particular, predictive liquidity management, settling accounts with the energy supplier, the service/maintenance companies and the facility lessors as well as optimising long-term profitability. Other activities include communicating with banks, insurance companies, tax advisors and investors as well as accounting in connection with feed-in management either via the flat rate or the peak load procedure.

In the technical area, the tasks include the monitoring of wind and solar power plants as well as the evaluation and assessment of data, mainly the coordination of repair and maintenance operations and the planning and implementation of preventive maintenance measures. This procedure can significantly extend the service life of the individual plant and the overall project. At the same time, the cost of repairing the main components can be significantly reduced. The primary objective is to maximize the availability and yield of the plants and to guarantee safe operation over the entire life of the plant. To this end, the plant data is monitored around the clock using live data and automated workflows. In addition, we guarantee the legally compliant operation of the wind farm by complying with all legal requirements and also assume the operator/plant responsibility.

Goals and strategy

In the three decades since the Company was founded, the market for renewable energies has changed and developed continuously. In 1990, when the first electricity feed-in law was introduced, wind and solar energy were still absolute exotics and only hydropower made a modest contribution to the total energy supply. It was not until the turn of the millennium that the rise of renewables began very slowly, and renewables slowly grew out of their small niche. It is well known that the large electricity companies, which now also play an important role in the renewable energy sector, were initially extremely critical of the new technologies. Today, however, renewable energies have developed into a mature, established and recognised technology that makes a significant contribution to energy supply in all industrialised nations. In Germany alone, the share of renewable energies in total power generation is currently around 40 percent. The higher the share of renewable energies in meeting demand, the more sustainable and environmentally friendly the entire energy supply will be.

Energiekontor's self-image: Pioneer in renewable energies

Since its foundation, Energiekontor has had a clear vision of the future: a world in which the entire energy requirement is covered 100 percent by renewable energy. The Company has placed this vision before its mission statement. It is the supreme guiding principle of Energiekontor's entrepreneurial activity and the strongest motivation for the employees in their efforts to get closer to this goal every day with creative ideas and the joy of joint success.

A sustainable penetration of the energy market with 100 percent renewable energies will only be possible if the production costs for electricity from renewable energies are lower than those from fossil and nuclear energy sources. In order to promote the expansion of renewable energies, Energiekontor is striving to play a pioneering role in the addressed markets and wants to be one of the first to realise wind and solar parks whose electricity production costs are lower than those of the conventional energy industry. As soon as this is achieved, a large number of barriers will disappear. Social support in politics and society will also increase significantly when wind and solar energy are no longer dependent on public funding measures. The spread of renewable energies will thus receive a strong boost.

As a pioneer in the realization of wind and solar parks at pure market prices, Energiekontor not only makes an important contribution to helping renewable energies achieve a breakthrough on the way to 100 percent full supply. At the same time, Energiekontor's pioneering role ensures a lead over other competitors and thus a strong competitive position in the industry. Thus, the efficiency measures for cost reduction along the entire value-added chain, which have been prepared for a long time and are constantly being further developed, should provide Energiekontor with decisive competitive advantages in order to promote the expansion of renewable energies as an innovative trailblazer and independently of government support measures.

Sustainable growth on solid foundations

The growth model of Energiekontor AG is closely linked to the Company's mission statement. The Company aims to strengthen its organic growth by intensifying its regional approach and by opening up new markets and by thus actively accelerating the expansion of renewable energy sources despite fiercer competition. The management believes in employee involvement and development and creates the corresponding organisational framework. The basis and foundation of Energiekontor's growth strategy is its financial stability. This stability is predominately based on the steady flow of surplus cash from Power Generation in Group owned wind and solar farms and from commercial and technical operational management activities.

Strengthening the regional approach

Energiekontor attached importance to a regional approach very early on. This allows close cooperation with the municipalities and regions as well as tailor-made regional approaches with a high level of local acceptance. At the same time, this generates a competitive advantage in the respective region and accelerates project development. In organisational terms, this approach is implemented with our own local teams and largely independent decision-making powers. This principle is to be further strengthened by expanding the number of regions in which Energiekontor has a local presence, both in Germany and abroad.

Development of new foreign markets - strengthening of solar activities

A key element of Energiekontor's growth strategy is increased internationalization by successively expanding the existing country portfolio (Germany, Great Britain, Portugal), as well as the expansion of solar activities to tap additional growth potential for the coming years. In addition to Germany, the solar segment will be expanded above all in the USA and France, as these countries have much more favourable radiation conditions and corresponding electricity production costs.

The focus in France and the USA is initially primarily on the solar sector. Following acquisition successes, Energiekontor has already made significant progress in project development in the USA and pushed ahead with the sale of rights for two solar projects. The solar segment in the USA is managed from the office in Austin (Texas), while the office in Rapid City (South Dakota) is responsible for the wind segment. Only native speakers with regional roots are employed, a principle that also contributes significantly to success in all other markets.

In France, offices were opened in Toulouse for the development of solar activities and an office in Rouen for wind activities. Since solar projects can generally be planned more quickly, we expect the first success stories from the solar sector in France as well.

Innovation and efficiency measures

In recent years, Energiekontor has developed a series of measures that increase the economic efficiency in the planning, construction and operation of wind and solar parks and optimize the processes along the entire value chain.

There are three main thrusts here:

- increasing the profitability of the projects planned by Energiekontor
- the increase in earnings from the wind farms in the Group's own portfolio
- the accelerated solution finding in project development

These measures are closely linked to the deepening of the decentralized organization and an employee-led project organization.

Room for initiative and organisational decentralisation

Innovation and efficiency are not necessarily limited to technical innovations. For Energiekontor, increasing the efficiency of the Company includes deepening the decentralised organisation. Thus, the management consciously relies on a strong decentralisation of work and decision-making processes with flat hierarchies in order to avoid unnecessary bureaucratisation and to guarantee flexibility and quick decisions even with a growing number of employees. At the same time, the Company creates scope for creative and flexible solutions and motivates each individual employee to act on their own responsibility.

Own park portfolio as a reliable growth generator

The engine and core element of the growth model is the expansion of electricity generation from the Group's own wind and solar farms. Continuous income is generated by selling the electricity generated in the wind and solar farms. A further guarantee for continuous income is the assumption of the operational management of the completed and running wind and solar parks by specialised teams of the Energiekontor Group. This applies both to the wind and solar farms in our own portfolio and to the turnkey plants that are sold to energy suppliers, strategic investors or financial investors. By taking over the operational management, the majority of the buyers remain connected to Energiekontor AG as customers and thus secure the Company ongoing income from the wind and solar farms even beyond the completion date.

Together with the steady income from the operation of the Company's own and third-party parks, the income from the sale of electricity ensures financial stability and forms the basis for sustainable growth of the Company. With the cash surpluses generated, Energiekontor essentially covers the costs of project development including Group-wide personnel and overhead costs. The income from the sale of the wind and solar parks developed in-house generates the annual result and is used to pay taxes and dividends and to form liquidity reserves.

Electricity generation in the Group's own wind farms will be further expanded by:

- Takeover of self-developed and built projects
- Repowering of the own portfolio
- Optimization and efficiency increase

Approximately half of the projects developed in-house are transferred to the Company's own portfolio, the other half is intended for sale. Management reserves the right to adjust this ratio depending on the business situation.

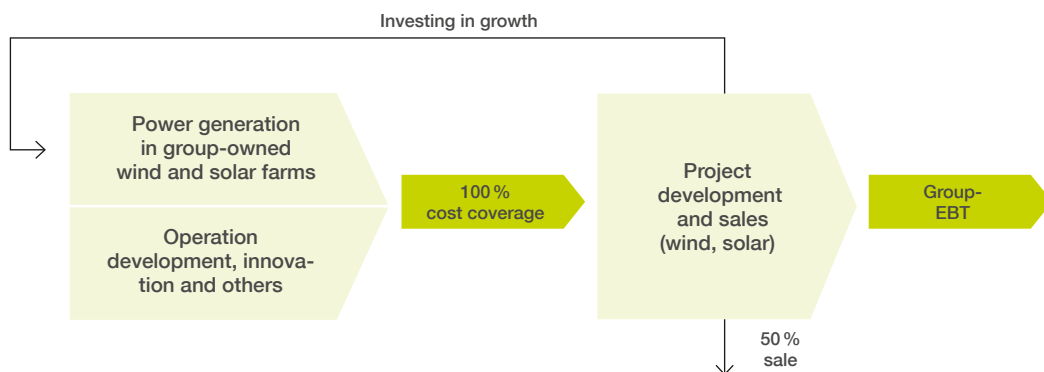
Different growth dynamics

Company growth varies in the individual segments. In the area of project development, Energiekontor drives growth by increasing site acquisitions and its regional approach as well as by expanding to new markets. In contrast, growth in the Power Generation in Group-owned wind and solar farms division is based on transferring projects from project development to Company ownership. The higher the number of wind and solar farms that become Group-owned, the more cash can be generated from the sale of electricity and operational management, and the more funds are available for project development in order to promote growth. In conclusion, growth is mainly accomplished by

expanding the Group-owned farm portfolio as well as increasing the surplus cash gained from operating Group-owned wind and solar farms and from operational management. The accompanying innovation and efficiency measures that lead to further rises in profits and that further increase the surplus cash from power generation in Group-owned wind and solar farms intensify this organic growth process.

One positive side effect of this growth strategy is the fact that it reduces dependency on project selling and proceeds from project sales. The Group's liquidity and project development financing (including the Group-wide personnel and overhead costs) is covered by the surplus cash generated from power generation in Group-owned wind and solar farms and operational management even if no income is generated from project sales. Financial risk is thus minimised to the greatest possible extent. The Energiekontor growth model thus differs from many competitors' business models in the industry that do not have a comparable portfolio of Group owned wind and solar farms.

Growth model of Energiekontor AG



Business objective

With this growth strategy, Energiekontor plans to increase the EBT from project development to at least € 30 million p. a. on a sustainable basis in the medium term. This already takes into account the fact that about half of the projects realised each year are to be transferred to the Company's own portfolio, whereby the construction profits of these own-stock parks are eliminated within the framework of the Group consolidation and therefore have no effect on the Group profit.

The expansion of the portfolio of the Group's own wind farms is intended to establish Energiekontor as a medium-sized regenerative power producer and ensure that it is largely independent of general market developments. It is planned to further expand the own park portfolio and to generate a sustainable EBT of at least € 25–30 million p. a. with the income from the own park portfolio and the operational development.

The expansion of the own park portfolio is to be achieved through own project development, the repowering of existing parks and, if necessary, the acquisition of third-party parks. These new investments are to be financed by project financing loans, project-related bonds, own contributions and ongoing liquidity surpluses from the operation of the own park portfolio.

Overall, the EBT generated by the Group should rise to at least € 55-60 million p. a. in the medium term.

In recent years, Energiekontor has created the prerequisites for stable and sustainable growth and is optimally equipped for the challenges of the future in a competitive market environment.

Innovation (research and development)

The Company does not conduct research and development in the traditional sense. However, the activities combined in the business segment operational development, innovation and other are aimed in particular at improving the performance and efficiency of wind and solar parks. These activities include the repowering of the Group's own wind farms and preventive maintenance of the turbines as well as technological innovations. Energiekontor is also developing adjusted and more efficient maintenance and repair concepts to enable its Group owned wind farms to be operated profitably even after the remuneration as per the German Renewable Energy Sources Act (EEG) expires.

Control system

The management of the Energiekontor Group is based on a regular exchange between the management and the individual Company units. For this purpose weekly meetings and, if necessary, special meetings on specific occasions are held. The internal control system covers all business units. This ensures short reaction times to changes in all areas and at all decision-making levels of the Energiekontor Group.

The starting point for the management of the Group or the individual business units is the sustainable targets worked out within the management level, which are derived from the overall strategy. Internal guidelines on processes, cost structures and risk assessment are in place.

In weekly, monthly and quarterly cycles, the individual business units report on current developments and any or potential deviations from targets. In addition to these operational indicators, the market situation and upcoming regulatory, legal and political changes in the individual country markets are analyzed and evaluated on an ongoing basis so that decisions on suitable strategies and measures can be made in the appropriate bodies at an early stage.

EBT (earnings before taxes) is the primary performance indicator for Energiekontor AG and the Group, and is broken down to various gross margin and surplus cash targets for the individual operating units. EBT refers to earnings before taxes. The difference between EBT and EBIT (earnings before interest and taxes) is that the interest result is already taken into consideration; EBT is determined as follows:

Revenues	
+/-	Changes in inventories and own work capitalized
=	Total output
+	Other operating income
=	Operating performance
-	Cost of materials
-	Personnel expenses
-	Depreciation
-	Other operational expenses
=	EBIT (operating result)
+/-	Financial result
=	EBT (earnings before taxes)

= Operating expenses

All in all, planning, budgeting and controlling of the Energiekontor Group is based on a distinctly liquidity-oriented target and control system, on the basis of which the business success of individual divisions and the Company as a whole can be determined and measured relatively easily.

Activities in the operating units are managed on the basis of selected control parameters. The most important operating control parameters are the acquisition, gross margin and cash surplus targets in the individual segments and divisions. Specific targets exist for each division and segment, against which the success of the business performance is measured.

Gross margins are defined as the difference between the expected sales proceeds and the external production costs of the wind and solar parks at the time the credit is granted. The credit value date corresponds to the date on which the equity capital is made available, the first call from the project financing is paid out and the conditions precedent in the construction and supply contracts are cancelled. The expected sales proceeds are determined on the basis of the target returns of the investor market and the parameters from the project financing. The usual target returns of the investor market serve as a benchmark and are known from current price indications and transactions in the past.

The sustainable gross margin targets form the central basis for budget planning and resource allocation. The acquisition targets of the individual project development divisions (domestic, international, solar, repowering) also play an important role in resource allocation, as project and site acquisition lays the foundations for sustainable corporate growth in the future. Even in the early phase prior to the conclusion of site utilization agreements, profitability and sensitivity analyses with defined profitability parameters are carried out in order to build up a resilient project pipeline through the acquisition activities, which can also withstand possible changes in the regulatory or other economic framework conditions (feed-in tariffs, system purchase prices, interest rate levels, etc.).

Certain areas with regular revenues, such as e. g. operational management or the sales divisions are managed as profit centres. Cash surplus targets are defined for these areas. These are the planned cash surpluses from incoming and outgoing liquidity within a planning period. The aim of profit centres is to generate cash surpluses or at least to manage the profit centres with a balanced liquidity balance.

Economic Report

General economic and industry-specific conditions

The international economy has lost momentum in 2019. Trade in goods has already been declining since autumn 2018. Since the beginning of the year, global manufacturing output has stagnated, and in the advanced economies it has even fallen. However, this is offset by the continued significant expansion of services. This is due to robust demand for consumer goods in many places. Private households are benefiting from stronger wage increases and the good situation on the labour market, as global employment has recently increased despite the weak production trend in industry.

The decline in world trade and the downturn in the manufacturing sector are amongst other things a consequence of the trade policy conflicts emanating from the USA. In particular, the conflict between the USA and China drastically reduced the exchange of goods between these two countries. From January to July 2019, US exports to China fell by 18% compared with the same period of the previous year, while Chinese exports to the US fell by 12%. This also affects third countries. Last but not least, intra-European trade is suffering from the confusion surrounding the UK's withdrawal from the European Union.

Trade conflicts also burden the global economy by making the political framework for foreign trade uncertain. A high level of uncertainty is dampening companies' willingness to invest. The momentum of investment activity in the advanced economies has slowed considerably in recent quarters. The heightened uncertainty is a particular burden on industrial production and world trade.

Many central banks reacted to the economic slowdown by resuming or extending expansionary monetary policy measures. In the coming quarters, further monetary policy stimuli are expected to come from the USA in particular. The more expansive monetary policy caused short-term interest rates to fall, and the decline in long-term yields continued. The decline is likely to reflect the deterioration in the economy, but it is clear that financial market players are also expecting very low interest rates on a sustained basis.

The economy in Germany has further cooled down in 2019. In addition, the trade conflicts between the US and China and the EU, as well as uncertainty about future economic relations between the UK and the EU, have increased

uncertainty, with negative consequences for investment worldwide. This is reflected in a worldwide weakness in industrial production, which is particularly pronounced in Germany due to the great importance of capital goods production.

The Economic Institute, which issues the joint diagnosis for the German government every six months, last revised its forecast downwards in autumn 2019 compared with the spring. Although the forecast for global economic output has hardly been changed, however, industrial production and world trade are weaker than predicted in the spring, which has a correspondingly strong impact on overall economic production due to the export orientation of the German economy. At that time, experts assumed that the expansion of the German economy would remain weak in 2020. The institutes were only expecting growth of 0.7 per cent in 2020, despite the fact that the number of working days would be higher than in 2019. At the time this report went to press, these assumptions were largely outdated. As a result of the various measures adopted by the countries to contain the corona virus, a significant slump in global economic output and, of course, in Germany is to be expected. The length and severity of this recession depends on many factors, but these can currently only be roughly estimated.

Against this background, the development in Great Britain has almost disappeared from media observation. Boris Johnson's already extremely ambitious plan to conclude an exit agreement with the EU by the end of the year is being further complicated, not least by the pandemic. On 30 June 2020 at the latest, the transitional period can be extended once again beyond 31 December 2020. If this does not happen, there is a risk of an unregulated withdrawal of Great Britain from the EU at the end of the year.

The industry growth in the renewable energy sector continues to be led by China in both wind power and solar energy, followed by the USA. Together, the two countries each account for well over half of the annual growth in wind and solar power.

The main driving force for further growth in the sector will continue to be the international targets on climate protection and sustainable energy supply. The countries within the EU have committed themselves to binding expansion targets. Not only the international agreement of the UN Climate Change Conference in Paris at the end of 2015 has shown that there is now an almost worldwide consensus on climate

protection and the necessary containment of carbon dioxide emissions, even if this is sometimes called into question in the course of changes of government.

In the following, the core markets as well as the new markets of Energiekontor AG for the wind and solar sectors are considered in detail.

Wind and solar energy worldwide

In 2019, global electricity generation from wind power grew by 12% year-on-year and solar energy by 22%, according to a report from the climate think tank Ember (formerly Sandbag). The 265 TWh increase in wind and solar power generation was the second largest ever recorded, but the growth rate slowed – the 14% growth rate was the lowest in many years, according to the Global Electricity Review.

Wind energy output rose from 1,260 TWh in 2018 to 1,404 TWh in 2019, while solar energy increased from 573 TWh in 2018 to 699 TWh last year. China was by far the largest source of wind and solar power last year, followed by the USA and Germany. However, the study also shows how far the world still has to go to achieve the goals of the Paris Agreement. Coal, natural gas and other fossil fuels still supply 62% of the world's electricity.

According to Ember's data, coal was the largest source in 2019, accounting for 35.18% of global electricity generation (despite a 3% decrease compared to the previous year), followed by natural gas (23.52%), hydropower (16.54%), nuclear energy (10.52%), wind energy (5.44%), other fossil fuels (3.47%), solar energy (2.71%), biomass and waste (2.24%) and "other renewables" (0.4%).

The study points out that 87% of the world's coal-fired power generation comes from ten countries, and none of these countries has committed itself to reducing coal use to a level compatible with the IEA's sustainable development scenario (i. e. compatible with the Paris Convention).

The global potential for wind and solar energy is therefore correspondingly large.

Wind and solar energy in Germany

In Germany, in June 2018, the Federal Government set up the Commission for Growth, Structural Change and Employment to draw up a plan and a date for a coal phase-out. On 26 January 2019 the Commission had decided to phase out coal by 2038 at the latest. Less than a year later, on 16 January 2020, the basis for a coal phase-out law was laid within the framework of a federal/state agreement on the coal phase-out, which is to regulate the end of coal-fired power generation by 2038. This had been preceded by several draft laws on reductions in the use of hard coal as well as months of negotiations with various lignite companies. The agreement provides for an orderly decommissioning path until 2038, which includes the decommissioning of approximately 2.8 gigawatts of power plant capacity until the end of 2022 and a further 5.7 gigawatts of power plant capacity until the end of 2029, as well as a review of the decommissioning measures planned after 2030 at the revision dates 2026 and 2029 in order to end coal-fired power generation as early as 2035 if possible. If this happens, half of the lignite capacity will not be shut down until between 2035 and 2038.

But renewable energies will also receive a further boost, not least as a result of the "European Green Deal" presented at the end of 2019 by the new Commission President Ursula von der Leyen, a concept with the aim of reducing net emissions of greenhouse gases to zero in the European Union by 2050 and thus becoming the first continent to become climate neutral. In combination with the shutdown of the last nuclear power plants in 2022, the medium-term phase-out of coal-fired power generation in Germany will also promote the expansion of renewable energies.

The framework for the expansion of renewable energies in Germany is provided by the Renewable Energy Sources Act (EEG). Since the EEG was introduced, the share of renewable energies in gross electricity consumption has risen from 6 percent in 2000 to almost 40 percent in 2019.

Wind energy in Germany

Since the beginning of 2017, the EEG 2017 has been in force in Germany, which stipulates that the promotion of renewable energies for new approvals has been regulated via a tendering model since 1 January 2017.

The tendering procedure is based on a one-step reference yield model. According to this, a single subsidy rate applies over a period of 20 years. Bids are submitted uniformly for a 100 % reference site, which is defined by the average expected wind speed. Depending on the location quality of the specific project (wind speed) for which bids are submitted, the actual amount of remuneration is determined by correction factors along the reference yield curve (a low-wind location is remunerated more than a windy one). Thus, the economic efficiency shifts significantly in favour of low-wind sites, which corresponds to the desire to expand wind energy as far as southern Germany.

The 2014 amendment to the EEG also introduced the definition of an expansion corridor. Since then, this has determined the degression of the remuneration rate fixed at the time of commissioning, which was already included in the previous EEG. The target was set at an annual increase of 2,500 MW. The more this target is exceeded by actually installed capacity of wind turbines, the more drastic the degression of the remuneration rate becomes (so-called "breathing cap"). In the case of repowering projects, only that part of this expansion path of 2,500 MW that exceeds the original capacity at the respective location is counted towards this expansion path.

A special feature of the EEG 2017 was the definition of so-called grid expansion areas. The northern federal states of Lower Saxony (in part), Bremen/Bremerhaven, Hamburg, Schleswig-Holstein and Mecklenburg-Western Pomerania are designated as such, in which the total number of projects that can be awarded in the tenders is limited to 58 percent of the average capacity commissioned in the years 2013 to 2015. Due to the large number of new projects in the priority regions North Rhine-Westphalia and Brandenburg and the expansion of new state markets, Energiekontor is only marginally affected by this rule.

In 2019 there were six rounds of tendering for wind energy and two cross-technology (wind & solar). All wind onshore auctions, with the exception of the one in December 2019, were undersigned, in some cases dramatically. Overall, wind projects with a total volume of only 1,843 MW were awarded in the course of the year, with a total tendered volume of 3,675 MW. Had it not been for the overwritten auction in

December, only 42 percent of the tendered volume would have been called. But the 50 percent figure achieved is also worrying.

In the two cross-technology tenders in 2019, only PV projects were awarded contracts.

In relation to the year 2019 as a whole, just 325 wind turbines with a capacity of 1,078 MW were newly built on shore in Germany, of which 50 wind turbines with 155 MW came from repowering projects. A total of 82 wind turbines with a capacity of 97 MW have been dismantled, so that onshore wind energy in 2019 will have a net additional capacity of 243 wind turbines with 981 MW capacity. This is a dramatic decline in the number of expansions compared to the already poor expansion year 2018 and even more so compared to 2017. 743 wind turbines were installed onshore in Germany in the course of 2018. This corresponds to a gross addition of 2,402 MW. Taking into account the dismantling of 205 wind turbines with a total capacity of 249 MW, the net addition in 2018 was 2,154 MW. This corresponds to a 55 percent decline compared to 2017!

The cumulative number of turbines thus increased to 29,456 as of 31 December 2019 (2018: 29,213 turbines) with a total output of 53,912 MW (2018: 52,931 MW). This corresponds to a meagre expansion of 0.8% and 1.9% respectively. According to estimates by industry experts, an increase of around 5,000 MW per year will be necessary if the 65% target for renewable energies set by the federal government for 2030 is to be achieved.

Status of onshore wind energy expansion:

Development year 2019	Performance	Quantity
Gross additions	1,078 MW	325 WT
thereof repowering	155 MW	50 WT
Dismantling (incl. late registrations) (non-binding)	97 MW	82 WT
Net additions	981 MW	243 WT
Accumulated 31 December 2019		
Cumulative WT (non-binding)	53,912 MW	29,456 WT

Source: German WindGuard GmbH

There are no signs of improvement in the situation for 2020. In the first two tenders for onshore wind, a total of 1,200 MW was tendered. However, only 86 bids with a bid volume of 674 MW were granted; this corresponds to an acceptance rate of just 56.2 percent. From a project planning point of view, the current situation must be seen as conflicting. On the one hand, one would be pleased if the approval backlog could be cleared and projects could be realized faster, thus increasing the total number of realized projects. This would make a significant contribution to the full supply of electricity from renewable energies, especially in view of our claim to make a significant contribution to the full supply of electricity from renewable energies. On the other hand, due to the small number of subsidized projects, the compensation rates have been set close to the maximum price of 6.20 ct/kWh. This means that very adequate margins can be achieved for subsidised projects.

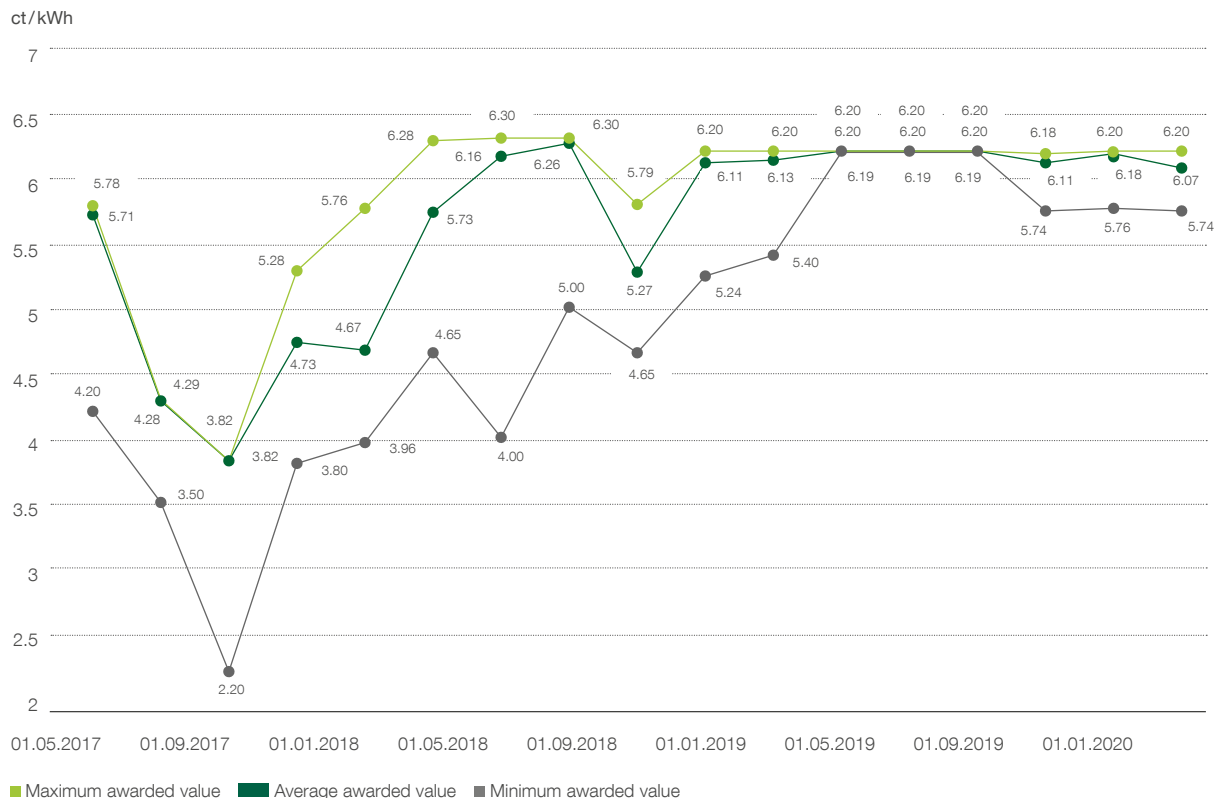
By the end of 2020, around four gigawatts (GW) of currently installed wind power capacity will be excluded from EEG support. It would be desirable if repowering were possible under easier conditions on the existing sites concerned.

Existing plants are usually located at the most cost-effective and accepted locations. There, existing plants have been used to pre-define the areas with regard to spatial planning as well as nature and landscape. Especially for existing plants that are no longer located on wind-suitable sites in the updated regional planning, further measures for continued operation and thus CO₂ avoidance should be considered. The extent to which this is implemented by politicians has a decisive influence on the number of projects that can be repowered in the future.

The German Wind Energy Association (BWE) expects an increase of 1,400-1,800 MW in 2020. A reversal of the trend in 2020 or next year will only succeed if the Federal Government consistently and quickly removes the obstacles to approval and avoids new obstacles.

According to industry forecasts, around 288 GW could be added onshore in the years 2019-2023 worldwide. In Europe, around 72 GW could be realized during this period, with an average annual addition of 14.4 GW. The prerequisite for this is that the member states implement the requirements of the new EU Renewable Energy Directive. It is also

Development of the average hammer prices for (wind onshore) in Germany



important that the expansion of the grid infrastructure is accelerated. In Germany, a gross increase of 11.2 GW could be achieved by 2023.

The demand for renewable energy is increasing more and more, and wind onshore plays a central role here, emphasises the Federal Association. The commitments of large technology companies to climate-neutral production show that the provision of electricity from renewable sources is increasingly becoming a location factor. The demand for wind power is also driven by additional requirements for electrification and sector coupling. Moreover, the German government's decision to phase out coal-fired power generation reinforces the need to accelerate the expansion of renewable energies.

The average turbine configuration of wind turbines is described by the turbine output, the rotor diameter and the hub height. From the rated power in relation to the swept rotor area of a wind turbine results its specific area power, which also serves as a parameter for the turbine description.

In the course of 2019, turbines with an average output of 3.3 MW were installed in Germany. This represents an increase of 3% compared with the previous year. The rotor diameter and hub height also increased compared to the previous year. With an average rotor diameter of 119 m and a hub height of 133 m, the average total height is 193 m.

At 302 W/m², the specific area output has hardly changed compared to the previous year.

Average plant configuration:

Average configuration	Additions Year 2019	Change from previous year
System performance	3,317 kW	+3 %
Rotor diameter	119m	+2 %
Hub height	133m	+1 %
Total amount	193m	+1 %
Specific area output	302 W/m ²	0%

Source: German WindGuard GmbH

The decommissioning recorded in 2019 amounts to 82 wind turbines with 97 MW. Not all of the dismantled turbines can be replaced by new ones in the context of repowering measures. If no new plants can be approved on project sites, old plants that have reached the end of their technical or economic life are dismantled without replacement. With the expiry of EEG support at the end of 2020 for plants commissioned in or before 2000, the economic pressure on older plants will increase significantly. Dismantling for economic reasons could therefore increase considerably in 2020.

In 2019, 50 WT with 155 MW could be identified as repowering plants replacing old WT. The share of repowering in the construction of new plants is thus comparable to that of previous years, but the absolute figures – just like the construction of new plants overall – have fallen significantly.

The space requirements of the new plants, which are usually much higher and have larger rotor diameters, are greater than those of the old plants. As a result, in repowering projects a large number of small and low-power turbines are often replaced by a smaller number of modern state-of-the-art turbines. Nevertheless, repowering plants can usually achieve higher energy yields than the old, dismantled wind turbines.

Wind energy in Great Britain

The British government announced in March 2020 that after the exclusion of onshore wind energy for 5 years it may again participate in tenders for the promotion of renewable energies, the so-called Contracts for Difference (CfD). The first auction is planned for 2021.

Since the exclusion of onshore wind energy from the CfD tendering procedure, the wind farms realised in the UK are based on pure market prices, typically with long-term power purchase agreements (PPAs). Recently, there have been increasing signs that investment funds are willing to accept market fluctuations in electricity prices, so that long-term PPAs are no longer the only way to realise them. In energy account projects, PPAs are negotiated directly between the operating company and an end user, usually large international companies (so-called end-user PPAs). In a PPA, the basic remuneration for the electricity produced is agreed for a fixed term. As a rule, the agreed tariff is adjusted for inflation over the term of the PPA.

Since the abolition of subsidies in the United Kingdom, the onshore wind industry has sought to maintain the profitability of projects by improving turbine parameters (e. g. more powerful turbines with larger hub heights) while reducing costs. Scotland, which has its own independent planning rights, has a more positive attitude towards larger turbines and the expansion of onshore wind energy. Not least for this reason, Energiekontor has been concentrating for years on securing suitable sites in Scotland where large wind farms are to be built with excellent wind conditions.

As mentioned above, the UK is planning to reintroduce onshore wind to the Contracts for Difference (CfD) system. This system is the government's main mechanism for supporting low-carbon power generation. CfDs provide incentives for renewable energy investment by directly protecting developers of high up-front, long-lived projects from volatile wholesale prices and preventing consumers from paying higher support costs when electricity prices are high. Thus, the CFD system functions similarly to the German tendering system in terms of its basic principle.

In principle, however, all Energiekontor projects in Scotland will continue to be designed in such a way that they are economically viable without the CFD system.

The resolved withdrawal of Great Britain from the EU (Brexit) at the end of 2020 has an impact on the business of Energiekontor AG to the extent that the possible re-importation of customs duties and increased exchange rate and interest rate fluctuations could increase the costs for the construction of wind farms and their financing. Such effects are already preventively priced in the profitability calculations of Energiekontor's development projects and, where it makes economic sense in the financing process, hedged.

Currency fluctuations would mainly affect income from British wind farms in the Company's own portfolio. However, as the vast majority of operating costs in the UK are also incurred in British pounds, the expected overall effect on the parent Company is small. In summary, it can be stated that there is some uncertainty in the short term about the possible effects of Brexit on the European domestic market and that investments by other EU states in Great Britain may be held back for the time being. In the medium term, however, Energiekontor still does not expect any lasting effects on the project business in the renewable energy sector.

Wind energy in Portugal

At the end of 2018, the Portuguese government published the PNEC (National Energy and Climate Plan) in order to achieve the European target agreed jointly in 2018 of a 32% share of renewable energies by 2030. This PNEC is the Portuguese renewable energy and climate strategy for the period 2021 to 2030 and replaces the previous plan. In recent years, the development of renewable energy has stagnated. Thus, there are still no new tendering procedures for the award of grid licences as a prerequisite for the development of new projects. Although applications can be made for grid connections for wind and solar parks, the electricity is remunerated at the general electricity market prices. Project developers therefore only have the option of applying for licences at market price conditions (MIBEL). Just like in Germany, energy suppliers in Portugal are legally obliged to purchase wind power.

One hurdle is the increased requirements in many places with regard to environmental and nature conservation. For grid access, the project developer therefore needs two essential prerequisites: sufficient capacity to accommodate a further wind or solar farm at the grid connection point and a positive environmental impact assessment.

Wind energy in the USA

In recent years, the USA has become the second largest producer of renewable energy after China. Wind energy in particular is playing an increasingly important role. Last year, wind power generation in the USA overtook hydropower generation for the first time, according to data from the U.S. Energy Information Administration (EIA). The figures from the EIA's "Electric Power Monthly" report, published at the end of February 2020, show that annual wind power generation in 2019 has reached just over 300 million megawatt hours (MWh). This was around 26 million MWh more than the production from hydropower.

Overall, total renewable electricity generation, which includes sources such as photovoltaic, geothermal and landfill gas, reached more than 720 million MWh in 2019, compared to almost 707 million MWh in 2018, but coal still accounts for a larger share: in 2019, coal-fired generation exceeded 966 million MWh.

According to the EIA's "Today in Energy" briefing, which was also published in February 2020, wind power generation has steadily increased over the past decade. This is partly due to the extension of the Production Tax Credit, or PTC. The PTC is a system that gives operators a tax credit per kilowatt hour of renewable power generation. It is valid for the first 10 years of operation of a plant.

At the end of 2019, the USA had 103 gigawatts (GW) of wind capacity, 77% of which was installed in the last decade. According to the EIA, the USA has 80 GW of hydropower capacity.

Wind energy capacities are to be massively expanded in the following years. It is planned that in 2030, 20 percent of the national electricity mix will be covered by wind energy. This means that wind power should remain the largest renewable energy producer in the USA for the foreseeable future.

In the development of wind energy projects, Energiekontor has, after detailed grid studies, initially focused on the very windy and still relatively underdeveloped region of the western part of South Dakota. Through the Southwest Power Pool (SPP), an umbrella organisation of several power suppliers and grid operators, electricity from the region can be sold in several states of the Midwest as far as the Texas border. As in Europe, a permit is required to build wind farms in South Dakota.

In addition to import duties on foreign steel, which could temporarily influence the prices for wind turbines, the Energiekontor Group does not currently expect any further political restrictions that could possibly have a negative impact on the market for renewable energies in the USA.

Energiekontor assumes that the profitability of new projects in the USA after the expiry of the tax credits will be based solely on the conclusion of PPAs. If these can be concluded at prices below those for electricity from conventional power plants, the expansion of renewable energies in the USA should be able to proceed at an accelerated pace. Energiekontor also wants to live up to its pioneering role in the US market and realize wind projects without subsidies in the future.

Wind energy in France

With the “Loi relative à la transition énergétique pour la croissance verte”, the French Energy Transformation Act, or LTE for short, adopted in August 2015, France set itself ambitious targets for the expansion of renewable energies. By 2050, the country is to achieve extensive CO₂ neutrality. This target is translated into concrete milestones, for example for the expansion of renewable energies in the electricity and heat sector, the increase in energy efficiency or the reduction in the consumption of fossil fuels, every five years via two complementary planning and monitoring instruments: the national decarbonisation strategy (Stratégie nationale bas-carbone, SNBC) and the multiannual energy programming (Programmation pluriannuelle de l'énergie, PPE). The SNBC sets an individual CO₂ budget for each of the greenhouse gas emitting sectors. The EPP summarises the adjustments to the French energy supply necessary to meet these targets in a uniform strategy and defines the specific energy mix for the respective planning period.

One of the most important measures in French energy and climate policy up to 2028 is the shutdown of 4–6 nuclear reactors, including the one in Fessenheim. A total of 8 nuclear power plants are to be decommissioned by 2035. The goal is to reduce the share of nuclear power in the electricity mix to 50%. At the same time, a doubling of the installed capacity of renewable energy plants from 20% (in 2018) to 40% in 2028 is to be achieved.

Specifically, the installed capacity of onshore wind turbines is to be expanded to 24.1 GW in 2023 and to 33.2 to 34.7 GW in 2028. This would lead to an increase in wind farms from 8,000 wind turbines at the end of 2018 to around 14,500 wind turbines in 2028

In February 2020, the statistical department of the Ministry for Ecological and Solidarity Change (MTES) published the figures for the fourth quarter of 2019 for the expansion of wind energy in France. According to these figures, the total installed capacity as of 31 December 2019 was 16.5 GW.

Successful implementation of France's ambitious goals will depend to a large extent on how the government and the authorities manage to simplify the current challenges within the administrative regulations. Furthermore, the decentralised implementation of the projects will depend to a large extent on how the market players succeed in communicating the opportunities and necessity of the centrally set objectives in the EPP document at the local and regional level within the population and the municipalities and in ensuring that all political bodies and the population pull together.

Solar

At the end of 2019, more than 600 GW of PV capacity had been installed worldwide; around 100 GW more than in the previous year. As with wind, China dominates the global market for the construction of PV systems. In 2019 the total newly installed capacity there rose to almost 50 GW. The accumulated total photovoltaic capacity in China thus amounted to almost 225 GW at the end of 2019.

In Germany, around 3.9 GW of PV capacities were added in 2019. This increased the accumulated total capacity of installed PV systems in Germany to just under 49 GWp at the end of 2019, spread across more than 1.7 million systems. In 2019 PV covered 8.2% of gross electricity consumption in Germany with 46.5 TWh of electricity generation, while all renewables together accounted for 43%. On sunny days PV electricity can temporarily cover up to 50% of Germany's current electricity consumption.

In Energiekontor's core markets, the south of Portugal offers geographically very good conditions for the use of solar energy, but the restrictions described in the "Wind" section currently apply in Portugal for PV as well. In the UK the development of PV projects for Energiekontor is essentially

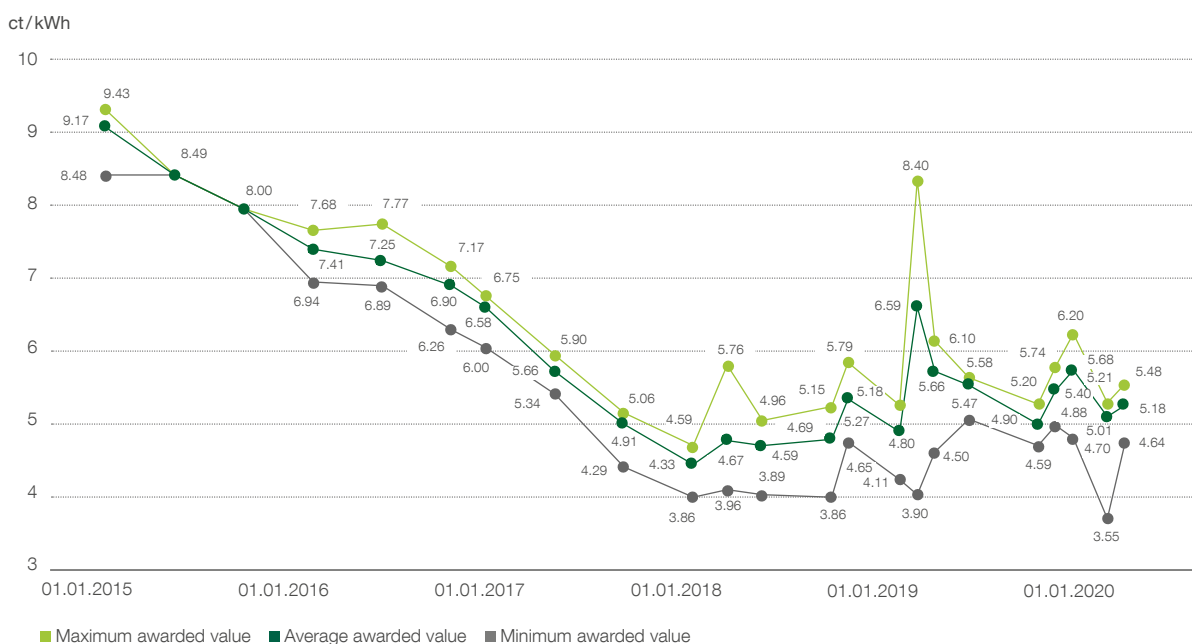
limited to the consideration of being able to use the grid connections of a wind farm at the same location for a solar farm at the same time. Otherwise the solar activities of the Energiekontor Group are currently concentrated on the markets of Germany, USA and France.

Germany

Since 2015, financial support for electricity from newly commissioned PV ground-mounted systems in Germany is only possible through successful participation in the central tenders of the Federal Network Agency.

In the tenders for the 2018 financial year, the remuneration of the average volume-weighted award values fell very significantly, stabilising at the lower level since the 2019 financial year and rising slightly again.

Development of the average hammer prices for solar projects in Germany



Up to now, the usable areas for PV parks have been determined by the EEG. The potential locations are essentially limited to conversion areas and peripheral areas (110-metre strips) along motorways and railway lines. Further prerequisites for the acceptance of a bid are a decision on the site and the provision of an initial security of € 5,000 per MW upon submission of the bid. If the bid is accepted, a second security of € 45,000 per MW (€ 20,000 in the case of the present resolution on the articles of association) will be deposited, which – similar to wind – is intended to ensure the seriousness of the bid.

In 2019, Energiekontor was able to report that a PPA had been concluded with EnBW for an 85 MW solar park near Rostock. The agreement provides that EnBW will purchase 100 percent of the electricity at a fixed price. Within the agreed contract period of 15 years, the two companies expect a total amount of electricity produced of around 1.3 terawatt hours. The conclusion of this PPA was an important milestone not only for Energiekontor, but for the entire industry. Much larger solar parks can be realised on the basis of a PPA. As a pioneer in the renewable energy sector, Energiekontor has set itself the goal of being one of the first to realise wind and solar parks whose electricity production costs are lower than those of the conventional energy industry. This PPA conclusion shows that Energiekontor has come significantly closer to this goal by increasing efficiency and reducing prices along the entire value chain. In the further course of 2019 another PPA could be concluded with innogy. Both projects will go into construction in 2020.

France

In 2019, as in the previous year, France has seen an increase of approx. 0.9 GW in installed PV capacity to currently just less than 10 GW. In the medium term, capacities are to be at least doubled. By 2023, the capacity for electricity from photovoltaics in France is to be expanded to 20.1 GW and to 35.1 to 44 GW in 2028.

Since 2016, electricity from ground-mounted systems with a size of 500 kWp to 30 MWp has been paid for in France via tenders. The decisive factor for the development of the French photovoltaic market will be the extent to which nuclear power plant capacities are actually reduced in the following years.

Due to the lowest achievable electricity price, open space plants in particular are to be expanded more strongly. To support this expansion, the annual tender volume for

ground-mounted projects has been increased to 2 GW per year, with two tender cycles of 1 GW per year. To ensure that these very ambitious goals are achieved, the government has announced the following measures to accelerate the expansion of renewable energy in addition to expanding the tender volume:

- Simplification of the administrative processes to shorten the long project development time.
- Further support for the “investissement participatif” / “crowd-funding” platform to enable citizens and municipalities to participate in the value creation of renewable projects.
- Compared to today, increasingly larger open space plants are to be developed more strongly in the future

It can be expected that for open spaces with project sizes (>50 MW), subsidy-free projects based on PPA/CPPAs will gradually develop, which will lead to an upward change in the average size of the parks. Energiekontor has recognised this trend early on and secured appropriate project areas.

USA

In 2019, 13.3 gigawatts (GW) of capacity were installed in the US solar market, an increase of 23% over the previous year. According to a report by the Solar Energy Industries Association (SEIA) and Wood Mackenzie Power & Renewables, solar energy accounted for almost 40% of the new power generation capacity added in the US last year. Cumulative photovoltaic operating capacity in the U.S. now exceeds 76 GW. Looking ahead, Wood Mackenzie predicts growth of 47% this year with nearly 20 GW of installations.

For the development of solar projects, Energiekontor currently focuses on the western and central region of Texas. Here there are excellent irradiation conditions with a global radiation of sometimes well over 2,000 kWh/m² p. A. (kilowatt hours per square meter and year), i. e. about twice as much as at very good German locations. The electricity production costs for solar parks are correspondingly lower there. The power grid in western Texas is well developed and the demand for electricity is very high due to several major cities in the region. Other regions in Texas, especially around the major city of Houston, are also very promising.

As in the case of wind turbines, a PPA between the project company and a large industrial customer (end-user PPA), a grid operator or an electricity trader, also for solar parks in the USA, forms the basis for the profitability of a project. Energiekontor sees considerable potential for end-user PPAs, particularly with large companies based in the region, large data centre operators or local energy suppliers.

In contrast to other states, Texas does not require an independent official permit to build a solar park. However, in order to build on a parcel of land, the rights to use the surface (Surface Rights) and, through agreements with the owners, the rights to the underground (Mineral Rights) must be secured and a series of investigations and studies (environment, nature conservation, grid, etc.) must be carried out to ensure that the project is in compliance with the law. In addition, so-called "tax abatements" – exemptions from local taxes – must be agreed with the authorities. In contrast to the planned development of wind projects in South Dakota, for example, the marketing of electricity from the solar parks there is restricted to the territory of the Texas grid operator ERCOT.

Business performance by segments

a) Project planning and sales (wind, solar)

The development in the project planning and sale of wind and solar parks in 2019 went essentially according to plan, had it not been for significant weather-related delays in the Waldfeucht wind park project in December 2019, which did not allow the project to be commissioned until January 2020. While the ongoing projects were continuously developed and important milestones were reached, sales activities were limited to a manageable number of projects.

In addition to the Waldfeucht wind farm (13.5 MW), which was sold in September (but this sale did not affect earnings until it was commissioned in 2020), the Zapel solar farm (6.2 MW) was also sold in the first half of 2019.

The Withernwick II project (8.2 MW), the expansion of the Group's own wind farm Withernwick, was successfully advanced and commissioned at the beginning of the second quarter of 2019. Withernwick II is also the first subsidy-free wind power project in the UK.

Energiekontor is making good progress in developing the project pipeline in Scotland. By the end of the 2019 financial year, the pipeline had grown to almost 1,500 MW and permits had been granted for six wind projects with a total of more than 150 MW. In 2020, we aim to achieve credit value for the first projects. However, due to the sluggish expansion of the grid in this region, the first wind farm is not expected to be realised until 2021 at the earliest.

Since there have been no new tenders for grid connections in Portugal for years, the activities of the Energiekontor Group there are mainly limited to the management of existing plants.

In fiscal year 2019, two wind farms (18 MW and 9 MW repowering) and 3 solar farms (13 MW) successfully participated in the tenders.

Significant project progress was achieved in the USA in 2019. Initially, the focus will be somewhat more on the development of solar projects, as these can be implemented more quickly. The first project sales are to take place there soon.

Project development in the US wind sector takes a long time, and we therefore do not expect to see any income from it until 2022 at the earliest, while the solar sector is expected to make a contribution to earnings in the current financial year if the rights to one or two solar projects are sold to investors.

France is an attractive location for both wind and solar projects due to its geographical conditions, but at the same time it is also a very challenging terrain. On the one hand, the supposedly cheap nuclear power continues to play a very dominant role and contributes to the rejection of renewable energies that still exists in part. In France, the protection of the countryside in particular is also causing very strong resistance to wind power. Citizens' initiatives and lawyers and associations specialising in this area

regularly take action against planned projects and thus ensure very long project durations. But the demand for electricity from renewable sources is enormous. Not only that France has committed itself to the expansion of renewable energies. Also the fact that in France heating is mainly done with electricity and therefore the demand is correspondingly high speaks for this market.

For this reason, negotiations with landowners on the rights of use are continuing with the support of freelancers. For the development of wind projects, the region in the north-west of the country has been identified, and for the development of solar projects the southwest. Toulouse was chosen as the first office location for Energiekontor's solar activities in France, while an office in Rouen coordinates wind activities. Both offices were very successful in the past fiscal year in acquiring suitable land areas. However, the first contributions to earnings from the solar segment are not expected until 2023 and in the wind segment until 2024 respectively.

b) Power generation in Group-owned wind farms

In accordance with the growth strategy of the Company, according to which, in terms of the expected margin, about half of all projects developed by the Company itself per financial year are to be transferred to the Company's own portfolio, the Board of Management of Energiekontor AG has decided to transfer the Witherwick II wind farm (8.2 MW) to the Company's own portfolio.

In addition, the focus continued to be on measures to optimize operations management by reducing costs and increasing earnings, such as

- **Repowering:** Energiekontor intends to replace the old turbines in all wind farms where there is the possibility of successively replacing the old turbines with new, more powerful ones and thus at the same time extending the operating time at these locations.
- **Increased efficiency through technical innovation:** This includes yield-boosting measures such as optimizing blade aerodynamics.
- **Optimisation of operating costs:** To this end, the plant management has introduced an efficiency improvement programme which aims to reduce operating costs per kilowatt hour generated through a series of measures.
- **Extension of useful life:** the terms of the existing turbines are to be secured beyond the guaranteed state

subsidisation period by means of suitable lease and loan agreements.

- **Refinancing and repayment of loans:** liabilities and the interest burden in the Power Generation in the Group-owned Wind Farms segment are to be reduced via refinancing of existing farms.

In 2019, the Group's wind yields remained slightly below their long-term average values, at around 92.5 percent. Income from the operation of the Group's own wind farms in Germany showed a greater deviation than wind yields in the UK and Portugal, which were only slightly below average. Solar yields were slightly above average.

c) Business development, innovation and others

Due to the expansion of the Group's own portfolio of wind and solar parks, income from ongoing operations has risen continuously in recent years. Efficient market observation and the resulting conclusion of contracts for direct electricity marketing within the framework of the EEG remuneration have contributed to a further improvement in the revenue situation. Almost the entire German wind farm portfolio was placed with well-known direct electricity marketers. Here, Energiekontor continued to achieve attractive marketing conditions.

As a result of the tendering procedure and the resulting drop in prices for electricity from renewable energy sources, direct power purchase agreements (PPAs) between the generator and the end user are also becoming increasingly interesting in Germany. Energiekontor is holding talks with interested major customers on this topic and was able to announce the first contracts with EnBW and innogy in 2019.

In the field of optimising the operation of wind farms, further measures were developed and tested in the 2019 financial year. These include measures to improve turbine control and wind tracking as well as the reduction of downtimes by converting all wind farms to permanent live data monitoring with automated fault clearance workflow. More efficient maintenance and repair concepts with the aim of being able to continue to operate wind farms economically even after the expiry of the EEG compensation are also part of these measures.

General statement

In the past fiscal year 2019, the operating business largely proceeded according to plan; however, there was a weather-related delay in commissioning the Waldfeucht wind farm in NRW at the turn of the year 2019/2020. The annual results (EBT) of Energiekontor AG and the Group would have been fully in line with the forecast made at the beginning of the financial year if the wind farm had been commissioned at the end of the year as planned. This means that the entire earnings contribution in the double-digit million euro range has been shifted from 2019 to the 2020 financial year, thus increasing the Group's EBT in 2020 accordingly.

The Witherwick II wind farm (8.2 MW, April 2019) was commissioned and taken into the Company's own stock, while the Zapel solar farm was completed and sold. As a result, project revenues were very moderate overall in the past fiscal year.

Earnings in the segment "Power Generation in Group-owned Wind and Solar Parks" were slightly below expectations overall and varied in the individual countries in which Energiekontor operates wind and solar parks. In Germany, wind yields were around 7.5 percent below the

long-term average, while Great Britain and Portugal had only slightly below-average wind years.

The bottom line is that segment EBT was slightly below expectations.

Due to the further expansion of the Company's own park portfolio and the overall increase in the number of wind parks managed compared with the previous year, the income for operational management was also increased to a small extent. The segment EBT in the segment "Business Development, Innovation and Other" was in line with expectations and the forecast.

Due to the postponement of the Waldfeucht wind farm project, the targets of Energiekontor AG and the Group, as well as those of the operating divisions and profit centres, were only partially achieved in the 2019 financial year.

The total pipeline of projects in various stages of development grew further to a total of more than 4,200 MW at the end of 2019 due to the very successful acquisition activities in Germany and Great Britain, but also in the new country markets France and the USA. It thus forms the basis for the successful continuation of the Company's positive development in the following years.

Secured areas
(User contracts,
exclusivity, option)

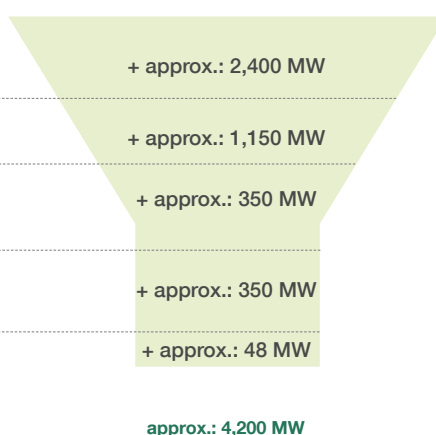
In planning approval /
hearing

Commissioning 2022 / in
preparation for approval

Approved (Commissioning 2021) /
in the approval process /
in preparation for approval

IBN 2020

Total Pipeline
(as of 31 December 2019)



Regional distribution

Germany:	2,000 MW
Great Britain:	1,500 MW
USA:	500 MW
France:	200 MW

Wind:	3,450 MW
Solar:	750 MW

Earnings position, financial position and assets position of the Group

Earnings position of the Group

The 2019 fiscal year did not go as planned for the Energiekontor Group due to the weather-related delay in the commissioning of a wind farm in North Rhine-Westphalia. As a result of the delayed commissioning, the entire earnings contribution in the double-digit million range will be postponed to 2020. However, with the successful realisation of a wind farm in the UK and a solar park in Germany, the financial year was largely positive, although the result of the previous year will not be reached. The sale of the solar park has a positive effect on the consolidated balance sheet and income statement. The acquisition of the British wind farm into the Company's own portfolio represents a further continuous expansion of the Group's own portfolio of wind and solar farms in accordance with the Company's growth strategy. In addition, there is a wide range of potential for successful future earnings development in Germany and abroad, which was newly developed in the fiscal year. The Group reports the following positive results:

TEUR	2019	2018
Consolidated net earnings	244	6,680
plus tax expense	526	2,932
EBT	770	9,612
plus financial result	15,532	12,465
EBIT	16,302	22,076
plus depreciation and amortisation	22,551	18,546
EBITDA	38,853	40,622

For the pro forma figures (EBIT, EBITDA, etc.) shown above and used in this report, see note on page 215.

Due to the already described weather-related delay in the commissioning of a wind farm in North Rhine-Westphalia, the postponement of the project profit to 2020 results in a clearly negative EBT in the "Project Planning and Sales (wind, solar)" segment for the fiscal year amounting to T€ -9,925 (previous year T€ -4,643), which would have been positive in the event of scheduled completion.

In the segment "Electricity generation in group-owned wind/solar parks", EBT for the fiscal year was significantly lower than in the previous year, for which the following reasons are decisive: While the previous year's result was boosted by one-off special remuneration of T€ 3,273 received in the United Kingdom, segment earnings in the current financial year were reduced by one-off early repayment penalties of T€ 1,147 in Portugal for the refinancing of a wind farm and by the reduction in EBT of T€ 723 resulting from the first-time application of IFRS 16. If the EBT development is adjusted for these extraordinary effects, the trend is much more meaningful and shows a positive change of T€ +1,198 in an adjusted year-on-year comparison.

EBT in the segment "Business Development, Innovation and Others" developed positively, among other things due to a corresponding increase in business management services, and increased to T€ 2,935 (previous year T€ 2,550).

Group sales decreased to T€ 63,700 (previous year T€ 110,186) due to the reduced project implementation in the wind sector. Consolidated sales in the fiscal year under review comprise sales of the segments "Project development and sales (wind, solar)" in the amount of T€ 5,642 (previous year: T€ 52,920), "Electricity generation in Group-owned wind/solar parks" in the amount of T€ 54,175 (previous year: T€ 53,528) and "Business Development, Innovation and Others" in the amount of T€ 3,884 (previous year: T€ 3,738).

The segment "**Project development and sales (wind, solar)**" includes the proceeds from the sale of wind and solar parks as well as proceeds from services in connection with economic planning as well as contractual and legal processing, project management, management in the foundation phase, sales and advertising measures and the procurement of equity and external funds for the wind and solar park operating companies in the amount of T€ 5,642 (previous year T€ 52,920).

Sales in the segment "**Electricity generation in Group-owned wind/solar parks**" increased slightly year-on-year to T€ 54,143 (previous year T€ 53,528). The income from the operation of Group-owned wind farms in Germany was moderately below the expectations of an average wind year. A slightly below-average wind year was recorded in Great Britain and Portugal.

Sales in the segment “**Business Development, Innovation and Other**”, in particular from business management services, amounted to T€ 3,884 (previous year T€ 3,738).

The item **changes in inventories and other own work capitalised** totalling T€ 32,708 (previous year T€ 18,516) results in particular from the capitalisation of expenses for the largely completed but not commissioned wind farm in North Rhine-Westphalia and the increased inventories as a result of the continued intensification of acquisition and planning activities.

Other operating income, which is determined by the release of provisions, especially in connection with the construction of wind parks, increased slightly compared to the previous year.

TEUR	2019	2018
Dissolution of provisions	2,966	3,028
miscellaneous other operating income	868	191
Subsidies	104	0
Damages/insurance refunds	48	48
Income from currency conversions (balance)	0	96
Other operating income	3,986	3,363

At T€ 30,501, the **cost of materials and purchased services** decreased due to the lower construction activities in the year under review (previous year T€ 60,631).

Personnel expenses increased to T€ 14,679 (previous year T€ 13,667) due to increased salary payments and profit-sharing.

TEUR	2019	2018
Salaries	12,526	11,937
Social security contributions and expenses	2,152	1,730
Personnel expenses	14,679	13,667

The reported **depreciation of property, plant and equipment and amortisation of intangible assets** amounting to T€ 22,551 (previous year T€ 18,546) mainly relate to scheduled depreciation of the Group's own wind and solar parks, but also include the amortisation of rights of use to be capitalised for the first time in fiscal year 2019 in accordance with IFRS 16.

TEUR	2019	2018
Depreciation on wind/solar parks and technical equipment	19,680	18,495
Depreciation of operational and office equipment	240	48
Amortization of intangible assets	96	3
Depreciation on land and buildings	2,535	0
Depreciation and amortisation	22,551	18,54

The increased depreciation of property, plant and equipment compared with the previous year is mainly due to the wind and solar parks that were transferred to the company's own portfolio at the end of the previous year and in the year under review, as well as depreciation of rights of use, which must be carried out for the first time in the year under review due to the first-time application of IFRS 16. This depreciation and amortisation amounts to T€ 2,535 for rights of use of land and buildings, T€191 for rights of use of other equipment, furniture and fixtures and T€ 83 for intangible assets. In this context, reference is made to the further detailed information in the notes. With regard to these and other effects resulting from the first-time application of IFRS 16, please refer to the detailed explanations in the notes to the consolidated financial statements.

Repair, maintenance and lease costs for the Group's own wind and solar parks, distribution costs in connection with the issue of the bonds, expenses from currency translation as well as legal and consulting costs essentially result in **other operating expenses** of T€ 16,362 (previous year T€ 17,144).

The decline in lease payments is due to the first-time application of IFRS 16, according to which only variable lease payments are to be reported under **other operating expenses**.

TEUR	2019	2018
Repairs and maintenance of wind- /solar parks	7,085	6,390
Administrative expenses	1,667	1,514
Legal, tax, audit and other consultancy fees, legal costs	1,536	1,470
Fees, charges, contributions	1,348	1,155
Project-related expenses (incl. planning, travel expenses, etc.)	1,080	1,091
Expenses from currency conversions (balance)	1,052	0
Advertising and distribution costs	650	629
Insurances	648	614
Lease payments for wind /solar parks	600	3,039
Electricity consumption wind turbines/ solar plants	560	397
Miscellaneous other operating expenses	80	212
Occupancy costs	57	634
Other operating expenses	16,362	17,144

Interest income fell in the year under review to a total of T€ 61 (previous year T€ 783). Interest expenses for the long-term financing of the Group's own wind and solar parks, interest during the construction period for the wind and solar parks erected in the financial year, costs for the utilisation of working capital loans and bond capital as well as interest to be recognised due to the first-time application of IFRS 16 result in **interest expenses** totalling T€ 15,593 (previous year T€ 13,255). The other interest expenses also include the compounding amounts for liabilities from rights of use to be recognised for the first time in accordance with IFRS 16 in the amount of T€ –1,286 (previous year T€ 0).

TEUR	2019	2018
Total interest and other income	61	783
Interest expenses to banks for capex loans	5,523	6,404
Interest expenses for bond capital	4,808	5,386
Financing expenses for other liabilities (external limited partners)	278	–343
Other interest expenses	4,985	1,808
Interest expenses	15,593	13,255
Interest result	–15,532	–12,472
Income from investments	0	7
Financial result	–15,532	–12,465

Financial position of the Group

The financial management of the Energiekontor Group is based on the guiding principle – financial stability and sustainable growth – and continues to be based on an efficient and sustainable use of the available financial resources, taking into account the expected developments in the industry.

The financial policy of the Energiekontor Group will thus continue to follow the proven strategy of the past fiscal years. With the issuance of corporate bonds, which has been successful throughout, the Company managed to create an important foundation for the Group's future growth, independent from banks' loan policies.

In the year under review, Energiekontor Finanzanlagen VII GmbH & Co KG successfully issued a step-up interest bond in the amount of T€ 13,400. Scheduled repayments to bondholders were made in the financial year in the amount of T€ 2,868. All scheduled repayments due in the year under review were repaid in full.

Credit lines with banks exist within the framework of short-term working capital for the interim financing of wind farm and solar park projects in the amount of T€ 23,000 (previous year T€ 24,500).

Long-term bank financing, which mainly relates to the financing of investments in the Group's own wind and solar parks, amounted to T€ 106,924 at the end of the financial year (previous year T€ 120,679).

Cash and cash equivalents decreased to T€ 66,989 (previous year T€ 73,291) as of the balance sheet date. Other securities decreased due to the maturity of two German government bonds and amounted to a total of T€ 36 (previous year T€ 5,061).

Liabilities to banks decreased to T€ 137,783 (prior year: T€ 138,450) as of the balance sheet date. Repayment of the loan liabilities of project companies is scheduled in the year under review as in previous years.

TEUR	2019	2018
Non-current liabilities to banks	106,924	120,679
Current liabilities to banks	30,858	17,771
Liabilities to banks	137,783	138,450

Non-current liabilities generally relate to the financing of investments by the Group's own wind and solar park operating companies from the construction and purchase of wind and solar parks.

Current liabilities mainly comprise the financing of wind and solar park operating companies that are in the process of being set up and are intended for sale in the short term, working capital loan drawdowns for interim financing loans to wind and solar park operating companies, as well as accrued interest from the financing of the Group's own wind and solar parks and the repayments on long-term loans due within one year.

Total financial liabilities amount to T€ 279,654 (previous year T€ 227,871) and are composed as follows:

TEUR	2019	2018
Non-current financial liabilities		
Non-current liabilities to banks	106,924	120,679
Bond capital	92,267	81,912
Liabilities from finance leases	32,578	0
Other financial liabilities	7,525	3,602
Liabilities to external limited partners	1,123	1,040
Non-current financial liabilities	240,417	207,232
Current financial liabilities		
amounts owed to credit institutions	30,858	17,771
Liabilities to group-external limited partners	3,000	0
Bond capital	2,958	2,868
Liabilities from finance leases	2,421	0
Current financial liabilities	39,237	20,639
Total financial liabilities	279,654	227,871

The increase in total financial liabilities results from the first-time application of IFRS 16, according to which leasing liabilities are to be carried as liabilities for the first time for a total of T€ 34,999.

The liabilities to limited partners outside the Group reported above under **non-current financial liabilities** relate to the shares of limited partners outside the Group (non-controlling interests) in wind farm operating companies, which are to be reported as liabilities in accordance with IAS 32 and are intended to remain in the Group.

In the area of **current financial liabilities**, such liabilities exist towards limited partners outside the Group, insofar as shares in project companies have already been sold, whose wind parks will only be completed and handed over after the balance sheet date.

Other financial liabilities include the negative market values of the interest/currency swaps (cash flow hedges) concluded to secure long-term debt service in the amount of T€ -6,514 (previous year T€ -2,545) as a result of the low capital market interest rates.

Cash flow from operating activities led to an overall cash inflow of T€ 13,343 (previous year T€ 45,433) due to the positive business development in the financial year.

In particular due to the commissioning of a wind farm in Great Britain, there was a negative **cash flow from investing activities** of T€ -4,070 (previous year: T€ -17,624) despite the sale of significant securities in the fiscal year.

The **cash flow from financing activities is negative in the financial year** at T€ -14,523 (previous year T€ -23,616), as high payments for the repurchase of own shares were used in addition to the dividend.

Excluding exchange rate-related changes in cash and cash equivalents, the cash flow for the financial year therefore amounts to T€ -5,249 (previous year T€ 4,193).

Assets position of the Group

Equity of T€ 56,200 (previous year T€ 68,400) is reduced compared to the previous year due to fair value measurements and expenses in connection with the share buyback programme. Due to the increased balance sheet total of T€ 389,899 (previous year: T€ 348,437), the equity ratio therefore decreased to 14.4 per cent (previous year: 19.6 per cent).

The international IFRS accounting standards result in various special features compared with German commercial law, which have a negative impact on the Group's equity ratio.

IFRS 16, which is to be applied for the first time in 2019, has a significant impact, requiring that all discounted lease and rental expenses to be paid contractually in the future be capitalised as rights of use and carried as liabilities. This special accounting standard applied by the Group, which leases numerous areas of land for the operation of wind and solar parks, significantly increased the balance sheet total and reduced the equity ratio, without this being the result of economic changes within the group of companies. The effects on the Company's key figures are discussed in detail in the notes to the consolidated financial statements.

For Energiekontor, the hedging of interest and currency risks, especially with regard to interest and redemption payments of the Group's own wind and solar parks, is in the foreground for economic reasons and thus independent of any balance sheet reporting aspects. In the case of wind park financing, loans with variable terms are increasingly being taken out for the purpose of securing long-term conditions, which are already provided with interest rate swaps to hedge fixed interest rates when the financing is concluded (cash flow hedges). IFRS now (IFRS 9) requires (IFRS 9) the artificial separation of the derivative (interest rate swap with fixed interest rate) from the underlying transaction (financing loan with variable conditions) and demands the accounting of the separated derivative.

The derivatives, which are all concluded in a closed contract together with the financing without exception, are each fully effective in the sense of interest rate hedging and thus fully related, because economically they only serve to convert a variable interest loan into a synthetic fixed interest loan. In German commercial law, which is known to be very strongly committed to the principles of prudence in the valuation of liabilities, the self-contained financing contracts therefore do not represent liabilities to be carried as liabilities due to the valuation units available (§254 HGB) and would therefore not have to be reported in consolidated financial

statements in accordance with HGB principles. The application of IFRS therefore results in the recognition of a liability that does not exist in real terms and thus in a lower equity ratio (compared to HGB) when capital market interest rates fall.

The determination of negative market values from concluded interest rate and currency swaps is based on financial mathematical simulation models of forecast currency and interest rate developments. These negative market values are therefore purely theoretical values for the Energiekontor Group, especially since a sale or realisation of the market values before the scheduled expiry of the interest rate commitment hedged with the derivatives is not possible. As far as refinancing of loans linked with interest rate swaps is carried out, these are always carried out with full effectiveness and connectivity. The negative market values of such synthetic fixed-interest loans are comparable in economic terms with early repayment penalties for traditional fixed-interest loans, which are not recognised in the balance sheet under IFRS either. In segment reporting (segment liabilities), these market values are therefore not shown as debt values (management approach), but their balance sheet values are neutralised in the context of deriving the segment net assets.

In addition, the implementation of the also controversial IAS 32, according to which limited liability capital is generally not qualified as equity but as debt capital in the balance sheet, has the consequence for the Group that non-controlling interests in wind park operating companies intended to remain in the Group for the long term and in project companies intended for sale must be accounted for as third-party liabilities.

If these two IFRS peculiarities are neutralised, the (notional) equity ratio on the balance sheet date would be 18.7 percent (previous year 20.3 percent).

When considering the equity ratio, however, in addition to the IFRS peculiarities, an even more significant circumstance must be taken into account, which distorts the ratios compared with the Group's real equity base. This circumstance consists in the fact that the asset values of the group's own wind and solar parks, which are considerable in terms of amount, are not recognised at their fair values but only at external production costs. In addition to the numerous acquired and as yet unrealised wind/solar farm projects, which are also only recognised at the costs incurred in inventories, property, plant and equipment in the consolidated balance sheet therefore contain considerable hidden reserves.

Non-current assets increased to T€ 235,615 (previous year T€ 210,824), mainly as a result of the acquisition of a British wind farm and the first-time application of IFRS 16. They comprise the balance sheet items listed and are explained below.

TEUR	2019	2018
Property, plant and equipment	226,541	204,916
Deferred taxes	8,187	5,765
Other intangible assets	766	23
Receivables and other financial assets	94	95
Investments	26	26
Non-current assets	235,615	210,824

Other intangible assets relate to software licenses for ongoing business operations, as well as rights to use software to be capitalized in accordance with IFRS 16.

Property, plant and equipment is carried at cost less depreciation and includes all technical equipment of the wind and solar park operating companies to be consolidated in the year under review, as well as the operating and office equipment of the office locations in Germany and abroad, and wind park and compensation land. Furthermore, from the year under review, **property, plant and equipment** also includes the rights of use to be capitalised under IFRS 16.

In the year under review, a British wind farm was capitalised under property, plant and equipment. Disposals of wind park property, plant and equipment in the year under review amounted to only T€ 140 (previous year T€ 107).

Taking into account scheduled depreciation in the reporting period of T€ 19,680 (previous year T€ 18,495), the balance sheet item "Technical equipment" of the wind/solar farm operating companies thus amounts to T€ 192,407 (previous year T€ 204,001). The provisions for dismantling and renaturation included in the balance sheet item increase according to plan due to compounding and expected cost increases in the year under review and are included in the above-mentioned additions.

Within non-current **receivables and financial assets**, non-controlling interests in third parties are reported under **receivables from affiliated companies**. As of the balance sheet date, other **non-current assets** mainly consist of deposits and prepaid expenses of T€ 65 (previous year T€ 66).

Deferred tax assets of T€ 8,187 (previous year T€ 5,765) are reported and explained in detail in the notes to the consolidated financial statements. Deferred tax liabilities of T€ 5,646 (previous year T€ 6,319), which can be netted in accordance with IAS 12, were offset.

Current assets less cash and cash equivalents and other securities already explained in the financial position section amount to T€ 87,259 (previous year T€ 59,261).

The inventories of T€ 71,189 (previous year T€ 38,481) reported here relate to capitalised services for construction projects in progress and planning services for projects to be realised, in particular also to preproduction costs for planning activities in Germany, Great Britain, the USA and France.

Current receivables and other financial assets decreased from T€ 20,301 to T€ 15,377 in the reporting year.

Income tax receivables (current) of T€ 693 (previous year T€ 480) relate to trade tax and corporation tax refund claims.

Non-current liabilities amount to T€ 270,083 (previous year T€ 235,861). In addition to the total non-current financial liabilities and deferred tax liabilities already explained in the financial management report, this item includes provisions for the dismantling and renaturation of the Group's own wind farm operating companies.

TEUR	2019	2018
Financial liabilities	240,417	207,232
Other accrued liabilities	16,100	14,859
Deferred taxes	10,554	10,585
Other liabilities	3,012	3,184
Non-current liabilities	270,083	235,861

The provisions reported at present values for the costs of dismantling the Group's own wind and solar parks and renaturation of the wind park areas have developed as follows:

TEUR	2019	2018
Provisions for dismantling and renaturation as of 01 January	14,859	12,603
Additions in the current year due to accrued interest	436	439
Additions of present values (change in production costs, interest rate)	559	496
Additions related to completions/acquisitions	255	593
Decreases/additions of present values (change in production costs, deconstruction costs)	-9	728
Provisions for dismantling and renaturation 31 December	16,100	14,859

Provisions and trade payables, especially in connection with the construction of the wind/ solar farms, other liabilities and tax liabilities plus the financial liabilities already presented in the financial position result in current liabilities totalling T€ 63,616 (previous year T€ 44,177).

The **tax provisions** are formed for expected additional trade and corporation tax payments for past tax periods.

Other provisions are composed as follows:

TEUR	2019	2018
Project-related provisions	5,281	9,057
Personnel-related provisions	2,136	1,973
Provisions for legal disputes	135	145
Legal, tax and other advice	670	615
Remaining provisions	953	1,714
Other provisions	9,175	13,504

Current accounts payable increased from T€ 5,489 in the previous year to T€ 9,785 in the current year.

Other liabilities relate to current tax liabilities for sales, wage and church taxes and other miscellaneous liabilities.

Earnings position, financial position and assets position of Energiekontor AG

Energiekontor AG's financial situation

The following explanations refer to the asset, financial and earnings situation of Energiekontor AG. Otherwise, the statements on the situation of the Group apply analogously.

Key figures for Energiekontor AG:

TEUR	2019	2018
Revenues	20,050	17,913
EBT (Earnings before taxes)	9,072	9,240
EBIT (EBT plus financial result)	3,569	2,799
EBITDA (EBIT plus depreciation and amortisation of fixed assets*)	3,603	2,840
Net profit for the year	6,703	6,626
Equity	98,331	101,275
Total assets	181,467	179,082
Equity ratio in %	54.2	56.6

* For the pro forma figures (EBIT, EBITDA, etc.) shown above and used in this report, see notes on page 211.

Earnings position of Energiekontor AG

During the expired business year Energiekontor AG generated positive **Earnings before taxes (EBT)** of T€ 9,072 (previous year T€ 9,240).

Earnings before interest and taxes (EBIT) and **earnings before interest, taxes, depreciation and amortisation (EBITDA)** developed as follows:

TEUR	2019	2018
Net profit for the year	6,703	6,626
plus income taxes	2,369	2,614
EBT	9,072	9,240
less/ plus financial result	-5,503	-6,441
EBIT	3,569	2,799
plus depreciation and amortisation of fixed assets	34	41
EBITDA	3,603	2,840

The **total output** of T€ 22,575 (previous year T€ 21,530) as well as the **operating output** of T€ 23,331 (previous year T€ 21,701) mainly result from the successful realisation of a wind project in Great Britain and a solar project in Germany as well as the granting of building permits for four wind projects in Germany and the granting of building permits and the realisation of financial close for a further repowering wind projects and three solar projects in Germany. The operating performance includes sales revenues, changes in inventories and other operating income.

TEUR	2019	2018
Revenues	20,050	17,913
Changes in inventories	2,525	3,617
Total output	22,575	21,530
Other operating income	756	171
Total operating output	23,331	21,701

As a result of the increased project realisation compared to the previous year and the simultaneous acquisition of a British wind farm erected in the financial year under review into the Company's own portfolio, revenues increased to T€ 20,050 (previous year T€ 17,913).

In the context of acquisition and planning activities, **inventories** increased on balance by T€ 2,525 (previous year T€ 3,617).

Other operating income increased to T€ 756 in the financial year (previous year T€ 171).

TEUR	2019	2018
Income from currency conversions	390	51
Other operating income	222	83
Amortization of accruals	96	3
Insurance compensation	48	34
Other operating income	756	171

The planning and acquisition activities for the predominantly domestic wind power projects result in purchased services for planning activities and project preproduction costs in the amount of T€ 5,190 (previous year T€ 5,816), which have to be reported under **cost of materials**.

Personnel expenses increased slightly to T€ 11,747 (previous year T€ 11,439).

Other operating expenses mainly comprise general administration costs, legal and consulting fees and selling expenses and remain at the previous year's level of T€ 4,432 (previous year T€ 4,320).

TEUR	2019	2018
Administration and other costs	1,365	1,332
Legal and consulting fees	1,230	1,249
Occupancy expenses	583	543
Distribution costs	573	693
Expenses from exchange rate differences	244	31
Insurance, fees, contributions	183	208
Travel expenses for employees	136	36
Project-related expenses	118	229
Other operating expenses	4,432	4,320

During the year under review Energiekontor AG received **income from profit and loss transfer agreements of affiliated companies** from Energiekontor Infrastruktur- und Anlagen GmbH in the amount of T€ 1,641 (previous year T€ 2,715).

Depreciation and amortisation in the year under review consists of depreciation of property, plant and equipment of T€ 34 (previous year T€ 41).

The **net interest result** remains negative at T€ -559 (previous year T€ -593) and results mainly from interest expenses for the raising of bond capital and loans granted by Group companies. **Interest income** results primarily from loans granted to Group operating companies.

The financial result developed as follows:

TEUR	2019	2018
Income from other securities and loans from financial assets	1,486	1,708
thereof from affiliated companies	1,471	1,511
Other interest and similar income	201	228
thereof from affiliated companies	153	165
Interest and similar expenses	-2,247	-2,529
thereof to affiliated companies	-1,308	-1,303
Net interest income	-559	-593
Income from investments	7,000	9,007
thereof from affiliated companies	7,000	9,000
Depreciation of financial assets	-938	-1,973
Financial result	5,503	6,441

The financial result includes income from investments of T€ 7,000 (previous year T€ 9,007). These consist of profit allocations from wind farm operating companies belonging to the Group.

In the year under review, **write-downs of financial assets amounting to T€ 938** (previous year T€ 1,973) were made, resulting from value adjustments on shares to subsidiaries. These write-downs are largely due to the regular impairment tests carried out.

Financial position of Energiekontor AG

In accordance with the remarks on the Energiekontor Group, the financial management of Energiekontor AG continues to be based on the efficient and sustainable use of the available financial resources and liquidity reserves, particularly in view of the expected developments in the industry. For the non-bank financing of wind farm projects there are corporate bonds with a total volume of T€ 15,000 (previous year: T€ 15,000), the composition of which can be seen in the Company's notes.

Cash and cash equivalents and securities amounted to T€ 31,750 (previous year T€ 50,210) as of the balance sheet date. Only a negligible amount is shown under the item **"Holdings of securities"** on the balance sheet date. As in the previous year, no bank balances were netted with short-term bank liabilities secured by these balances in the reporting period.

TEUR	31 December 2019	31 December 2020
Bank deposits, cash on hand	31,747	45,123
Securities	3	5,087
Cash and cash equivalents and securities	31,750	50,210

Asset position of Energiekontor AG

The positive net profit for the year, netted with the dividend payment and the payments for share buy-backs, resulted in **equity** of T€ 98,331 (previous year T€ 101,275) in the year under review.

Equity developed as follows during the reporting period:

TEUR	2019	2018
Equity as of 01 January	101,275	103,797
Net profit for the year	6,703	6,626
Dividend for previous year	-5,784	-8,745
Payments for share buybacks	-4,965	-403
Payments received through stock option program	1,102	0
Increase share capital	100	0
Equity as of 31 December	98,331	101,275

As of the balance sheet date, equity is composed of the following components:

TEUR	2019	2018
Issued capital (nominal)	14,366	14,548
Capital reserves	42,240	41,237
Statutory reserve	15	15
Other retained earnings	34,960	38,847
Balance sheet profit	6,750	6,627
Equity as of 31 December	98,331	101,275

At 54.2 percent, the equity ratio for the financial year was slightly below the previous year's level (previous year 56.6 percent).

Fixed assets mainly comprise financial assets and increased in the year under review to € 100,461 thousand (previous year € 83,926 thousand), particularly as a result of capital increases in affiliated companies.

TEUR	31 December 2019	31 December 2020
Intangible assets	1	1
Tangible assets	121	133
Financial assets		
shares in affiliated companies	66,988	54,927
Loans to affiliated companies	33,296	28,810
Investments	55	54
Fixed assets	100,461	83,926

Shares in affiliated companies increased, particularly as a result of capital increases at domestic and foreign wind farm operating and planning companies. **Loans to affiliated companies** relate to financial and capital claims against domestic wind/solar park operating companies and planning companies, against foreign planning and construction companies and against German investment companies. They are predominantly interest-bearing; the non-interest-bearing portion is carried at present value.

Despite increased inventories, **current assets** decreased to T€ 81,006 (previous year T€ 95,156) due to reduced liquid funds and securities.

TEUR	31 December 2019	31 December 2020
Inventories	19,471	16,906
Receivables and other assets		
accounts receivable trade	334	1,870
Receivables from affiliated companies	28,712	25,622
Other assets	713	542
Securities	3	5,087
Cash and cash equivalents	31,747	45,123
Accruals and deferrals	25	5
Current assets	81,006	95,156

Inventories include capitalised planning services for projects to be realised, in particular the project-related reproduction costs for wind and solar activities.

The trade receivables listed under **receivables and other assets** include receivables from the sale of wind and solar park operating companies, from services in connection with the establishment and sale of wind parks, as well as receivables from planning services, for bookkeeping and intragroup receivables for personnel provision. The **other assets** amounting to T€ 713 (previous year T€ 542) are mainly tax and loan receivables.

Other project-related provisions, provisions for legal, consultancy and personnel costs, in particular for holidays, overtime and performance-related profit-sharing, tax provisions and provisions for minor business transactions result in total **provisions of** T€ 4,188 (previous year T€ 3,570).

Compared to the previous year, **liabilities** increased slightly to T€ 62,443 (previous year T€ 59,201).

TEUR	31 December 2019	31 December 2020
Bonds	15,000	15,000
Liabilities to banks	1	1
Trade payables	1,192	922
Liabilities to affiliated companies	45,630	40,675
Other liabilities	620	2,604
Liabilities	62,443	59,201

Employees

As of 31 December 2019 a total of 160 permanent employees (150 in the previous year) worked for the Energiekontor Group. In addition, there were 18 temporary employees, students and interns (previous year 23). In addition, the Company employs 31 freelancers (previous year 26). The number of employees has thus increased slightly compared to the previous year. The employees are mainly engineers, economists and administrative specialists. The subsidiaries in Great Britain, Portugal, France and the USA only employ local staff who are familiar with the requirements of local business activities and have knowledge of German customs. In addition to a fixed monthly salary, the majority of employees receive a performance-related bonus. This is intended to support motivation and identification with the Company. The Management Board and Supervisory Board would like to thank all employees for their extraordinary commitment and high motivation.

Report on opportunities and risks

Opportunities of Energiekontor AG

Entrepreneurial activity is always associated with risks. Consciously taking risks for the benefit of entrepreneurial success is unavoidable and sensible. Energiekontor AG systematically deals with all risks and opportunities, pursuing the goal of recognising and managing risks in a controlled and conscious manner on the one hand, and exploiting the opportunities that arise on the other. The opportunity management system of Energiekontor AG is thus closely linked to the risk management system. Opportunity management considers those opportunities that are relevant and realisable but have not yet been included in planning.

In the following, a number of opportunities for Energiekontor AG are highlighted as examples, which result on the one hand from the sector-specific markets and on the other hand from the strategic positioning of the Company.

Market environment

Energiekontor AG operates in markets that are essentially determined by natural borders (scarcity of resources, environmental pollution) and political decisions (protection of resources and the environment). Due to the increasing international consensus regarding international climate targets, a growth market has developed, which is now increasingly moving from a regulated market to a free competitive market.

Energiekontor entered this market earlier than most competitors and is now an established player in the industry. The Company has deliberately established itself in politically stable countries such as Germany, Great Britain and Portugal and has gained many years of experience with specialised teams on site. With the new markets France and the USA, Energiekontor is tapping into attractive growth potential.

In almost all countries, the prices for the remuneration of electricity from wind and solar parks are now determined via auctions and tendering procedures, which creates more competition and demands flexibility. As a result, competition for land for the construction of wind farms and photovoltaic plants is increasingly being overlaid by competition for the lowest electricity prices.

This offers an opportunity for Energiekontor in several ways. On the one hand, the Company has always pursued the goal of reducing the costs of electricity generation from wind and solar parks to such an extent that they are lower than those of conventional energy sources, also through efficiency measures, in order to help renewable energies make a breakthrough on their way to 100 percent full supply. At the same time, this represents a considerable competitive advantage in a market environment that continues to be challenging. On the other hand, Energiekontor has many years of experience in countries such as Portugal and the UK in successfully participating in tenders and concluding power purchase agreements, which are likely to play an increasingly important role in the future. Finally, it is to be expected that smaller project developers will increasingly cooperate with larger companies such as Energiekontor AG due to the relatively high upfront costs in the tendering process.

Strategic orientation

In addition to expanding the successful project development of Group-owned wind farms while permanently optimising the added value, Energiekontor AG's strategy includes the opportunity to maintain the personnel and infrastructure capacities made possible by the steady cash flow from the Group-owned farms, even in times when the market environment is difficult for project development, with the aim of reaching a certain degree of independence from economic influences and changes in the regulatory market environment. The advantages of this strategic orientation are particularly evident at present against the background of the Corona pandemic.

The geographical distribution of the wind farms and, in the future, also of the solar parks in the Company's own portfolio across several different countries also means natural diversification in terms of yields. This reduces the cluster risk in the event of a poor wind or solar year at a geographically limited location.

With the expansion of activities in France and the USA, Energiekontor has the opportunity to further expand this diversification and to enter attractive markets that still offer considerable scope for development due to their potential.

The expansion of the long-standing activities in Great Britain to Scotland represents a special potential in that the wind conditions there are extraordinarily good and the projects are relatively large. The fact that Energiekontor has already

secured more than 1 gigawatt of space in Scotland means that there is an opportunity to grow disproportionately in this region and to generate high and sustainable yields in the coming years.

With the increasing expansion of solar activities in Germany and abroad, the diversification of the Company is being further promoted and promising opportunities are also emerging.

Contracting party/financing

In the UK in particular, Energiekontor has been concluding power purchase agreements (PPAs) directly with industrial electricity consumers for years. In the USA, PPAs with utilities are also the usual way to sell electricity from renewable energy sources. Talks are also being held in Germany on this type of electricity marketing. It can be assumed that such concepts will become increasingly widespread and will also be used more and more in the field of photovoltaics. Energiekontor's experience in drafting and negotiating these PPAs represents a clear competitive advantage.

Since its foundation 30 years ago, Energiekontor has not only firmly established itself in the country markets and key regions, but has also built up trusting relationships with suppliers, banks and investors. Since financing plays a central role in the project business before, during and after the construction of wind and solar parks, Energiekontor has acquired certain flexibility in this respect and thus a lead over other competitors. The various financing options for projects include the chance to successfully implement projects even under greater competitive pressure.

Risks of Energiekontor AG

Energiekontor AG has drawn up a comprehensive risk management system, from which detailed procedures for internal reporting and controlling are derived. Risk management serves to secure the Company's objectives, the Company's success and to reduce risk costs. In order to achieve optimum corporate management and to meet the legal and regulatory requirements, the Board of Management has a risk management system that is appropriate for the size of the Company. Systematically addressing potential opportunities and risks and dealing with them in a risk-conscious manner is a central expression of how we secure and shape the future in a dynamic market environment. The risk management system is adapted to changing conditions and is subject to continuous further development to ensure that external factors, such as changes in legislation, are taken into account in addition to internal changes.

Risks and effects of the corona pandemic

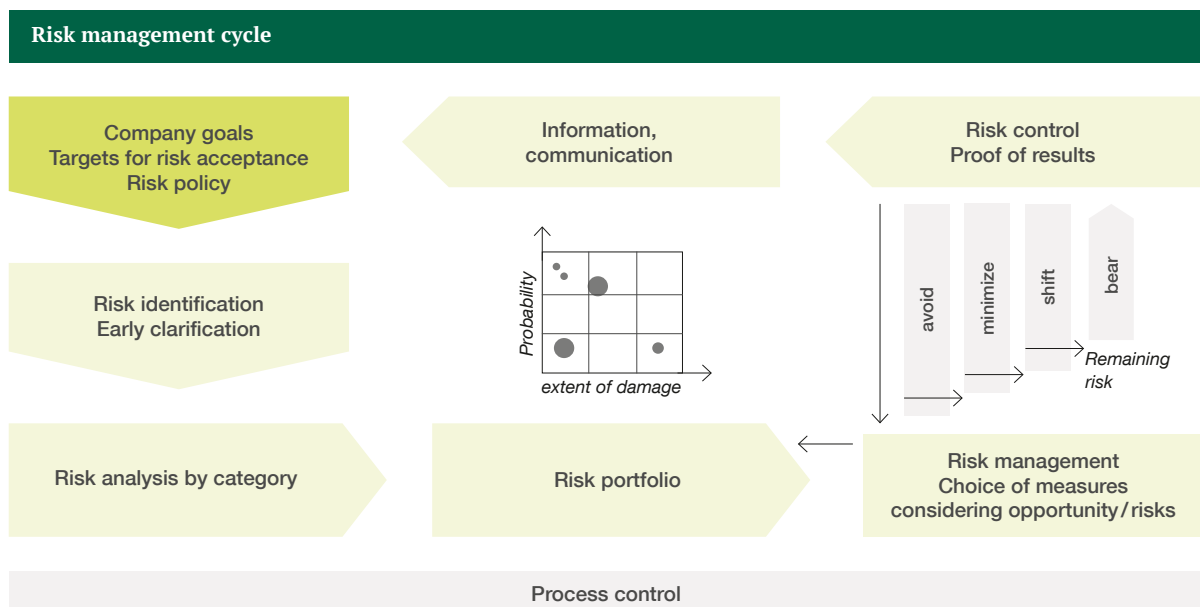
After the first cases of the corona virus (SARS-CoV-2) became known in China in December 2019, the virus spread worldwide in the first months of the current fiscal year. In Europe, especially since March 2020, the protective measures introduced by governments to slow the spread of the virus have been restricting public life, and economic activity has been severely affected. It is currently impossible to predict how long the corona pandemic will paralyze public and economic life. However, despite a large number of aid measures by governments and central banks, a global recession is to be expected.

The corona eruption has also slightly changed the assessment of some risks. There could be considerable delays in project development. Here we are working with a large number of other market players who are also affected by the effects of the corona pandemic, or could be. The effects are likely to be less severe in the Power generation and Operations Management segments, but here, too, significant effects cannot be ruled out if existing facilities cannot be promptly repaired and put back in operation by maintenance companies if they shut down.

Function and tasks of risk management

The risk management system with regard to material risks and risks threatening the Company's existence is embedded in the value-oriented management and planning system of the Energiekontor Group. It is an integral part of the entire planning, control and reporting process in the legal entities, business segments and Group-wide functions. The risk management system is designed to systematically and continuously identify, assess, control, monitor and document material risks and risks that threaten the continued existence of the Company in order to ensure that corporate goals are achieved and to increase risk awareness in the Company.

Within the framework of operational planning, risks and opportunities are identified and assessed taking into account the current legal situation for a planning period of typically two years. In addition, in the discussions on deriving medium-term and strategic goals within the framework of strategic planning, risks and opportunities are also identified and assessed that relate to a longer-term period. In addition



to reporting at specific points in time and in relation to the periods described, risk and opportunity management has been established as an ongoing task within the Group. As described in the chapter "Organisation of risk management at Energiekontor AG", the identified risks are regularly reported to the Board of Management and the Supervisory Board in a systematic information cascade.

Risks are assessed on the basis of the probability of occurrence and the possible extent of the risk according to the levels low, medium or high. The probability of occurrence is not considered. When assessing the extent of the risk, the effect is always considered in relation to EBT.

Risk management process

In principle, a distinction can be made between the four phases of risk identification, risk assessment, risk management and risk control, accompanied by a risk policy and process monitoring. Ideally, this process can be depicted as shown in the following diagram.

The starting point of risk management is the formulation of Company-specific risk policies. This risk policy takes into consideration the security aspects in the Company by prescribing the guidelines in dealing with risks and opportunities, and in determining what risks and opportunities, at both divisional level and corporate level, may be entered into and what maximum risk characteristics should be accepted.

In order to ensure a uniform understanding of risk within the framework of its operating activities, the Energiekontor Group has defined the following principles for dealing with risks within the framework of its risk policy:

Every Company must seize opportunities as they arise. The principle of "no opportunity without risk" applies – risks are therefore unavoidable.

- Opportunities and risks are openly communicated.
- Risks are regularly analysed and evaluated.
- Risks are to be reduced as far as economically reasonable by taking appropriate measures.

Transactions that pose an immediate threat to the Company's existence must be avoided.

The risk identification phase comprises the collection of current and future (potential and latent) risks. It thus represents the most important step in risk management, as its result is decisive for the activities taking place in all subsequent process steps. Instruments that can be used to identify risks include analyses (business analysis, environment analysis), forecasts and, above all, early warning. In addition to the early detection of hidden existing risks, the latter also involves locating latent opportunities and ensuring the introduction of appropriate measures to manage risks and opportunities. It can have an operational focus – based on key figures, projections and indicators – and a strategic focus – based on "weak signals".

At Energiekontor, risk identification takes place at various organisational levels within the framework of an interlocking process. Risks are identified and evaluated in regular or occasional meetings and workshops, primarily on the basis of regular analyses of the environment, market and competition. At least once a year, a risk portfolio is drawn up as part of the risk analysis and risk assessment process, in which the identified risks are assessed and visualised according to the probability of occurrence and (potential) loss amount. The aim is above all to filter out the central risks and, if applicable, those that threaten the Company's existence, and to avoid them by taking appropriate measures or reducing the probability of their occurrence.

Within the framework of risk management, it is then necessary to find ways of responding to the identified and assessed risk spectrum while at the same time remaining consistent with the defined risk policy. Various strategies and measures should be used to actively attempt to improve the relationship between opportunities and risks and to adapt the risk strategy to the overall corporate strategy. In principle, a Company can choose from four different management options: Avoidance with simultaneous renunciation of business, reduction, transfer, e.g. to an insurance Company, or self-carrying of the risk.

At Energiekontor, risk management focuses primarily on

- risk reduction and compensation measures (e.g. development of Plan B measures or special programmes of measures
- (EEG/CfD measures) to reduce regulatory risks),
- Measures to transfer risks to third parties (e. g. by taking out insurance or involving external liability partners)
- and the avoidance of risks that could jeopardize the Company's continued existence.

Internal risk regulations play a particular role in the latter, predominantly in order to exclude from the outset or mitigate as far as possible potential financial risks and liability risks arising from own acts.

The purpose of risk control is to ensure that the actual risk situation of the Company corresponds to the planned risk profile situation. To support the control, it is necessary to have a reporting system in the Company that shows the risk situation, represents the risks over time and provides an overall overview. In order to avoid redundancies in this respect and not to establish parallel processes and structures in the Company, risk reporting and risk control at Energiekontor were integrated into the existing controlling and reporting system as far as possible.

The process is accompanied by risk communication within the Company, which ensures that the relevant information is passed on to the respective responsible parties in good time and strengthens risk awareness within the Company.

Accounting and risk management

Risk management also plays a certain role in the area of accounting, even though accounting processes are not explicitly part of the risk management system. With regard to the accounting process, the internal control system (ICS) is intended to ensure that information is transmitted and processed completely, correctly and promptly. This is intended to prevent material misstatements in accounting and external reporting in the preparation of the financial statements of Energiekontor AG, the management report, the consolidated financial statements and the Group management report. An essential feature of the ICS within the Energiekontor Group is the decentralised organisation of the accounting system. Efficient structures for business-critical procedures and core processes have been set up in all legally independent units of relevant size. Taking into account available resources as well as economic and effectiveness aspects, the Management Board ensures that

execution, approval and control functions are separated as far as possible.

Group Accounting supports all domestic and foreign companies in the entire Group accounting process. In cooperation between the accounting department and the auditors, it is ensured that – particularly in the event of changes – the requirements for external reporting with regard to the type and scope of disclosure obligations are fully met. Relevant accounting and valuation regulations and the depiction of specific circumstances are taken as a basis for the preparation of annual and semi-annual financial statements.

The individual financial statements of Energiekontor AG and its subsidiaries are prepared locally, in compliance with the respective national legal provisions, and are converted into financial statements that comply with IFRS. For monitoring and control purposes, the reporting data from the financial statements are analysed centrally at Energiekontor AG and compared with the information from corporate planning and internal reporting during the year in order to determine the extent to which forecast parameters and ratios have been achieved.

Opportunity and risk assessment as well as risk development, the investment budget, the development of the workforce, the progress of major development projects, the scope of assets pledged as collateral and compliance with key figures are also monitored. Consolidation, including documentation and analysis of the reporting data, is performed using standard commercial software. In addition, specially developed spreadsheet solutions are available for unusual or complex situations.

In order to meet the strict requirements, the Company management ensures that the necessary documentation obligations are met. Changes arising from underlying transactions in the ordinary course of business are monitored on an ongoing basis. Various control mechanisms are used, such as compliance with the dual control principle, the use of checklists, a dual signature system for mandatory correspondence, a staggered approval system for ordering transactions, the obligation to obtain comparative offers before placing orders with suppliers, an authorization concept that regulates access rights to individual IT systems and system transactions as well as electronic storage media.

Process-independent monitoring measures are carried out by the Supervisory Board.

Regular written reports and discussions are held on the development of individual risks that have a material influence on the financial statements. These include the valuation of provisions and contingent liabilities, the recoverability of fixed assets and inventories, the assessment of doubtful receivables, capital management and the cost trend of current orders. Monthly reports on current financial planning, the utilization of credit and guarantee lines and open positions are submitted to the Management Board. Deviations are commented on and monitored.

The knowledge gained from financial reporting is incorporated into the annual planning process, taking into account the risk strategy of the Management Board and other key influencing factors. The employees involved in the accounting process receive targeted training, for example, in the form of regular training courses and workshops. This ensures that they are able to meet the growing professional demands in the long term. This includes, for example, the support and processing of special issues in tax matters, credit checks and the determination of fair values of derivative financial instruments.

All measures initiated by the Management Board are designed to ensure that the preparation and auditing of financial statements is coordinated, proper and timely and to reduce the opportunities for unfair practices. Despite the continuous further development of the accounting-related internal control and risk management system, it cannot be ruled out that material misstatements in financial reporting will be made.

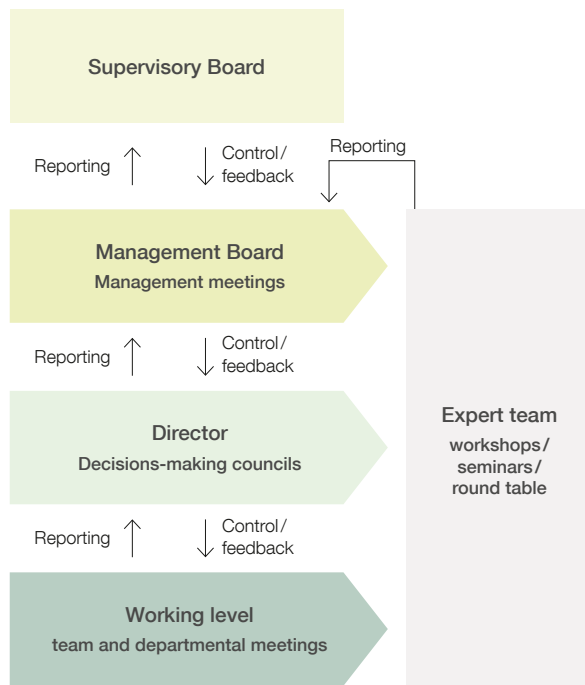
Organisation of the risk management of Energiekontor AG

The risk management of Energiekontor AG is integrated into the existing process and organizational structure to the greatest possible extent in order to avoid redundancies and parallel organizational, decision-making and reporting structures and to ensure that the central business risks are dealt with regularly in the management bodies. To this extent, the implementation of a separate risk organisation consisting of risk officers, risk coordinators and separate risk committees was dispensed with. In addition, a large proportion of the risks are project- and/or region-specific risks that are mainly dealt with decentrally in the individual departments and divisions, which is why the implicit risk management organisation in place at Energiekontor has proved to be an efficient organisational model in the past.

Overall, risk management is integrated into the Company's routine work processes. Reporting takes place as a bottom-up structure from the employee level to the highest decision-making bodies.

Possible risks are already identified at the working level of the individual project Groups and discussed in the weekly meetings, team and departmental meetings, and decision board meetings. If necessary, measures for dealing with the respective risks, which may already be regulated in internal guidelines and directives, are decided upon there. If necessary, questions on risk management are submitted to the Management Board or Supervisory Board. Work groups consisting of Company internal experts are set up for fundamental or cross-functional topics in order to work on solutions for specific issues at regular meetings or at workshops that take place as required.

Process of risk management



Core risks of the Energiekontor Group

The risk analyses carried out identified the following current main risks for Energiekontor, which are briefly described below. These (and other) risks were classified in a risk portfolio within the scope of the risk assessment in order for a programme to be compiled dealing with concrete measures against central risks.

Category	Probability	Magnitude
Regulatory framework	high	high
Market position	medium	high
Repayment of funds	medium/low	high
Sales	extremely low	high
Suppliers	high/medium	high
Organisation	high/medium	high/medium
Acquisition	high/medium	high/medium
Wind occurrence, solar radiation	medium	high/medium
Interest/currency	medium	high/medium
Financing	medium	medium
Legal action	medium	medium
Contracts	extremely low	medium
Project development	high/medium	medium/low
Reporting	low	medium/low
Growth	medium	low
Technology	medium/low	low
Buyback	low	low

The risks from all groups may be equally high, but their economic effect and controllability may differ. All risks bear the possibility of being dealt with constructively in the face of radical changes, particularly when detected early and the relevant measures for risk governance are introduced at an early stage. Therefore, corresponding indicators are recorded and analysed in Energiekontor Group's reporting. Intensive interaction with associations, banks, manufacturers and customers enable risks to be detected at an early stage and alternatives to be developed in line with market requirements.

In the following, the risks are divided into strategic and operational risks and into different groups within these categories.

Strategic risks

Risks of the regulatory framework

The profitability of a project still depends decisively on the remuneration of the electricity fed into the grid. Across Europe, there is a clear trend towards bringing renewable energies into line with the competitive conditions of the electricity market by changing the framework conditions accordingly. In Germany, remuneration is regulated by the Act on the Priority of Renewable Energies or Renewable Energy Sources Act (EEG), which has been fundamentally revised in recent years. The current EEG 2017 was passed in August 2016 and has been in force since 1 January 2017. A central aspect of the current EEG was the introduction of a tendering procedure for wind energy in order to determine the level of support. While the tendering system for onshore wind in Germany was introduced in 2017, the first tender for photovoltaic systems in Germany took place at the beginning of 2015. The prices for electricity from wind and solar parks have fallen very significantly with the introduction of the tendering systems for both technologies. However, prices have been recovering significantly since August 2018, especially for onshore wind, and have remained at a relatively high level ever since. This is due to the fact that market participants have adjusted to the fact that too few projects were registered on the respective auction dates and project developers could expect surcharges close to the respective maximum remuneration rate (currently 6.20 ct/kWh).

In 2020, projects with a total capacity of 1.8 GW may be awarded in the tenders for solar energy; for wind energy onshore, the volume tendered is 3.7 GW. In addition, a total of 400 MW will be tendered in two cross-technology tenders.

In Portugal, Great Britain and also in France there are legal regulations regarding the remuneration of wind and solar power. In Great Britain, there has been no tendering model since 2015. The Energiekontor Group had therefore prepared itself to base its calculations for wind energy projects in Great Britain on market prices and to concentrate on particularly windy locations. The profitability of the projects is guaranteed by direct power purchase agreements with large industrial partners (PPAs). If Great Britain were to re-establish a tendering model, as announced by the British government, our projects in Scotland could become even more profitable.

In the USA, too, a PPA forms the basis for the economic viability of wind and solar parks. If such a PPA is not concluded or not concluded in time, delays and even failures in project implementation may occur.

When choosing the new country markets, Energiekontor paid attention to political stability and a good credit rating. In principle, however, the laws in these countries can also be changed or repealed retroactively. As a further risk, it cannot be ruled out that project approvals by authorities may be delayed for political reasons. The earnings and profit risk is reduced by the international diversification of the Energiekontor Group and its cooperation with experts. In the future, the importance of state influence through regulatory decisions will also decrease significantly. After Energiekontor has already constructed the first subsidy-free wind farm in England, the planned first subsidy-free solar farm in Germany is proof that such large projects can be realised in Germany even without EEG subsidies. Energiekontor will also grow in all other country markets with the help of PPAs and thus make itself independent of state regulatory decisions.

Market Position Risks

Energiekontor AG is confronted with strong competitors in its core markets of Germany and Great Britain, as well as in the new markets of the USA and France, some of whom have competitive advantages in certain business areas due to their size and resources. Competition is particularly fierce with regard to the acquisition of attractive plant locations and the procurement and purchase of wind turbines. This competitive situation can lead to inappropriate price increases, a severe shortage of available resources or, due to high time pressure, to wrong decisions within the Company. In addition, the market environment can generally deteriorate as a result of sub-optimal communication or, in extreme cases, the bankruptcy of competitors and the associated loss of reputation in the industry. Investors could decide against planned investments in the renewable energy sector due to individual problem cases. By creating various unique selling propositions, such as the sustainable Energiekontor business model or the development of cost efficiency measures as well as the diversification of the business on wind and solar as well as on several country markets, the Energiekontor Group has achieved a good position in the market. Nevertheless, there is a risk that Energiekontor AG does not correctly assess the market situation in new markets such as the USA or France and that the planned market entry cannot take place at the speed or to the extent planned by the management.

Growth risk

The growth risk is related to the two risks mentioned above. Energiekontor AG has set itself clear targets for the medium-term growth of the Company as a whole. Due to changes in the regulatory environment and possible protectionist measures, such as import duties in Great Britain (after Brexit) or the USA, it is possible that the targeted growth may not be achieved.

Risks from the repayment of bond financing

All in all, the Energiekontor Group has raised a total of approx. € 102 million from private investors in recent years, after deduction of the shares already repaid, by issuing bonds or bearer bonds. There is a risk that the repayment of tranches will become due at times when the Group's liquidity situation does not permit repayment and further external financing is not possible. In addition, there is also the risk that the market interest rate level at the repayment dates will make any necessary follow-up financing considerably more difficult and delay it. If necessary, such refinancing could only be implemented with considerable risk surcharges. Delays could also arise, for example, due to delays in the approval procedures for planned technical optimisation and repowering measures for wind farms financed with bond funds, which in turn could have a temporal and economic impact on the refinancing ability of these wind farms. If bond funds cannot be repaid on time, this could lead to lawsuits and legal disputes with investors and, in the worst case, to a blockage of the financial flow in the Company. Under certain circumstances, this could make it necessary to use existing liquidity reserves of Energiekontor AG and/or to sell wind farms held in the portfolio in order to provide the necessary funds for bond repayments in due time. However, early terminations by the bond creditors before the contractual expiry of the bond terms are not possible in accordance with the articles of association, which is why unscheduled repayments, emergency sales required for this purpose and similar scenarios are excluded. All internal programmes of measures as well as short and long-term liquidity planning are designed to ensure that the bonds are repaid in full and on time on the basis of the contractually agreed maturity dates in a timely manner and in a regulated environment

So far, all bonds issued by the Energiekontor Group have been serviced in full and on time with interest and redemption. Likewise, all maturing bonds and profit participation certificates were always repaid to the creditors in full and in accordance with the agreement.

Sales risks

In principle, the sale of wind energy or solar projects or the placement of bonds may be delayed or prove to be completely impossible. The market prices and production costs for approved projects may diverge, so that the sale of wind farms may no longer be economically viable for the Company. As a result of more difficult refinancing of investors, delays in project processes may arise that impair the cash flow of the Energiekontor Group and thus jeopardise the implementation of new projects. Against this background, various sales channels have been established in recent years.

Organizational Risks

The lack of personnel availability or qualification can be a bottleneck for the course of business. There is a risk that personnel cannot be recruited in a timely manner due to existing market shortages. This could result in cost risks because additional external experts and consultants would have to be commissioned to provide services. Highly qualified personnel are essential to minimize wrong decisions or time delays. At the same time, the personnel structure should contribute to ensuring that there is sufficient potential for innovation and creativity in the Company. The personnel structure of the Energiekontor Group is therefore based on a balanced mix of long-standing and new employees.

The current corona epidemic shows that there is also a fundamental risk that the ability to work of (some of) the employees could be impaired over a longer period of time. Energiekontor reduces this risk on the one hand through its decentralised organisational structure and on the other hand through (hygienic precautionary) measures that greatly reduce the risk of infection for individual employees. In addition, the technical prerequisites have been created to enable employees to work from home (home office workstations), which is currently used by the vast majority of employees. In addition, personal meetings were replaced by video conferences at a very early stage.

Risks from the reporting system

Due to incorrect calculations, reports or forecasts, estimates may have been made which cannot be fulfilled in the future. Expectations could be aroused that cannot be achieved. This could lead to disappointment on the part of the shareholders and the associated decline in share prices. This risk is mitigated by Energiekontor Group's longstanding experience.

Repurchase risks

In principle, the investment offers of Energiekontor AG are designed for a term of 20 years. Deviating from this, the Company has already offered the limited partners of various wind farm operating companies the repurchase of their participation after five or ten years when joining the company. The repurchase prices carefully calculated when the offer was submitted guarantee the repurchase of the shares or the entire business operations at economic conditions for Energiekontor AG. These optional repurchase obligations can be exercised successively and effectively since the end of 2007. Individual or all limited partner shares, wholly or in part, or the entire business operations shall be transferred for a defined purchase price if the limited partners decide to sell.

There is a risk that the calculated repurchase price at the time of redemption does not correspond to the actual market value at that time and that value adjustments must therefore be made. A further risk could result from unfavourable capital market developments that could have an adverse effect on the conditions (interest, term) of the repurchase financing. If buybacks have to be carried out at a time when the required borrowed funds are restrictively allocated by the banks, this could lead to legal risks and financial bottlenecks for the Energiekontor Group.

To minimise these risks, all buybacks are systematically planned and alternative financing solutions are developed at an early stage. In addition, the projects are matched with corresponding values that secure financing in the future.

Operational risks

Acquisition risks

The planned development of the Company depends crucially on the acquisition of new potential wind and solar park sites, but also on the development/acquisition of new projects for the Group's own portfolio. Due to the strong competition for space and the associated possible above-average lease receivables, the economic conditions for future projects may deteriorate significantly. This could have a negative impact on the planned corporate development.

Interest and currency risks

Interest rate and currency movements on the international markets affect the credit terms for new projects and could affect profitability. In order to counteract the interest rate risk, Energiekontor AG uses, especially in the case of foreign projects, in some cases appropriate interest rate hedging instruments within project financing, which enable reliable long-term planning and balance out fluctuations. Currency risks exist exclusively in connection with project development and realisation in Great Britain and, in future, the USA. To minimize currency risks, project-related contracts in Great Britain are usually concluded in pounds sterling. In addition, hedging is generally carried out to hedge against currency risks in the case of credit value dates.

Financing risks

The financing of wind and solar park projects may be delayed or completely denied, in particular due to the financial market situation. Rising risk margins of the banks and the associated high financing costs can endanger the profitability of approved projects and thus their implementation. Project financing may be delayed or jeopardised by possible increased security requirements on the part of banks, tendencies towards syndicated financing, bank demands for shorter credit periods and higher equity ratios or other as yet unforeseeable changes in financing practice. Against the background of the looming recession due to the corona epidemic, the insolvency of financing partners cannot be completely ruled out. Should banks become insolvent or fundamentally change their business policy, this could affect disbursements, loans (e. g. working capital loans) or their terms and conditions and thus liquidity.

In order to counter these risks, various banks have already been called upon in the past for project financing. In particular, smaller or medium-sized institutions were taken into account, which on the one hand have sufficient liquidity and on the other hand have a lower international exposure. In addition, the Energiekontor Group tries to reduce the dependence on banks for short-, medium- and long-term financing of projects by issuing bonds and bearer bonds.

Process risks

Risks from wind and solar radiation

While the site-specific wind volume is the decisive factor for the profitability of a wind farm, the solar radiation dominates the profitability of solar farms. In addition to the known seasonal fluctuations, these can also occur over the years. In the past, annual fluctuations of up to 30 percent have occurred. It cannot be ruled out that the profitability of a project may deteriorate sustainably due to several years with little wind or sunshine or unexpectedly weak wind or sunshine conditions at the start of operation. This risk is particularly relevant with regard to the segment of the Group's own wind and solar parks. Reduced yields due to weak wind and solar years have a direct impact here on the revenue and earnings situation in the Group. This in turn results in a specific risk for Energiekontor AG, as reduced earnings from the Group's own wind and solar parks could have a negative effect on the ability of these investment companies to repay the long-term loans granted by Energiekontor AG and result in a corresponding need for value adjustment. In the case of new projects, the risk of low wind or solar radiation is countered by appropriate safety discounts and worst-case scenarios so that the repayment of loans is not jeopardised even in years with less wind or sunshine.

Legal risks

In principle, there is a risk in all phases of project planning that lawsuits/objections may lead to delays or the failure of approvals. This cannot be ruled out even if permits have already been granted or wind or solar parks have already been constructed. It is conceivable that wind or solar parks would have to be dismantled in the event of faulty planning/permits or that downtimes and operational reductions could subsequently occur due to official regulations. In order to counter these risks, Energiekontor projects are planned with appropriate care and with renowned, experienced partners. Even in the context of bond issues, legal action by bond creditors cannot be ruled out. This risk is countered by a high level of internal control and cooperation with external experts.

Contractual and planning risks

Contractual regulations are a central component in the project planning of wind and solar parks. Contracts are concluded both within the framework of project planning, e. g. with plant manufacturers or land owners, and with investors or institutional investors. Risks lie, on the one hand, in faulty contracts and, on the other hand, in the fundamental risk of litigation, even if the contractual provisions are flawless. To avoid errors, experienced specialists are involved in all phases of project planning. In addition, significant risks are excluded or at least reduced by means of appropriate insurance policies.

Risks from project planning and time delays

In principle, all planning projects are subject to the inherent risk of delays, which can have a negative impact on the profitability of the projects. Delays can occur in all project phases. Most unforeseeable events occur during the approval process or during the construction phase. In addition, there is also the risk that projects may be cancelled altogether, e. g. because permits are refused or revoked or because economic implementation is not possible due to changes in parameters. These risks are countered by targeted land acquisition in suitable areas, a geographically diversified project pipeline, professional project management and optimized contract and claim management.

Supplier risks

The central input variables for project planning and its profitability are the prices and delivery times for the wind power and solar plants. Both parameters have developed positively in recent years due to overcapacities compared to previous years (shorter delivery times, decreasing plant purchase prices). Recently, however, the price level has stabilised and delivery times have been extended. It cannot be ruled out that conditions will deteriorate again in the future, which will increase the economic pressure on project profitability once again. Long delivery times, price increases and competition for scarce construction equipment could lead to deterioration in profitability, which in turn could result in a delay in project implementation. In order to ensure that projects can be planned economically, these risks are countered by concluding contracts with all project partners involved at an early stage and by strict project management. In the course of the consolidating wind energy industry, the supplier structure is also changing. The Energiekontor Group counters this risk by not tying itself to a single manufacturer, but rather by relying on a broad base of different manufacturers depending on the specific project conditions. Delays caused by the loss of suppliers are countered by accessing subcontractors. Nevertheless, it cannot be ruled out that extended construction phases could occur in the course of

consolidation. The impact of the corona pandemic on suppliers is currently not yet foreseeable. It is to be feared that the international supply chains of plant manufacturers have been/will be interrupted at times, resulting in delays.

Last but not least, construction activity could be impaired, e. g. by restrictions on travel and stays within a group, and also if foreign skilled workers are denied entry to Germany or at least made more difficult.

Technical risks

Despite testing and measurement of the wind turbines, their technical maturity and perfect functioning is not always guaranteed. There is a risk that wind turbines may not be able to comply with the contractually guaranteed characteristics, such as power curves, availability or sound power levels. An attempt is made to counter this risk by selecting wind turbines from various renowned manufacturers and concluding appropriate warranty and maintenance agreements. Contractual penalties and liability clauses are also agreed. In addition, appropriate safety discounts are made in planning to minimize these risks. To a lesser extent, these risks may also occur in solar projects. These risks are also countered by the measures described above.

Total risk

The overall assessment of the current risk and opportunity situation shows that there are no risks that could endanger the continued existence of the Group and the Company. Furthermore, no risks that could jeopardize the continued existence of the Company in the future are currently discernible. Overall, the Management Board considers the risks to be limited and manageable.

Other Disclosures

Declaration on corporate governance

The declaration on corporate governance can be found on the website www.energiekontor.de under the heading "Investor Relations/Corporate Governance".

Resolution on the quota of women in management levels

The Board of Management and the Supervisory Board of Energiekontor AG have based their decisions on the current quota of women in the Company. Accordingly, the targeted proportion of women on the Board of Management and Supervisory Board is 0 percent. In the management level below the Board of Management, a target proportion of 17 percent was resolved, which, at 25 percent on the balance sheet date, met the requirements.

Requirements from § 315a HGB

The Management Board does not know of any

- restrictions regarding voting rights or the transfer of shares (Sec. 315a (1) No. 2 HGB),
- holders of shares with special rights granting power of control (Sec. 315a (1) No. 4 HGB), or
- special rights of employees with regard to voting rights control (Sec. 315a (1) No. 5 HGB).

With regard to the composition of the subscribed capital (§ 315a para. 1 no. 1 of the German Commercial Code (HGB)), reference is made to the explanations in the notes to the financial statements of the AG under no. III.3.

The Management Board is not aware of any direct or indirect shareholdings in the capital (Section 315a (1) No. 3 HGB) exceeding 10 percent, with the exception of the shareholdings shown below:

Name, function	Number of shares	in %
Dr Bodo Wilkens (Chairman of the Supervisory Board)	3,759,835	25.62
Günter Lammers (Deputy Chairman of the Supervisory Board)	3,752,474	25.57
Universal-Investment-Gesellschaft mbH	1,623,538	11.06

Pursuant to Section 315a (1) No. 6 of the German Commercial Code (HGB), it is pointed out that, pursuant to Section 6 (1) of the Articles of Association, the Supervisory Board appoints the members of the Management Board and determines their number. Further details of appointment and dismissal are governed by the statutory provisions of Sections 84 et seq. AktG.

Amendments to the Articles of Association are made in accordance with the provisions of the German Stock Corporation Act.

There are no material agreements of the Company that are subject to the condition of a change of control as a result of a takeover bid (disclosure pursuant to Section 315a (1) No. 8 HGB).

The Company has not entered into any compensation agreements with the members of the Management Board or employees in the event of a takeover bid. The statutory provisions apply (disclosure in accordance with Section 315a (1) No. 9 HGB).

Beyond this, there is no takeover offer (Section 315a (1) No. 8 and 9 HGB).

Remuneration Report

a) Board of Directors

The members of the Management Board received total remuneration for their activities in the financial year amounting to T€ 1,437 (previous year T€ 1,064). The variable component thereof amounts to T€ 680 (previous year T€ 315).

The General Meeting on 26 May 2016 resolved to exercise its option pursuant to Sec. 286 (5) and Sec. 314 (3) German Commercial Code (HGB). Pursuant to this resolution, the disclosure of the remuneration of each individual member of the Management Board in the annual financial statements and the consolidated financial statements of the Company for financial years up to and including 2020 stipulated in Sec. 285 Sentence 1 No. 9 a) Sentence 5 to 8 and Sec. 314 (1) No. 6 a) Sentences 5 to 8 German Commercial Code (HGB) is not required.

The Board members were neither promised nor granted any benefits from third parties for their Board activities.

b) Supervisory Board

The annual remuneration of the members of the Supervisory Board is regulated in the Articles of Association and is resolved in the Annual General Meeting following the financial year. The remuneration of the Supervisory Board totalled T€ 90 in the 2019 financial year and does not include a variable component. The members of the Supervisory Board also receive reimbursement of their expenses.

In addition to their Supervisory Board mandate, the Supervisory Board members Dr Bodo Wilkens and Günter Lammers provided services for which separate consultancy contracts were concluded with an annual fee of T€ 60 each.

Forecast report

The forecast for the current fiscal year is based on the growth plans of Energiekontor AG on the basis of a solid business model and against the background of the different systems for the remuneration of electricity generated from renewable sources.

a) Project planning and sales (wind, solar)

The tendering system for onshore wind in Germany, which was introduced in 2017, has since then had a considerable influence on the development of the industry and thus also on Energiekontor. The effects were not only clearly felt in 2018, but also had a significant impact in 2019. Despite a large number of projects in the planning phase, the quantities tendered were in some cases dramatically below the quantities tendered on the individual dates. As a result, the wind farms that were subsidised secured guaranteed payments that were close to the specified maximum value of 6.20 ct/kWh. In the first two tender rounds of the current fiscal year (1 February 2020 and 1 March 2020), the tendered volumes of projects were not submitted either, resulting once again in an average tender price close to the still valid maximum value of 6.20 ct/kWh.

A total of 4.1 GW of wind onshore capacity has been put out to tender in 2020. If the price mechanism envisaged by the Federal Network Agency does not take effect in the current year either due to too few registered projects, surcharges close to the peak value can again be expected. However, this price development, which is positive from a project planning perspective, is based on the very unsatisfactory approval situation. Not least due to the uncertainty caused by politics, most approval procedures are rather slow. The large number of lawsuits and objections filed by opponents of wind power are of course a major contributing factor. As long as the politicians do not adopt regulations that lead to more efficient approval procedures, the expansion of wind energy will remain slow.

In the solar industry, the price mechanism of the auction model is functioning as planned due to the oversupply of solar projects. The tendered volumes of 1,800 MW +400 MW across technologies (in 2019: 1,475 MW +400 MW across technologies) are so low that the average volume-weighted award value was 5.18 ct/kWh at the end of the year. The lowest value of a bid that was accepted was only 4.64 ct/kWh. As a sword of Damocles above the industry, the 52 GW subsidy cap for solar expansion also floats above the industry. At the time of writing this report,

the Federal Government had not yet decided to abolish it. Even against this background it is not surprising that a PPA market for solar projects is slowly developing in Germany as well, in which Energiekontor has taken the lead. The first two PPAs were concluded with renowned utilities as early as 2019. Further PPAs for solar projects are currently being negotiated with various interested parties. It can be assumed that an increasing number of solar projects in Germany will be planned on the basis of PPAs, thus further improving the prospects for the solar industry. Energiekontor will continue to expand its involvement in the solar sector in the future and to this end opened a further office in Augsburg in March 2020 to support projects in southern Germany.

In Great Britain, Energiekontor has been developing promising projects for many years; in recent years, Scotland has become increasingly important. In the meantime, Energiekontor has already been granted six building permits for wind farms. However, the construction and commissioning of the first projects there are not expected to take place until the coming years due to the many years of development and expansion of the power grid there. In the meantime, however, the grid connection dates for several approved projects have been brought forward significantly. As things stand at present, grid connections are available for two projects in 2022 (with a chance of 2021) and for two further projects in 2023. The aim is to reach financial close for several of these projects in the second half of 2020 in order to use the funds from project financing to speed up grid expansion and, if necessary, to shorten the grid connection dates even further. However, the possibilities for this are limited because the grid connections for the EC projects are also dependent on the speed of the general grid expansion in Scotland. This is another reason why Energiekontor expects a result in project development for 2020 that is based primarily on business in Germany. Not least because of the unintentional postponement of the Waldfeucht wind farm project (commissioning in January 2020), the Project Development segment is expected to make a significantly higher contribution to earnings than in 2019.

The management expects the following developments in the individual divisions and country markets in 2020:

In Germany, two wind farms with a total capacity of 13,2 MW were under construction at the time of publication of this report. One wind farm is a repowering project, while the other one consist of only one single turbine. As is known, the Waldfeucht wind farm with a capacity of 13.5 MW was commissioned in January. In addition, three solar parks with a cumulative capacity of around 13 MW are almost structurally complete. The solar parks are scheduled to be commissioned in the second quarter. In the further course of the year, we expect to receive the financial close for a large number of projects. Once this is achieved, a project can go into construction. However, the majority of these projects will not be commissioned until 2021.

Almost all tenders for wind farm projects fell short in 2019. A total of 1,200 MW was also tendered in the first two tenders for onshore wind in 2020. However, only 86 bids with a bid volume of 674 MW were accepted; this corresponds to an acceptance rate of just 56.2 percent.

It is difficult to estimate how long the situation of excess demand will last. In principle, there would be enough wind farm projects to meet the volumes tendered by the Federal Network Agency. It is currently not foreseeable whether political measures will shorten the duration of the very lengthy approval processes. Therefore, the current situation, where too few projects are put out to tender, could continue for the entire year.

In addition to its own project development activities, Energiekontor is in talks with a number of smaller project developers and citizens' energy companies that have been awarded a contract for a wind farm project or want to put wind farm projects out to tender and in return want to take advantage of support in the sense of cooperation in the project planning and construction of wind farms.

In the solar sector, the tendering system has been in force in Germany since 2015, with Energiekontor concentrating on the key regions of Brandenburg and Mecklenburg-Western Pomerania, and in future also on Bavaria. In addition, areas for potential solar sites in neighbouring federal states are being acquired for the key regions.

As part of the Company's overall strategy, the solar sector is being significantly expanded both at home and abroad. Thus, Energiekontor in Germany continues to participate in further tenders. However, solar projects on a PPA basis are likely to be of much greater significance in the future. In 2019 Energiekontor was able to announce the conclusion of the first long-term power purchase agreement with EnBW for a subsidy-free solar park in Germany. For several years now,

we have been pursuing the goal of helping to ensure that one day the entire energy requirement can be covered 100 percent from renewable energy. As a pioneer in our industry, Energiekontor wants to be one of the first to realise wind and solar parks whose electricity production costs are lower than those of the conventional energy industry. After Energiekontor has already built the first subsidy-free wind farm in England, the planned solar farm is proof that such large projects can be realised in Germany even without EEG subsidies. In the further course of 2019 another PPA could be concluded with innogy AG. These agreements have caused a great stir in the industry. We expect to conclude further PPAs for solar projects in the current year. Energiekontor has worked hard to achieve this competitive advantage through a variety of measures and is now profiting from this leading position.

In the course of a few years, it should become standard practice for remuneration for renewable energy to be based on a market economy and no longer on a fixed remuneration system. While this turn of time has already begun in the solar sector, the wind sector will follow this development in Germany in the short to medium term.

To date, Energiekontor has implemented projects in England and Wales, most recently the Witherwick II wind farm, which was commissioned in 2019. This wind farm is the first subsidy-free project ever realised in the UK.

Energiekontor plans in principle all wind farm projects in the UK without state support and only on the basis of market prices or long-term power purchase agreements with industrial end users (so-called end user PPAs). If, as recently announced by the UK government, subsidies are introduced again, we will take advantage of them if economically feasible. However, this will not be our focus; rather, our focus will be on the project planning of the largest possible and windy sites in Scotland, where the further expansion of renewable energies is expressly desired and supported by the political community. Here the Energiekontor Group has secured areas for wind farm realisation of more than 1 GW in recent years.

Energiekontor has currently obtained permits for six projects with a total capacity of well over 150 MW in Scotland. In fiscal 2020, we will work hard to achieve financial close (FC) for the first projects. A financial close is reached when all project and financing agreements have been signed and all conditions contained therein have been fulfilled. However, we do not expect the first projects from this pipeline to be commissioned before 2021 due to the expansion of the grid. In the following years, three to four projects per year are to be realized in Scotland. Business development in Scotland will thus make a significant contribution to the development of Energiekontor AG in the future.

In total, the Energiekontor Group has projects in the pipeline in Germany and Great Britain with a total capacity of well over 3,000 MW, which are in different project phases. For all these projects at least the utilisation agreements have been concluded. Some of the projects are already in the process of building application and approval procedures, have already been approved or are even under construction. The successive realization of the projects from this pipeline with varying degrees of implementation probability depending on progress, secures the medium-term growth targets of the Company.

Energiekontor's activities in Portugal are currently essentially limited to the inventory management of the existing wind farm portfolio.

There is no doubt that the USA has a very large potential in the solar and wind sectors. This is the reason why the Management Board decided to enter the US market a few years ago. Due to the slightly different risks in the USA in contrast to the European markets in which Energiekontor operates, the American market is being developed with great caution and in several stages. With the teams in Austin (Texas) and Rapid City (South Dakota) the solar and wind projects are being pushed forward. The management plans to sell the first project rights for solar projects instead of building the solar parks itself. One reason for this is, on the one hand, the faster realisation of profits and, on the other hand, the conservation of available equity capital. Most important, however, is that on the way to achieving this, the risks remain manageable and controllable. With the sale of these project rights, we want to gain initial experience in the USA; later, we will take projects to financial close. Only then are we planning to construct turnkey projects as usual.

The first contributions to earnings from the USA are expected in the current year.

France is a very attractive market, especially due to the good wind conditions and high solar radiation in the south of the country. We expect that it will take between four and five years to implement the first solar projects and as much as six to seven years to implement wind projects. Accordingly, we do not expect earnings contributions from the solar segment in France until 2023 at the earliest and for the wind segment not before 2025.

The fundamental goal of the Energiekontor Group remains the stabilisation and sustainable increase of income from project development. Roughly half of revenue and earnings are to be generated abroad in the future.

b) Power generation in the Group's own wind and solar parks

The segment of power generation in the Group's own wind and solar parks ensures continuous income and thus creates financial stability and the basis for sustainable corporate growth in accordance with the growth model of the Energiekontor Group. For this reason this segment is to be systematically strengthened and expanded. In the 2019 financial year, the Witherwick II wind farm was added to the Group's own portfolio. The strategy, according to which half of the internally developed projects are sold and the other half is transferred to the Group's own wind and solar park portfolio, is to be pursued further in the coming years. Although this means that the profit margins of the projects, which would be disclosed in the event of a sale, remain in the asset portfolio as hidden reserves, this approach pays off again over a long period of time through constant income from the sale of electricity. Energiekontor thus forgoes short-term profits in favour of long-term secured Company growth.

c) Business development, innovation and others

Despite fluctuating income due to different wind and solar years, a trend towards rising sales and earnings levels is expected in this segment in the coming years. The constantly increasing number of wind and solar parks that are being managed in the operational management makes a contribution to this. Even for wind and solar parks that have been sold, in most cases the operational management has so far remained with the Energiekontor Group. An expansion is conceivable by taking over the operational management of third-party parks. This area is to be systematically developed into a separate service in the coming years. In doing so, the many years of experience in the operation management of own and third-party parks and the know-how gained in recent years for innovation and optimisation of own plants should be offered on the free market. It is planned to successively expand this service to all markets in which Energiekontor is represented.

An example of a not exclusively technical innovation measure is the optimisation of wind farms for operation beyond the legally regulated period of 20 years. Here, Energiekontor has successfully obtained the approval for 17 wind farms up to a term of 35 years. The targeted application of innovation and efficiency measures is currently also ensuring the continued economic operation of these wind farms. In principle Energiekontor aims at a total operating time of the wind farms of 30 to 35 years.

Entire Company

The vision of a 100 percent supply of the energy demand with renewable energies drives Energiekontor and its employees. It is the declared goal to realize the first wind and solar parks whose electricity production costs are lower than those of the conventional energy industry, in order to help renewable energies as a whole to achieve higher market penetration. The various departments of the Company have been supporting this vision for years with various efficiency measures along the entire value chain. These cost reduction measures also represent a competitive advantage and help the Company to achieve a good position within the industry in a market environment that continues to be challenging.

In addition to participating in future tenders in the wind and solar sectors, Energiekontor is concentrating above all on concluding PPAs. The Company has already been successfully gaining experience with PPAs in Great Britain for many years and has gained trust among industrial partners. Even if the British government should again decide on subsidy

measures, the focus for the development of further projects will be on Scotland, where, with excellent wind conditions, large-scale wind farms are to be realised economically without subsidy measures.

At the time of publication of this report, it is not yet possible to foresee what impact the corona pandemic will have on economic development in Germany and worldwide. Energiekontor's business model is very robust and therefore the Company should be less affected by the consequences than others. Even in the event that the Company's operations were to come to a standstill in the short medium term, this would, in the worst case, lead to postponements of projects and delays in maintenance and repair work. The same applies, of course, to delays caused by bottlenecks at business partners, municipalities and authorities.

On the basis of the above, Energiekontor's Management Board expects a significant increase in EBT in 2020 compared to the previous year.

The segment "Power generation in the Group's own wind and solar parks" with its operational management is decisive for the further growth process of the Energiekontor Group. The sales from these two segments are easier to calculate than those from project planning, despite wind and solar-dependent fluctuations in earnings. These revenues represent a relatively stable basis for liquidity planning in the Group. Electricity generation in the Group's own wind and solar parks and operational management are the strategic core segments of Energiekontor AG. The liquidity surpluses generated from the operation of the Group's own wind and solar parks are to be steadily increased in the coming years by expanding the existing portfolio of own parks, whereby the expansion is to take place primarily by taking over turnkey wind and solar parks from the Group's own project development. The decision to take over wind and solar parks into the own portfolio is always situation and project-related.

The solar energy industry has developed very dynamically in recent years. Module and component prices have fallen significantly. Not least because of this, Energiekontor is now able to realise solar projects in Germany despite the lower feed-in tariffs, which on the one hand enable the investor to achieve an attractive return on investment and on the other hand continue to secure Energiekontor very adequate margins. This not only applies to projects that Energiekontor realises within the framework of tenders, but also to projects that are realised on a PPA basis.

Due to the overall very well-filled project pipeline in our target markets, the Board of Management of Energiekontor AG assumes that the Company's growth will accelerate again from 2020 onwards and will reach the growth rates of previous years again from 2021 onwards.

The continuation of structures and working methods integrated and proven within the Company, such as flat hierarchies and cost-conscious management, as well as the use of different banks, financing instruments, plant manufacturers, service providers and consultants will continue to contribute to sustainable and long-term success in the future. The Company's continued good liquidity situation also provides scope for flexible action in order to be able to operate successfully in the market.

In addition to the regulatory imponderables, project-specific or situation-related problems can of course – as has already happened in the past – continue to cause delays in obtaining permits, financing projects already approved and commissioning. The main risks and external factors influencing success are potential delays in the approval process and in project implementation (e.g. due to weather conditions, delays in delivery, lack of availability of construction equipment or grid access, or force majeure such as the corona crisis and its effects).

The Management Board's goal is to further improve the conditions for sustainable corporate growth in order to gradually and sustainably increase total operating performance and consolidated EBT in the coming years. Key planned measures include strengthening the acquisition in all planning areas and increasing efficiency through economic and technical optimization measures in all business segments. In parallel, the number of employees is to be successively and systematically expanded in the central growth areas, as has already been done in the past.

For the individual segments, the expectations for 2020 can be summarised as follows:

In the "Project Development and Sales (Wind, Solar)" segment, segment EBT is expected to be significantly higher than in the previous year.

In the segment "Power Generation in Group-owned Wind and Solar Parks", a slightly higher segment EBT is expected compared to the previous year, assuming an almost normal wind year, especially as the wind park, which will be added to the Group's own portfolio in 2019, should also contribute to a slight improvement in earnings.

In the segment "Operating Development, Innovation and Other", a slight increase in sales and EBT is currently expected. This is due to further efficiency measures and the increased volume of wind and solar park management compared to the previous year. As the management remuneration for all wind and solar parks is linked to the electricity revenues generated, there should also be a slightly higher contribution to earnings. However, should plants fail, there is a risk that the plants could not be maintained in a timely manner due to corona. This could lead to a not inconsiderable deterioration in earnings.

The availability of the Company's own parks is expected to be 98 percent.

All in all, the Management Board assumes that consolidated EBT in the double-digit million range will most likely be achieved in fiscal year 2020. The concrete earnings trend will depend on how the corona crisis will actually affect project realisation and the maintenance and repair of wind and solar parks. This cannot be fully predicted at present. Provided that there are no significant project delays in the building permit proceedings already underway, in the negotiations on central supply contracts and in the financing negotiations, we expect even better results and further increases in earnings from 2021 onwards.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Bremen, April 2020

The Management Board



Peter Szabo
Chairman of the Board



Günter Eschen
Board of Directors



Torben Möller
Board of Directors



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INDEPENDENT
AUDITORS' REPORT

KONZERNABSCHLUSS

CONSOLIDATED INCOME STATEMENT (IFRS)

1 January to 31 December 2019

TEUR	Item in the Notes Sec. V.1	2019	2018
1. Revenue	(1.)	63,700	110,186
2. Changes in inventories and other work performed and capitalised	(2.)	32,708	18,516
3. Total output		96,409	128,702
4. Other operating income	(3.)	3,986	3,363
5. Total operating output		100,395	132,065
6. Cost of raw materials and supplies and purchased services	(4.)	-30,501	-60,631
7. Personnel expenses	(5.)	-14,679	-13,667
8. Depreciation and amortisation	(6.)	-22,551	-18,546
9. Other operating expenses	(7.)	-16,362	-17,144
10. <i>Operating expenses</i>		-84,093	-109,988
11. Operating profit (EBIT)		16,302	22,076
12. Income from investments		0	7
13. <i>Income from investments</i>		0	7
14. Interest and similar income		61	783
15. Interest and similar expenses		-15,593	-13,255
16. <i>Interest result</i>	(8.)	-15,532	-12,472
17. Earnings before taxes (EBT)		770	9,612
18. Income taxes	(9.)	-526	-2,932
19. Consolidated net earnings		244	6,680
Disclosure of earnings per share (EPS), in accordance with IAS 33*	(10.)		
Undiluted number of shares (weighted)		14,443,917	14,571,623
Diluted number of shares (weighted)		14,443,917	14,571,623
Basic earnings per share in EUR		0.02	0.46
Diluted earnings per share in EUR		0.02	0.46

* Dilution would occur if EPS were reduced through the issuance of potential shares, for example from option rights. Potential shares are only dilutive, however, if exercising them would lead to the issuance of shares below their average stock market price. As in the previous year, there was no dilutive effect on EPS in 2018.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 January to 31 December 2019

TEUR	2019	2018
Consolidated net income	244	6,680
Unrealised results from derivative financial instruments		
Unrealised results from derivative financial instruments (before taxes)	-3,970	909
Deferred taxes on unrealised results and reclassifications	1,184	-271
Unrealised profits/losses from derivative financial instruments (after taxes)	-2,786	638
Unrealised results from available-for-sale financial assets		
Unrealised results (before taxes)	0	-46
Reclassifications to the income statement (before taxes)	-16	0
Deferred taxes on unrealised results and reclassifications	5	14
Unrealised results from available-for-sale financial assets (after taxes)	-11	-32
Items that may be reclassified subsequently to profit or loss	-2,797	606
Total comprehensive income	-2,553	7,286
Shares attributable to Energiekontor AG's shareholders	-2,553	7,286

CONSOLIDATED BALANCE SHEET (IFRS)

as of 31 December 2019

ASSETS

TEUR	Item in the Notes Sec. VI.	31.12.2019	31.12.2018
A. Non-current assets			
I.	Other intangible assets	766	23
II.	Property, plant and equipment		
	1. Land, land improvements and buildings	33,474	734
	2. Plant and equipment (wind and solar farms)	192,407	204,001
	3. Other equipment, operational and office equipment	660	181
		226,541	204,916
III.	Investments	26	26
IV.	Receivables and other financial assets		
	1. Receivables from affiliated companies	29	29
	2. Other receivables and financial assets	65	66
		94	95
V.	Deferred tax liabilities	8,187	5,765
	Total non-current assets	235,615	210,824
B. Current assets			
I.	Inventory		
	Unfinished goods and work in progress	71,189	38,481
II.	Receivables and other financial assets		
	1. Accounts receivable	13,765	19,123
	2. Other receivables and financial assets	1,612	1,178
		15,377	20,301
III.	Income tax receivables	693	480
IV.	Securities	36	5,061
V.	Cash and cash equivalents	66,989	73,291
	Total current assets	154,284	137,613
Total assets		389,899	348,437

EQUITY AND LIABILITIES

TEUR	Item in the Notes Sec. VI.	31.12.2019	31.12.2018
A. Equity			
I.	Issued capital		
	1. Subscribed capital (nominal capital)	(11.) 14,678	14,578
	2. Treasury shares (to be retired)	(12.) -312	-30
		14,366	14,548
II.	Capital reserves	(13.) 41,460	40,458
III.	Other reserves (not affecting earnings)		
	1. Foreign currency translation	(15.1.) -61	-61
	2. Fair value measurement IFRS 9	(15.2.) -4,571	-1,775
		-4,632	-1,835
IV.	Retained earnings	(16.)	
	1. Legal reserves	15	15
	2. Other retained earnings	35,442	39,329
		35,457	39,344
V.	Accumulated income	(17.) -30,451	-24,115
	Total equity	56,200	68,400
B. Non-current liabilities			
I.	Other provisions	(18.)	
	Provisions for decommissioning and restoration	16,100	14,859
II.	Financial liabilities		
	1. Bond capital	(19.) 92,267	81,912
	2. Liabilities to banks	(20.) 106,924	120,679
	3. Liabilities to external limited partners	(21.) 1,123	1,040
	4. Other financial liabilities	(22.) 7,525	3,602
	5. Liabilities from leases	32,578	0
		240,417	207,232
III.	Other liabilities	(23.) 3,012	3,184
IV.	Deferred tax liabilities	10,554	10,585
	Total non-current liabilities	270,083	235,861
C. Current liabilities			
I.	Provisions for taxes	(24.) 1,629	1,180
II.	Other provisions	(25.) 9,175	13,504
III.	Financial liabilities		
	1. Bond capital	(19.) 2,958	2,868
	2. Liabilities to banks	(20.) 30,858	17,771
	3. Liabilities to external limited partners	3,000	0
	4. Liabilities from leases	2,421	0
		39,237	20,639
IV.	Accounts payable	9,785	5,489
V.	Other liabilities	3,788	3,358
VI.	Income tax liabilities	3	6
	Total current liabilities	63,616	44,177
	Total equity and liabilities	389,899	348,437

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2018-2019

TEUR	Share capital outstanding	Capital reserves	Foreign currency translation reserve
As of 31 December 2017	14,577	40,323	-61
Changes in 2017 financial year			
Allocations to retained earnings			
Dividend distribution			
Repurchase of treasury shares/retirement	-29		
Differences from stock option plan measurement		30	
Differences from fair value measurement			
Differences from deferred taxes on fair value measurement			
Consolidated net income			
As of 31 December 2018	14,548	40,458	-61
Withdrawals from retained earnings			
Transfers to retained earnings			
Dividend distribution			
Repurchase of treasury shares/retirement	-282		
Stock option programme (conditional capital)	100	1,002	
Differences from stock option plan measurement			
Differences from fair value measurement			
Differences from deferred taxes on fair value measurement			
Consolidated net income			
As of 31 December 2019	14,366	41,460	-61

1) From measurement of securities at fair value

2) From unrealised gains/losses from cash flow hedges

	Fair value reserve (available for sale) ¹	Fair value reserve (cash flow hedges) ²	Retained earnings	Accumulated income	Total	Number of shares TEUR
	Other income					
	43	-2,424	39,717	-22,049	70,232	14,577
				-8,745	-8,745	
			-374		-403	-29
					30	
	-46	909			863	
	14	-271			-258	
				6,680	6,680	
	11	-1,786	39,344	-24,115	68,400	14,548
			796	-796		
				-5,784	-5,784	
			-4,683		-4,965	-282
					1,102	100
	-16	-3,970			-3,985	
	5	1,184			1,189	
				244	244	
	0	-4,571	35,457	-30,451	56,200	14,366

CONSOLIDATED CASH FLOW STATEMENT

1 January to 31 December 2019 (IFRS)

TEUR	2019	2018
1. Cash flow from operating activities		
Net income before interest and taxes	16,302	22,084
Non-cash expenses and income		
Write-downs on intangible assets and property, plant and equipment	22,551	18,546
Adjustment of non-cash currency gains/losses	1,052	-96
Non-cash measurement (write-downs on inventories)	1,061	1,163
Non-cash adjustments due to effective interest method taken to profit or loss	168	-789
Other non-cash expenses/income in equity	1,002	30
Profit before changes in net working capital	42,137	40,938
Changes in net working capital		
Accounts receivable and other assets	4,925	7,040
Changes in income from project development and sales	-33,769	2,164
Accounts payable	4,295	-2,894
Other current liabilities and provisions	-1,020	-7,128
Other non-current liabilities and provisions	-195	1,341
Income taxes paid	-3,031	3,972
Cash flow from operating activities	13,343	45,433

TEUR	2019	2018
2. Cash flow from investing activities		
Payments for investments in intangible assets	-19	-26
Payments for investments in property, plant and equipment	-7,463	-22,240
Proceeds from the sale of securities	5,025	5,098
Interest expense for the production of qualifying assets (IAS 23.8)	-1,675	-1,239
Interest received	61	783
Cash flow from investing activities	-4,070	-17,624
3. Cash flow from financing activities		
Interest expenditure	-13,483	-11,577
Proceeds related to bonds	13,400	18,000
Payments to bondholders	-2,868	-19,288
Proceeds from taking out loans	29,938	60,076
Payments for redeeming loans	-30,860	-61,678
Dividends paid	-5,784	-8,745
Payments for repurchase of treasury shares	-4,965	-403
Proceeds from conditional capital increase (stock option plan)	100	0
Cash flow from financing activities	-14,523	-23,616
4. Total cash flow	-5,249	4,193
Currency-related changes to cash and cash equivalents (valuation)	-1,052	96
5. Net change in cash and cash equivalents	-6,302	4,289
Cash and cash equivalents at beginning of period	73,291	69,002
Cash and cash equivalents at end of period	66,989	73,291
6. Components of cash and cash equivalents		
Cash	66,989	73,291
Cash and cash equivalents at end of period	66,989	73,291

ANNEX

to the consolidated financial statements of Energiekontor AG according to IFRS principles for the financial year 2019

I. General information

Energiekontor AG (hereinafter also referred to as the “Company”) is a listed stock corporation under German law with its registered office at Mary-Somerville-Straße 5, 28359 Bremen, Germany. The Company is entered in the Commercial Register of the Bremen Local Court under the number HRB 20449. The financial year corresponds to the calendar year.

The consolidated financial statements were prepared as of the balance sheet date of the Company’s annual financial statements. The annual financial statements of all consolidated subsidiaries also date from the balance sheet date of the consolidated financial statements.

The business activities of Energiekontor AG and its subsidiaries (hereinafter also referred to as “Energiekontor”) comprise the sale of self-produced wind and solar parks to third parties as well as the operation of self-produced and acquired wind and solar parks for the generation and sale of electrical energy. The wind farms and solar parks are regularly distributed by means of self-established companies in the legal form of GmbH & Co KG, which acquire the wind farm or solar park and whose limited partner’s shares are then sold to third parties (share deal). The wind farms and solar parks intended for own operation for electricity generation are either produced or acquired by the Company itself, whereby these are also regularly operated in companies with the legal form of GmbH & Co. KG.

As the parent company, Energiekontor AG is subject to the obligation to prepare consolidated financial statements for the financial year ending 31 December, 2019. As the shares of Energiekontor AG are traded on an organised market within the meaning of Section 2 of the WpHG, the consolidated financial statements as of 31 December 2019 have been prepared in accordance with Section 315e of the German Commercial Code (HGB) (as amended by the CSR Directive Implementation Act of 11 April 2017) in conjunction with Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 (consolidated financial statements in accordance with international accounting standards) and are in accordance with the International Financial Reporting Standards (IFRS) and the supplementary provisions of Section 315e of the HGB as adopted by the European Union (EU). The consolidated financial statements

were approved for publication by the Management Board on April 2, 2020.

The consolidated financial statements of the Company are filed with and published in the German Federal Gazette (Bundesanzeiger) (Commercial Register of the Bremen Register Court under HRB No. 20449).

The annual financial statements of the parent company Energiekontor AG were prepared in accordance with the provisions of the German Commercial Code (HGB) and the supplementary provisions of the German Stock Corporation Act (AktG). It is also submitted to the Federal Gazette and published.

II. General accounting principles

1. General Information

Energiekontor prepares and publishes the consolidated financial statements in euros (EUR) with a comparison of the figures as of 31 December 2018. The figures in the notes are euros (EUR or €) and thousands of euros (TEUR or T€).

The consolidated financial statements are prepared under the going concern assumption. Risks that could jeopardize the continued existence of the Company are discussed in the combined management and group management report of the Company.

All companies in the Energiekontor Group initially prepare their accounts in accordance with German commercial law or the respective national regulations as well as the supplementary principles of proper accounting. These German accounting principles differ from the IFRS principles in significant respects. All adjustments necessary for the presentation of the consolidated financial statements in accordance with IFRS are made for the purpose of the consolidated financial statements.

The preparation of the consolidated financial statements in accordance with the pronouncements of the International Accounting Standards Board (IASB) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. In certain cases, it is necessary to apply estimation- and premise-sensitive accounting methods. These include complex and subjective valuations and estimates that are based on uncertain facts and may be subject to change. For this reason, estimation- and premise-sensitive accounting methods may

change over time and thus have a significant impact on the presentation of the net assets, financial position and results of operations. They may also contain assumptions that management could have made differently in the same period for equally reasonable reasons.

Management therefore draws attention to the fact that actual values and future events can often deviate from estimates and forecasts and that estimates require routine adjustments (cf. also comments in the notes to the consolidated financial statements under point IV. 20).

For the sake of clarity and rationality of the financial statements, the additional disclosures required for each item in the balance sheet and profit and loss account are included in the notes.

2. Classification methods

The income statement of the Group is structured in accordance with the principles applicable to the nature of expense method. If, in individual cases, reclassifications of prior-year amounts were made in the balance sheet or income statement, this is noted under the respective item.

The balance sheet for the 2019 financial year is structured according to the maturity aspects of the individual balance sheet items.

The cash flows from operating activities in the consolidated cash flow statement are determined using the indirect method. The total interest expenses paid are allocated – depending on the intended use – to the “cash flow from investing activities” sector insofar as they relate to the financing of inventories and construction projects and to the “cash flow from financing activities” sector insofar as they relate to other financing activities. Tax payments are reported in full under operating activities, as it is practically impossible to allocate them to individual business segments. Cash flows from foreign subsidiaries not reporting in euros are translated into the Group reporting currency at average exchange rates for the year.

Adjustments of financial instruments to the effective interest method that affect income but not cash flow are neutralized in cash flow from operating activities, as are adjustments of non-cash changes in exchange rates. The exchange rate-related changes in the British pound against the euro are taken into account in the valuation of cash and cash equivalents on the basis of the total cash flows.

3. Application of IFRS standards and interpretations

Energiekontor implements all standards and interpretations issued by the IASB whose application is mandatory in the European Union (EU) as of 31 December 2019. The interpretations of the International Financial Reporting Interpretations Committee (IFRIC) are observed.

3.1. IFRSs issued, adopted by the EU and applied for the first time in the financial year

In January 2016, the IASB published IFRS 16 “Leases”, which replaces, among others, IAS 17 “Leases” and IFRIC 4 “Determining whether an arrangement contains a lease”. IFRS 16 abolishes the previous classification of leases as operating and finance leases for lessees. Instead, IFRS 16 introduces a uniform accounting model according to which lessees are obliged to recognise an asset for the right of use and a lease liability for the outstanding lease payments for all leases. As a result, from 1 January 2019, all leases – largely comparable with the previous accounting treatment of finance leases – must be recognized in the consolidated balance sheet.

However, IFRS 16 provides an option to waive recognition of the right of use and lease liability for leases with a term of up to twelve months (current leases) and for leases of low-value assets. Energiekontor makes use of these options. The lease payments associated with these leases are generally recognised as expenses on a straight-line basis over the term of the lease or on another systematic basis.

The new standard regulates the recognition, measurement, disclosure and disclosure requirements in connection with leases in the financial statements of companies that prepare financial statements in accordance with IFRS. For the lessee, IFRS 16 provides for a single comprehensive accounting model in the form of a right-of-use model. This approach eliminates the distinction between finance leases and operating leases that was previously required by IAS 17. For the lessee, the application of IFRS 16 means that, in principle, all assets and liabilities from leasing agreements in the broadest sense must be recognised in the balance sheet.

The first-time application of IFRS 16 by Energiekontor AG was carried out using the modified retrospective method. Accordingly, the comparative figures for 2018 continue to be presented in accordance with IAS 17, without retrospective adjustment.

The Group's leasing activities involve the ongoing use of the following assets:

- Other intangible assets: Software
- Land and buildings: business premises, but mainly wind and solar parks
- Other equipment, furniture and fixtures: Motor vehicles, office equipment

Until the 2018 financial year, these leases were classified either as operating leases or finance leases. In the case of finance leases, the underlying asset or lease liability was recognized at the beginning of the basic rental period either at fair value or the present value of the minimum lease payments, whichever was lower. Operating leases were not recognized in the balance sheet. Instead, the lease payments were recognized as an expense in the statement of comprehensive income on a straight-line basis over the basic rental period.

At the time of the first-time adoption of IFRS 16 on 1 January 2019, all operating leases in the form of rights of use and lease liabilities were now recognized. Exceptions, in the form of a waiver of recognition in the balance sheet by exercising accounting options, existed for short-term leases with terms of up to twelve months and leases for low-value underlying assets.

The rights of use were recognised in relation to the respective lease at the present value of the lease liabilities, adjusted for prepayments already made to the extent that they were recognised in the balance sheet as of 31 December 2018. At the time of initial application, no onerous leases were recorded for the Energiekontor Group; therefore, no value adjustment of the initial rights of use was necessary.

The classification as leases includes contracts that were already classified as leases as of 31 December 2018; in addition, in the area of operating leases, all lease agreements for energy park sites were included to the extent that they conveyed control rights over the leased sites.

With regard to the balance sheet items in the consolidated balance sheet as of 31 December 2019, the application of IFRS 16 means, among other things, that the balance sheet total will increase due to the capitalization of the rights of use and the simultaneous recognition of leasing liabilities as liabilities.

The implementation of IFRS 16 had the following quantitative effects on the consolidated balance sheet as of 1 January and 31 December 2019:

Effects on the consolidated balance sheet

TEUR	01 Jan. 2019	01 Jan. 2018
ASSETS		
A. Non-current assets		
I. Other intangible assets	+821	+737
II. Tangible assets		
1. Land and buildings	+35,275	+32,740
3. Other equipment, operating and office equipment	+645	+454
EQUITY AND LIABILITIES		
A. Equity		
V. Accumulated retained earnings	0	+1,067
B. Non-current liabilities		
5. Liabilities from leases (long-term)	+34,199	+32,578
C. Current liabilities		
4. Liabilities from leases (current)	+2,541	+2,421

In the consolidated statement of comprehensive income for 2019, the application of IFRS 16 results in an increase in depreciation and amortisation by the amounts attributable to the rights of use and an increase in interest expense, while at the same time reducing the rental, lease and rental expenses previously recognised under other operating expenses.

The effect of the application of IFRS 16 on the consolidated statement of comprehensive income for 2019 is as follows:

Effects on the Consolidated Statement of Comprehensive Income	
TEUR	Effect on results
8. depreciation of tangible and intangible assets (increase)	+2,809
9. other operating expenses (reduction)	-3,028
EBIT (increase)	-219
15. interest and similar expenses (increase)	+1,286
EBT (decrease)	+1,067

The cash outflows from leases essentially correspond to the above-mentioned amounts that would have been recognised as other operating expenses (approx. EUR 3,028 thousand) without the application of IFRS 16.

In determining financial liabilities, all outflows of financial resources were measured where there was a firm contractual obligation to pay them. Future potential outflows of financial resources from leasing relationships that go beyond this and that were not recorded in the valuation can consist of additional variable leasing payments, which, in turn, are dependent on the electricity revenue generated on the leased areas or on the utilization of extension options.

The application of IFRS 16 as of 31 December 2019 has the following effects on the equity ratio:

Effects on total assets and equity

TEUR	31 Dec. 2019
Total assets without application of IFRS 16	354,900
Total assets with application of IFRS 16	389,899
Increase in the balance sheet total	+34,999
Equity without application of IFRS 16	57,266
Equity with application of IFRS 16	56,200
Reduction in equity capital	-1,067
Equity ratio without application of IFRS 16	16.14 %
Equity ratio with application of IFRS 16	14.41 %
Reduction of the equity ratio	-1.72 %

The remaining terms of the leasing liabilities in connection with operating leases are as follows:

TEUR	31 Dec. 2019
Leasing liabilities	
Short term (up to 1 year)	2,421
Medium term (1–5 years)	8,014
Long term (5–10 years)	8,558
Longer (over 10 years)	16,006

3.2. IFRSs issued, adopted by the EU and not yet applied

In May 2017, the IASB published the standard IFRS 17 “Insurance Contracts”. IFRS 17 replaces the currently applicable standard IFRS 4 and is intended to increase transparency and comparability with regard to recognition, measurement, presentation and disclosures for insurance contracts with insurance providers. IFRS 17 is expected to be applicable at the latest to financial years beginning on or after 1 January 2021. IFRS 17 is not relevant for Energiekontor.

III. Consolidation principles and scope of consolidation

1. Principles

The parent company is Energiekontor AG, Bremen (hereinafter also referred to as 'the Company' or 'AG').

In addition to Energiekontor AG, the consolidated financial statements as of 31 December 2019 include domestic and foreign companies in which Energiekontor AG as of 31 December 2019 directly or indirectly has the power to govern their financial and operating policies so that the companies of the Group derive benefit from the activities of these companies.

Subsidiaries held for sale (project companies) are also included in the consolidated financial statements. Project companies in this sense are the wind and solar park operating companies typically established by the Energiekontor Group in the legal form of a limited partnership (GmbH & Co. KG). The project companies are fully consolidated not only until the shares in the project company are sold, but also until the material benefit from the project company is fully realized, i. e. until the wind or solar park is substantially completed and handed over ready for operation. At this time, the project company is deconsolidated, especially as the operating revenues that continue to be realised regularly after completion no longer represent a significant benefit or risk factor within the meaning of IFRS as opposed to the formation, distribution and construction process.

In the income statement, this means, among other things, that sales to project companies are not recognized as sales and profits until completion.

In addition to the purchase price for the wind or solar park, this also affects commissions and other fees in connection with sales, management in the start-up phase, project planning, the legal and economic concept and all other services provided up to the completion of the wind or solar park.

These sales only lead to a sales and earnings contribution if the sale of the shares in the company and the completion and acceptance of the wind/solar park have taken place cumulatively.

As a result of full consolidation, the revenues and partial profits accrued to third parties until completion are not realised according to the percentage of completion (PoC) method in accordance with IAS 11 as part of the partial realisation of profits, but only at the time of completion (completed contract) to the extent that the further prerequisites for deconsolidation are met.

If shares in limited partnerships have already been sold as of the balance sheet date, but the transfer of the wind farm or solar park by Energiekontor to the limited partnership has been agreed and has not yet taken place, deconsolidation and revenue and profit recognition only take place at the time the wind farm resp. the solar park is transferred. For those companies whose shares have already been sold and which are nevertheless to be consolidated in accordance with these principles until the wind or solar farms to be supplied by Energiekontor have been accepted, the current external income and expenses are included in the income statement and the balance of these amounts is shown under liabilities, so that the current results of such project companies are neutral in earnings as long as no negative capital would result from any losses. Losses in excess of this amount generally have an effect on the Group, but this was not the case in the reporting period or in the previous year.

Deferred tax assets must be recognised on intercompany profits eliminated within the Group.

Until the date of deconsolidation, the limited partnerships regularly incur external financing expenses in the construction phase from the date of loan disbursement by the banks, which are booked as interest expenses in the Group for the projects sold in the financial year until the date of deconsolidation.

Shares in associated companies over which the AG directly or indirectly exerts a significant influence and which were not acquired for the purpose of resale in the near future are accounted for using the equity method in accordance with IAS 28 (one-line consolidation). Under the equity method, investments in an associate are recognised in the balance sheet at cost plus post-acquisition changes in the Group's share of the net assets of the associate.

The goodwill associated with an associate is included in the carrying amount of the investment and is not amortized.

When applying the equity method, the Group determines whether it is necessary to recognise an additional impairment loss in respect of the Group's net investment in the associate.

Companies are also included according to the principles of proportionate consolidation in accordance with IFRS 11 (Joint Operations). These are exclusively wind farm infrastructure companies which have no significant influence on the net assets, financial position and results of operations.

Minority interests in the equity of subsidiaries are reported separately within equity ("non-controlling interests in equity") if the non-controlling interests exist in the equity of corporations. Where non-controlling interests in the equity of partnerships, including limited partnerships, exist, these are to be reported as liabilities, as the requirements for reporting equity are not generally cumulatively met.

On the balance sheet date of the reporting period, non-controlling interests in limited partnerships ("liabilities to limited partners outside the Group") existed. To the extent that the companies in which these investments are held are intended to remain within the Group, they are reported under non-current liabilities.

Third-party minority interests in these project companies – due to the full consolidation of the project companies until completion of the wind or solar park – are to be shown under liabilities because they will only remain in the Group temporarily (also under the item "Liabilities to limited partners outside the Group"). One project company with plants under construction whose shares had already been sold had to be consolidated as of the balance sheet date.

Minority interests in the profit or loss of subsidiaries are reported separately in the income statement either as an allocation of profit or loss (in the case of a corporation) or under financial results (in the case of a partnership), depending on the legal form of the company in which the interest is held. In the period under review, as in the previous year, allocations of earnings were to be shown exclusively in the financial result.

Capital consolidation is carried out according to the purchase method (purchase accounting or acquisition method). Under this method, the acquisition costs of the shares acquired are offset against the parent company's share of the net assets of the subsidiary at the time of acquisition, which are revalued at fair value.

The cost of the acquisition corresponds to the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the transaction date. They also include the fair values of any recognized assets or liabilities resulting from a contingent consideration agreement. Acquisition-related costs are expensed as incurred.

Assets, liabilities and contingent liabilities identifiable in a business combination are measured initially at their fair values at the acquisition date.

For each acquisition, the Group determines on an individual basis whether the non-controlling interest in the acquiree is measured at fair value or at its proportionate share of the net assets of the acquiree. Goodwill is measured as the excess of the cost of the acquisition over the Group's interest in the net assets measured at fair value at the date of acquisition, the amount of non-controlling interests in the acquiree and the fair value of any previously held equity interests at that date. If the cost of acquisition is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the income statement.

Goodwill was already fully amortised in previous years and was not required to be recognised either on the balance sheet date or in the previous year's financial statements.

At the time of the sale of shares in consolidated companies or the loss of control over these companies, they are removed from the scope of consolidation. As part of deconsolidation, the pro rata assets and liabilities attributable to the Group are eliminated at amortized cost, including any existing goodwill.

The difference between the balance of assets and liabilities and the proceeds from the sale of the shares is recognised in the income statement of the Group. The income and expenses incurred from the beginning of the respective financial year until the date on which the company is deconsolidated are reported in the consolidated income statement.

Intragroup expenses and income as well as receivables and liabilities between consolidated companies are eliminated, as are intercompany profits.

Income tax effects are taken into account in consolidation entries recognised in profit or loss and deferred taxes are recognised.

2. Companies included

A separate list of the Group's shareholdings within the meaning of Section 313 (2) HGB and the method of inclusion in the consolidated financial statements is provided in Note IX. In addition to the parent company Energiekontor AG, the scope of consolidation includes the other companies listed there. All Group companies are consolidated. The separate list also includes any exemption resolutions pursuant to Sections 264 (3) and 264b HGB.

Shares in uncontrolled companies exist only in wind farm infrastructure companies that are consolidated at equity or proportionately (joint operations) and do not account for a significant share of the Group's activities and cash flows.

3. Change in scope of consolidation

3.1 Initial consolidation

The following companies were included in the scope of consolidation in 2018 as a result of newly established companies (first-time consolidation).

- Energiekontor Bau XI GmbH
- Energiekontor Bau XII GmbH
- Energiekontor Bau XIII GmbH
- Energiekontor Bau XIV GmbH
- Energiekontor Bau XIX GmbH
- Energiekontor Bau XV GmbH
- Energiekontor Bau XVI GmbH
- Energiekontor Bau XVII GmbH
- Energiekontor Bau XVIII GmbH
- Energiekontor Bau XX GmbH
- Energiekontor CO GmbH
- Energiekontor Direktvermarktung GmbH
- Energiekontor Finanzanlagen VII GmbH & Co. KG
- Energiekontor Finanzanlagen VIII GmbH & Co. KG

- Energiekontor Finanzierungsdienste IX GmbH
- Energiekontor Finanzierungsdienste VIII GmbH
- Energiekontor Infrastruktur Solar I GmbH & Co. KG
- Energiekontor Infrastruktur Solar II GmbH & Co. KG
- Energiekontor Infrastruktur Solar III GmbH & Co. KG
- Energiekontor Infrastruktur Solar IV GmbH & Co. KG
- Energiekontor Infrastruktur Solar V GmbH & Co. KG
- Energiekontor Infrastruktur XI GmbH & Co. KG
- Energiekontor Infrastruktur XII GmbH & Co. KG
- Energiekontor Infrastruktur XIII GmbH & Co. KG
- Energiekontor Infrastruktur XIV GmbH & Co. KG
- Energiekontor Infrastruktur XIX GmbH & Co. KG
- Energiekontor Infrastruktur XV GmbH & Co. KG
- Energiekontor Infrastruktur XVI GmbH & Co. KG
- Energiekontor Infrastruktur XVII GmbH & Co. KG
- Energiekontor Infrastruktur XVIII GmbH & Co. KG
- Energiekontor Infrastruktur XX GmbH & Co. KG
- Energiekontor Jülich-Ost WP JO GmbH & Co. KG
- Energiekontor Neue Energie GmbH
- Energiekontor Neue Energie 1 GmbH & Co. KG
- Energiekontor Neue Energie 2 GmbH & Co. KG
- Energiekontor Neue Energie 3 GmbH & Co. KG
- Energiekontor Neue Energie 4 GmbH & Co. KG
- Energiekontor Neue Energie 5 GmbH & Co. KG
- Energiekontor Neue Energie 6 GmbH & Co. KG
- Energiekontor Neue Energie 7 GmbH & Co. KG
- Energiekontor Neue Energie 8 GmbH & Co. KG
- Energiekontor Neue Energie 9 GmbH & Co. KG
- Energiekontor Neue Energie 10 GmbH & Co. KG
- Energiekontor Neue Energie 11 GmbH & Co. KG
- Energiekontor Neue Energie 12 GmbH & Co. KG
- Energiekontor Solar 6 GmbH & Co. KG
- Energiekontor Solar 7 GmbH & Co. KG
- Energiekontor Solar 8 GmbH & Co. KG
- Energiekontor Solar 9 GmbH & Co. KG
- Energiekontor Solar 10 GmbH & Co. KG
- Energiekontor Solar 11 GmbH & Co. KG
- Energiekontor Solar 12 GmbH & Co. KG
- Energiekontor Solar 13 GmbH & Co. KG
- Energiekontor Solar 14 GmbH & Co. KG
- Energiekontor Solar 15 GmbH & Co. KG
- Energiekontor Solar Bau I GmbH
- Energiekontor Solar Bau II GmbH
- Energiekontor Solar Bau III GmbH
- Energiekontor Solar Bau IV GmbH
- Energiekontor Solar Bau V GmbH
- Energiekontor Stromvermarktung GmbH & Co. KG
- Energiekontor UK CO I Ltd.
- Energiekontor UK GL GmbH
- Energiekontor UK Hold Limited
- Energiekontor UK LO GmbH
- Energiekontor UK Man Limited

- Energiekontor UK PI GmbH
- Energiekontor WP Booßen GmbH
- Energiekontor WSB 1 GmbH
- Energiepark Jülich-Barmen-Merzhausen WP JBM GmbH & Co. KG
- Energiepark Jülich-Ost WP JO GmbH & Co. KG
- Energiepark Oerel BGWP OER GmbH & Co. KG
- Energiepark Oerel WP UW GmbH & Co. KG
- Energiepark UK CO GmbH & Co. KG
- Energiepark UK GL GmbH & Co. KG
- Energyfarm UK BA I Ltd.
- Energyfarm UK BA II Ltd.
- Energyfarm UK Baldoon LLP
- Energyfarm UK CO II Ltd.
- Energyfarm UK Cornharrow LLP
- Energyfarm UK DU I Ltd.
- Energyfarm UK DU Ltd.
- Energyfarm UK Dunbeath LLP
- Energyfarm UK FE I Ltd.
- Energyfarm UK FE II Ltd.
- Energyfarm UK Fell LLP
- Energyfarm UK GA I Ltd.
- Energyfarm UK GA II Ltd.
- Energyfarm UK Garbet LLP
- Energyfarm UK GL I Ltd.
- Energyfarm UK GL II Ltd.
- Energyfarm UK Glenshimmeroch LLP
- Energyfarm UK HA I Ltd.
- Energyfarm UK HA II Ltd.
- Energyfarm UK Hare Craig LLP
- Energyfarm UK LA I Ltd.
- Energyfarm UK LA II Ltd.
- Energyfarm UK Lairg LLP
- Energyfarm UK LI I Ltd.
- Energyfarm UK LI II Ltd.
- Energyfarm UK Little Hartfell LLP
- Energyfarm UK LO I Ltd.
- Energyfarm UK LO II Ltd.
- Energyfarm UK Longhill Burn LLP
- Energyfarm UK NA I Ltd.
- Energyfarm UK NA II Ltd.
- Energyfarm UK Narachan LLP
- Energyfarm UK OV I Ltd.
- Energyfarm UK OV II Ltd.
- Energyfarm UK Overhill LLP
- Energyfarm UK PE I Ltd.
- Energyfarm UK PE II Ltd.
- Energyfarm UK Pencarreg LLP
- Energyfarm UK PI I Ltd.
- Energyfarm UK PI II Ltd.
- Energyfarm UK Pines Burn LLP
- Energyfarm UK SO I Ltd.

- Energyfarm UK SO II Ltd.
- Energyfarm UK Sorbie LLP
- Energyfarm UK WE I Ltd.
- Energyfarm UK WE II Ltd.
- Energyfarm UK Windy Edge LLP
- Energyfarm UK WU I Ltd.
- Energyfarm UK WU II Ltd.
- Energyfarm UK Wull Muir LLP
- Infrastrukturgesellschaft Energiepark Beckum GbR
- Netzanschluß Stadorf GbR
- WP Booßen GmbH & Co. KG

There were no differences arising from initial consolidation in the context of takeovers, as the above-mentioned transactions were all newly founded companies.

3.2 Initial consolidations not yet carried out

All companies founded in 2019 as well as those founded in the previous year and not included in the scope of consolidation in the previous year due to materiality (IFRS Framework) were fully consolidated in the financial year.

3.3 Deconsolidation

Due to the sale of subsidiaries in the reporting period, in the case of operating companies in conjunction with the completion of the wind/solar park, the deconsolidation of the following project companies owned by third parties was necessary.

- Energiekontor Solar 1 GmbH & Co, KG

The revenues and expenses generated in connection with the construction and sale of the wind/solar parks included in these companies are reported in the income statement.

The following companies were liquidated and deconsolidated in the fiscal year:

- CuxlandSolar UG i. L. (limited liability)
- WeserSolar UG i. L. (limited liability)

The following companies have been merged with subsidiaries of Energiekontor AG included in the scope of consolidation:

- Energiekontor Infrastruktur III GmbH & Co, KG
- Energiekontor Management GmbH & Co, KG
- Energiekontor Management Hagen GmbH & Co, KG

4. Segment reporting

According to IFRS 8, operating segments are to be defined on the basis of the internal reporting on group divisions, which is regularly reviewed by the company's chief operating decision maker with regard to decisions on the allocation of resources to these segments and the assessment of their profitability. Information reported to the Management Board as the chief operating decision maker for the purpose of allocating resources to the Group's operating segments and evaluating their performance relates to the types of goods or services produced or rendered.

The allocation of assets and liabilities as well as income and expenses to the individual business segments is reported in tabular form.

IV. Accounting and valuation principles, currency translation

The financial statements of the Company and its domestic and foreign subsidiaries are generally prepared using uniform accounting policies. This essentially also applies to the annual financial statements of associated companies.

The consolidated financial statements 2019 of the Energiekontor Group prepared by Energiekontor AG as the parent company have been prepared in accordance with uniform accounting and valuation principles. The standards of the International Accounting Standards Board (IASB) valid on the balance sheet date are applied.

1. Profit and loss account

The consolidated income statement has been prepared using the nature of expense method.

2. Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them. Government grants are recognised in the income statement as other operating income, as scheduled, especially as the related expenses intended to compensate for the grants were generally incurred in prior periods. Grants received for the acquisition of property, plant and equipment are recognized as deferred income under other liabilities.

Advantages from public loans (e. g. interest-subsidised loans from the KfW banking group) are to be assessed with regard to the reduction in conditions such as government grants. Subsidized liabilities are measured at the present value of the payments to be made; the difference to the amount paid out represents the present value of the subsidy and is carried as deferred income under non-current liabilities.

The reversal takes place over the term of the interest subsidy. In the year under review, promotional amounts of TEUR 627 (previous year: TEUR 731) were booked for KfW loans taken out.

3. Realization of sales and other income

The types of revenue and realization principles are presented below.

Sales revenues are booked net and are considered realized when the goods and services owed have been delivered or the significant risks and opportunities have been transferred. In addition, payment must be sufficiently probable.

For all types of revenue, the Group believes that revenue from project companies (wind or solar park operating companies in the stage up to completion of the park) is recognised at the earliest at the time of deconsolidation, i.e. at the time when (cumulatively) the shares in the company are sold and the wind/solar park is completed.

Payments are generally received no later than 90 days after invoicing, which in turn is linked to revenue recognition upon transfer of control of the goods sold and services rendered.

a. Project planning and sales segment (wind, solar)

Revenue from long-term construction contracts for the construction of wind/solar farms for operating companies is not recognised in accordance with the percentage of completion due to the consolidation of these companies until the wind/solar farm is completed (see above), but only upon completion and transfer of risks and rewards and thus at the time of deconsolidation or completion (completed contract method). With the transfer of economic ownership of the shares in the operating company in the form of the transfer of the main shareholder rights on the one hand and, on the other hand, the continued ownership of the wind/solar park through the transfer of the risk of accidental destruction, the Group believes that control of the wind/solar park supplied is transferred to the customer at this point in time.

Revenue for services in connection with the sale of wind/solar parks (management in the process of formation, sales and capital procurement, economic and legal planning) is also realised at the time of the sale of the wind/solar park in accordance with the CCM method, as the power of disposal over these services is also indissolubly linked to the power of disposal over the wind/solar park.

The proceeds from the sale of a wind/solar park and related services are determined by the contractually agreed prices.

b. Power generation segment in Group-owned wind/solar parks

Revenue from the sale of energy generated with the company's own wind/solar parks is recognised at the time of delivery of the electricity using the CCM method, as the customer is granted direct control over this.

c. Segment Business Development, Innovation and Other

Revenues for operational management and other commercial and technical services are also recognised in accordance with the CCM method at the time of full performance of the services, also at the time of disposal of these services and on the basis of the contractually agreed prices.

Depending on the economic content of the underlying agreements, royalties and license revenues are either realized immediately or deferred and recognized pro rata temporis.

Dividend income is recognised at the time when the right to receive payment is established. As a rule, this is the resolution to distribute the dividend.

4. Leasing

With the application of the uniform accounting model for leases in accordance with IFRS 16 as of 1 January 2019, the distinction between operating and finance leases no longer applies to the lessee, so that all assets and liabilities in connection with lease agreements must now be recognised in the balance sheet. The new regulations do not result in any material changes for the lessor. As the Energiekontor Group acts as a lessor only to an insignificant extent within the scope of subleases, the following disclosures focus exclusively on the accounting policies applicable to the lessee.

At the beginning of each agreement, an assessment is made as to whether the agreement constitutes a lease within the meaning of IFRS 16 or whether it is the economic substance of the agreement. A lease is given if the contract grants the Energiekontor Group the right to control the use of an identified asset for a certain period of time against payment of a fee.

If a lease exists, a right of use in the amount of the acquisition costs must be capitalized on the date of provision (i.e. when the asset is available for use by Energiekontor). These include:

- the amount of the lease liability recognized for initial measurement
- all costs initially incurred to obtain the right of use, if directly attributable
- all leasing payments already made before or on the date of provision, less any incentive benefits received
- all estimated dismantling costs and expenses for comparable obligations

Subsequent measurement is at cost less any accumulated depreciation and impairment losses, adjusted where necessary for revaluation of the lease liability. The depreciation period is the shorter of the useful life and the lease term.

On the provision date, a lease liability is also recognized as a liability in the amount of the present value of all outstanding lease payments (minimum payments) over the term. The basis for discounting is the marginal borrowing rate of the Energiekontor Group, if the underlying implicit interest rate of the lease cannot be determined easily. The marginal debt interest rate is defined as the interest rate that a lessee would have to pay if it were to borrow the funds for a comparable term with the provision of comparable collateral in order to obtain a value for an asset comparable to the right of use in a comparable economic environment.

The estimate of the marginal borrowing rate is based on the observed market yields; effective interest rates are first derived from these, which are then adjusted in connection with credit and country-specific risks.

The leasing liabilities are made up as follows:

- Fixed payments minus leasing incentives still to be granted
- Variable lease payments, insofar as these are linked to an index or interest rate
- Amounts expected to be paid under residual value guarantees
- Exercise prices of call options if there is a sufficient probability of exercise (“more-likely-than-not criterion”)
- Penalties on the occasion of lease terminations, if these are taken into account in the calculation of the term

To the extent that (isolated) lease payments were linked to the development of indices (e.g. consumer price index), the cash flows used to determine the lease liability merely include adjustments that have already occurred. Estimates of future adjustments based on expected index developments are not reflected in the valuation.

Variable lease payments that are neither index-linked nor interest-linked are recognised as part of the statement of comprehensive income as under IAS 17. In the case of Energiekontor, these include lease payments that are based on the income from electricity fed into the grid of individual plants.

The underlying term of the leases was calculated from the non-cancellable basic rental period plus any extension options of sufficient exercise probability, less periods for which a cancellation option exists, provided that it is sufficiently probable that this option will be exercised. From the point of view of the Energiekontor Group, extension options within the framework of rental and lease agreements were of particular importance as a significant component. Their exercise is assessed by Energiekontor at its own discretion; all factors that appear relevant as well as economic incentives to exercise such options are taken into account. In case of subsequently occurring significant events as well as in case of a change of circumstances, which affect the above assessment, the term is also reassessed, provided that Energiekontor has the control over this.

Renewal options over lease terms are only included to a minor extent in determining the term of the leases, as the economic parameters at the time of possible option exercise cannot generally be reliably forecast.

Lease liabilities are first compounded over the term and then reduced by the payments made. If there is a change in the individual lease, a revaluation is made if the change affects future lease payments. This is the case, for example, if there is a change in the likelihood of renewal or termination options being exercised or if the amount of the lease payments is adjusted.

5. Currency translation

Financial statements of foreign subsidiaries and associates whose currency is not the euro are translated into euro using the functional method and non-monetary items are translated regularly at the exchange rate at the date of initial recognition. Equity items are translated at historical exchange rates. Monetary items are translated at the closing rate and all income and expense items are translated at average exchange rates for the period at the time of the transaction. In accordance with the treatment of the Group’s own foreign currency transactions, the described conversions are made into the reporting and functional currency of the Group (euro) with an effect on income. The translations and translation differences are recognised in the income statement under other comprehensive income (“other operating income” or “other operating expenses”).

6. Goodwill

Goodwill was already fully amortised in previous years.

7. Other intangible assets

Other intangible assets comprise the software used in the Group. The Company amortises intangible assets with finite useful lives on a straight-line basis over their estimated useful lives to their estimated residual carrying amounts. The expected useful life for software is generally three to five years.

8. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. The Group's own land attributable to the "Power generation in Group-owned wind/solar farms" segment is not investment property, but is used exclusively for the Group's own operating purposes (operation of wind/solar farms).

The cost of property, plant and equipment may also include the estimated future costs of deconstruction and renaturation, although any future disposal proceeds expected on deconstruction are not netted. If changes in the current market-based discount rate, including changes in the interest rate effect and for the liability for specific risks, result in an adjustment to the provisions to be recognised for the deconstruction, such changes shall be added to or deducted from the cost of the wind farm in the current period, but deducted up to a maximum of the carrying amount of the asset (any additional reductions in the provision shall be recognised in profit or loss).

At the time of any necessary increase in the value of property, plant and equipment as a result of the increase in provisions for dismantling and renaturation costs, the carrying amounts of property, plant and equipment are reviewed for impairment by determining their value in use. Any resulting impairments are recognised as expenses.

In the case of acquisitions in foreign currencies, subsequent changes in exchange rates do not affect the carrying amount at original cost.

Subsequent acquisition and production costs are only capitalized if it is probable that the Group will derive future economic benefits from them and the costs of the asset can be reliably determined.

In the case of self-constructed property, plant and equipment (wind farms) that qualify as non-current assets (qualifying long-term assets), the production costs are determined on the basis of the directly attributable individual costs and appropriate overheads.

Since at the beginning of the planning and construction phase for wind farms it is generally not yet possible to predict whether a wind farm will remain in the Group's portfolio or be sold, the total project-related production costs of all projects are initially recorded as cost of sales and other relevant expense items (in particular personnel expenses, other operating expenses and interest expenses), and uniformly capitalised as inventories (unfinished products and services) at the end of the year if the necessary conditions are met. As a rule, "assets under construction" are not capitalized before completion.

At the time of completion, in those cases where it has finally been determined that a wind or solar farm is to be transferred to the Group's own portfolio, the construction costs are transferred to fixed assets without affecting net income. In the year under review, this only concerns the aforementioned expansion of the Witherwick wind farm.

Insofar as wind or solar parks in fixed assets are to be sold, they are also transferred to current assets with no effect on income. In the reporting year, as in the previous year, this was not the case.

In the case of one-off public grants or subsidies for the acquisition or production of assets (investment grants), the acquisition or production costs are reduced by the amount of the grants. For ongoing public subsidies in the form of loan subsidies, a separate deferred income item is carried as a liability, which is reversed over the subsidy period depending on the term.

Income subsidies that are no longer matched by future expenses are recognized in the income statement and reported under other operating income. Assets are depreciated over their estimated remaining useful lives. The Company uses the straight-line method of depreciation.

The useful lives and depreciation methods used are reviewed in each period and adjusted if necessary.

Specifically, the carrying amounts for current straight-line depreciation are based on the following assumed useful lives:

Technical equipment and machinery (wind farms)	10 to 20 years
Operating and office equipment as a rule	3 to 13 years

9. Impairment of property, plant and equipment

All assets recognized in the balance sheet are tested for impairment at the balance sheet date. A review is performed during the year if events or circumstances (triggering events) occur that indicate a possible impairment. Impairment testing is performed at the level of cash-generating units; with regard to the wind farms in the portfolio, each wind farm represents a cash-generating unit in its own right. In addition to current depreciation, the carrying amount of property, plant and equipment is written down if necessary due to impairment if there is a probable permanent impairment as a result of changed circumstances. Impairment is determined by comparing the carrying amount of the respective assets with the recoverable amount.

The recoverable amount is the higher of an asset's value in use and its fair value less costs to sell. If, as a result, an impairment loss is required for such assets, it is the difference between the carrying amount and the lower recoverable amount. If the fair value cannot be determined, the recoverable amount corresponds to the value in use of the asset. This value in use is the amount obtained by discounting its estimated future cash flows.

As soon as there are indications that the reasons for the impairment losses no longer exist, the need for a full or partial reversal of the impairment loss is reviewed.

However, a reversal of an impairment loss recognised as income in the income statement in the form of an increase in

value or a reduction of prior impairment is only recognised to the extent that the carrying amount that would have been determined, net of depreciation effects, had no impairment loss been recognised in prior years, not been exceeded.

Impairment losses on property, plant and equipment are reported in the income statement under "Depreciation".

10. Investments in affiliated companies

Shares in affiliated companies are generally included in full consolidation. This inclusion in the consolidated balance sheet is retroactive to the date of acquisition.

11. Receivables from associated companies

Receivables from associated companies are shown separately in the consolidated financial statements as financial instruments under non-current assets.

12. Joint operations

Insofar as joint operations exist with third parties on the joint use of infrastructure, cabling, etc. for wind farms, the rights to the assets and liabilities for liabilities are accounted for on a pro rata basis in accordance with the principles of proportionate consolidation (IFRS 11). The joint agreements with third parties existing in the reporting period and in the previous year and their pro rata valuations have no material effect on the net assets, financial position and results of operations.

13. Financial instruments

13.1. Concept of financial instruments

Financial instruments are all contracts that result in the recognition of a financial asset and financial liability of the company or an equity instrument in another company. The financial assets of the Company mainly include cash and cash equivalents, available-for-sale financial assets, trade receivables, receivables from associates and other receivables such as loans.

The financial liabilities of the Company mainly include bonds, liabilities to banks, other financial liabilities, trade payables and

other liabilities, including the limited partnerships qualifying as debt under IAS 32, and derivative financial instruments (cash flow hedges) in the form of interest rate swaps and interest rate/currency swaps) with a negative market value, which are also to be accounted for.

13.2. Accounting treatment of financial instruments

Financial instruments are recognised in the balance sheet as soon as the Company becomes a party to a financial instrument. Assets, i. e. purchases or sales for which the delivery of the asset must take place within the time frame prescribed for the respective trading venue or defined by conventions, are recognised on the trading day.

Financial assets are derecognised when the Group's claims to cash flows from the financial instrument expire or when the financial instrument is transferred to another party, including control or all material risks and rewards.

Financial liabilities are derecognised when the Group's obligations specified in the contract expire or are waived or terminated.

Financial instruments are initially recognised at fair value, which corresponds to their fair value. Financial instruments that are not measured at fair value through profit or loss are measured including transaction costs.

Financial assets and liabilities are subsequently measured according to the category to which they are allocated (cash and cash equivalents, available-for-sale financial assets, trade receivables, other receivables, liabilities from bonds, liabilities to banks, trade payables, other financial liabilities, other miscellaneous liabilities or derivative financial liabilities).

If amortized cost is used for financial assets that are not measured at fair value through profit or loss, the carrying amounts

are reviewed at each balance sheet date to determine whether there is any evidence of impairment. The amount recognised is the amount at which a financial asset or financial liability was measured at initial recognition, including transaction costs not recognised in profit or loss, less any interim amortisation and impairment losses for impairment or uncollectability. In the case of short-term receivables and liabilities, the amortised cost is generally identical to the nominal amount or the repayment amount.

Individual value adjustments are made for expected default risks. These are used to reduce the gross receivable if specific facts become known that indicate that a debtor is unable to meet its financial obligations to a sufficient extent.

The assessment of the appropriateness of the allowance for doubtful receivables is the responsibility of the decentralized collection management and is based, among other things, on the maturity structure of the receivables balances, on empirical values from receivables that have already been derecognized, on customer creditworthiness and conspicuous changes in payment behaviour, and on indications of financial difficulties on the part of the debtor, that measure a sustained or significant decline in the fair value of the financial asset below amortised cost, any concession to the borrower for economic or legal reasons related to the borrower's financial difficulties or, more generally, the determination of the disappearance of an active market for the financial asset.

The amount of an impairment loss is determined by the difference between the carrying amount of the asset and the expected future cash flows discounted at the original effective interest rate of the financial asset to determine the present value, which is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the underlying event can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss.

Impairment losses on trade receivables and other assets are recorded using allowance accounts where necessary and

updated as necessary. The expected loss model is observed in this context.

No such impairment losses were recognised in previous years, nor are there any prospective impairment losses on financial instruments capitalised as of the balance sheet date, applying the principles of IFRS 9 Credit Default Risk, which would trigger an impairment requirement. The contractual terms, collateral, customer or debtor ratings and specific default risks are used for the ongoing assessment of the probability of default.

Cash and cash equivalents comprise all liquid assets that have a remaining term of less than three months at the time of acquisition or investment. Cash and cash equivalents are measured at cost in Energiekontor.

Trade receivables and other receivables are measured at amortised cost less any impairment. Non-interest-bearing or low-interest receivables with maturities of more than one year are discounted.

Securities and receivables from associated companies (limited partnership interests) are classified as available-for-sale financial assets (other non-derivative financial assets in the available-for-sale category). Energiekontor reports them at fair values if they can be reliably determined. After taking deferred taxes into account, Energiekontor reports unrealised price gains under other components of equity (fair value measurement). This reserve is released when the asset is disposed of. If the fair value of available-for-sale financial assets falls below cost and there is objective evidence that the asset is impaired, Energiekontor records the loss and recognises it in the consolidated income statement.

In making its assessment of possible impairments, the Company takes into account all available information, such as market conditions and prices, investment-specific factors and the duration and extent of the decline in value below cost.

Reversals of impairment losses are recognised in profit or loss if, after the recognition of an impairment loss as an expense at a later measurement date, events occur that result in an objective increase in fair value.

With the exception of derivative financial instruments, Energiekontor measures liabilities from bonds and liabilities to

banks at amortised cost. Costs in connection with raising capital (bonds, German Government securities and bank loans) are spread over the term of the contract using the effective interest method.

Financial liabilities regularly give rise to a right of return in cash or another financial asset to another party. Financial liabilities measured at amortized cost primarily include other financial liabilities, trade payables and parts of other miscellaneous liabilities.

After initial recognition, these financial liabilities are measured at amortized cost, bonds using the effective interest method if necessary.

Derivative financial instruments such as interest rate swaps are carried at fair value by Energiekontor. Derivatives with a positive fair value are reported as financial assets and derivatives with a negative fair value as financial liabilities.

Cash flow hedges are used to hedge future cash flows in connection with a recognized asset, liability or highly probable future cash flow.

The effective portion of changes in the fair value of derivative instruments designated as cash flow hedges (interest rate and cross-currency interest rate swaps) is recognised in other components of equity (fair value measurement), net of deferred taxes.

Only cash flow hedges that meet the strict hedge accounting requirements of IAS 39 are recognized in the balance sheet. If the criteria for a hedging relationship are met, the designation of the financial instrument used, the related hedged item, the hedged risk and the assessment of the degree of effectiveness of the hedging instruments used are documented. In order to assess the effectiveness of the hedging relationship with respect to offsetting the risks arising from changes in cash flows with respect to the hedged risk, the effectiveness of the hedging relationship is examined as of the balance sheet date.

If the hedging relationship is classified as ineffective or the criteria for hedge accounting are no longer met, the reserve

is released to income. Reference is made to the further explanations in the notes to the balance sheet and the balance sheet items, which contain a list of the categorisation of financial instruments at the Energiekontor Group (point VI. 2).

Interest rate swaps have negative fair values due to lower capital market interest rates. As they were concluded exclusively as long-term interest rate hedging instruments together with the underlying transactions (financing loans) (cash flow hedging) and value realisation before expiry of the fixed-interest term thus secured is not possible, these market values are only theoretical values for Energiekontor – irrespective of a positive or negative development – and are therefore neither regarded by the company management as a liability nor – in the event of a positive development – as an asset. The value of the swaps to be shown in the consolidated balance sheet in accordance with IAS 39 is therefore eliminated for segment reporting purposes on the basis of the applicable “management approach”.

14. Taxation

14.1. Current taxes

The current tax expense is determined on the basis of taxable income for the year. The taxable income differs from the annual result from the income statement because it excludes expenses and income that are not taxable or not tax-deductible. The liabilities of the Energiekontor Group for current tax expenses were calculated on the basis of the tax rates applicable in the respective countries in which subsidiaries and operating facilities are maintained, or on the basis of the tax rates that will apply shortly from the balance sheet date.

14.2. Deferred taxes

Deferred taxes result from different valuations in the IFRS and tax balance sheets of the Group companies as well as from consolidation measures, insofar as these differences balance out again over time. Under the liability method, deferred tax assets and liabilities are recognized with the future tax effect resulting from the differences between IFRS accounting and the respective country-specific tax accounting of asset and liability items.

The effects of changes in tax rates on deferred taxes are recognised in profit or loss in the reporting period in which the legislative process underlying the tax rate change is largely completed.

In addition, deferred tax assets are recognized for loss carry-forwards if and to the extent that it is probable that they will be utilized in the foreseeable future.

Regularly updated tax planning calculations must be carried out to assess the probability of the realisation of such tax claims. In addition, the respective national and EU tax regulations to be applied in accordance with the current case law of the European Court of Justice must be included.

Deferred taxes are divided into tax assets (deferred tax assets) and tax liabilities (deferred tax liabilities). In the classification of the balance sheet according to maturities, deferred taxes are generally regarded as non-current.

The company also made use of the possibility of netting deferred tax assets and liabilities to the permissible extent in the reporting period.

15. Inventories

Inventories, which include project planning and design services for wind and solar projects, are carried at cost using the average cost method plus directly attributable incidental costs. Borrowing costs relating to inventories are capitalised to the extent that they relate to capitalisable inventories. Write-downs on inventories are made if the net realizable value is below the acquisition or production cost.

16. Receivables from long-term construction contracts

Due to the consolidation practice, according to which operating companies for which wind/solar parks are constructed are not deconsolidated when the limited partnership interest is sold (change of shareholder), but only when the wind/solar park is completed, the method of revenue recognition according to the stage of completion is in fact of no significance for group accounting.

17. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and all liquid assets with a remaining term of less than three months at the time of acquisition or investment. Cash and cash equivalents are measured at amortized cost.

18. Non-controlling interests

According to IFRS, non-controlling interests and minority interests are generally reported separately within equity.

However, since the subsidiaries in which these non-controlling interests are held are limited partnerships, the application of IAS 32 results in the disclosure of this economic equity in a way that differs from German commercial law.

According to the IFRS applicable to it, this limited liability capital of the shareholders outside the Group is regarded as debt capital as long as the IFRS criteria for a statement of equity are not cumulatively fulfilled. The subsidiaries in which non-Group shareholders hold interests are exclusively such limited partnerships. The termination options of the limited partners are a decisive criterion for the distinction between equity and debt capital. Financial instruments that grant the holder (here: the limited partner) the right of termination and thus oblige the company to transfer cash or other financial assets in the event of termination, therefore represent a financial liability and thus debt capital from the point of view of IFRS, contrary to the undisputed economic substance as equity in Germany. As a result of the existing termination rights of the limited partners of the subsidiaries, the "net assets of the limited partners" corresponding to the total amount of the non-controlling interests according to the balance sheet must therefore not be recognized in equity, but rather at present value in liabilities. This item is measured at the present value of the "net assets of the limited partners" determined in accordance with IFRS.

Correspondingly, the shares in earnings attributable to the limited partners are to be recorded as financial expenses or income.

19. Accruals

Provisions for legal or constructive obligations are recognised in the balance sheet if the company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Discounting should always be performed if the effect of the discount is material. The carrying amount of provisions takes into account the amounts required to cover future payment obligations, identifiable risks and uncertain obligations of the Group.

Allocations to provisions are generally recognized in the income statement.

This does not apply to the formation of provisions in connection with dismantling and renaturation costs. In these cases, the carrying amount of the related property, plant and equipment must be increased by the present value of the legal obligations from the deconstruction. The calculation basis for calculating the present value of the provisions consists of the term to the expected deconstruction, the plant-specific deconstruction and renaturation costs expected today, which are extrapolated for the application of the nominal interest calculation (purchasing power equivalence) to the expected deconstruction costs taking into account an expected inflation rate of 2 percent p.a., and the respective discount rate related to the remaining term.

The discount rate was determined in the financial year on the basis of the interest rates for listed German Government securities with matching maturities, increased by a risk premium of 3 percent (credit spread).

Expected realisation proceeds are not taken into account in the measurement of provisions for dismantling and renaturation, even if their realisation is probable from today's perspective and the proceeds can be estimated in the same way as the costs of dismantling the plants. In principle, provisions are recognised in the first year in which the provision is recognised, with no effect on income, by way of an asset/liability swap on the balance sheet. The additional capitalized amount is depreciated over the remaining useful life of the property, plant and equipment.

The differences in the calculation of provisions compared with the previous year resulting from the application of the current discount rates are offset against the acquisition / manufacturing costs of the wind farms with no effect on profit and amount to a total of TEUR 496 in the financial year (previous year: TEUR 496). A positive or negative difference to the carrying amount arising from the fulfilment of the obligation is recognised in the income statement. The annual interest accrued to adjust the present value of the provisions is recognized in the income statement under financial expenses. Additions due to compounding amount to TEUR 436 (previous year: TEUR 439).

The maturities of the outflows of economic benefits resulting from these provisions are expected to be in the years from 2022 to 2045, whereby extended operating periods of wind farms and the exercise of options in the lease agreements will shift the demolition and thus due dates into the future. Uncertainties regarding the expected settlement amounts and due dates are taken into account by adjusting the calculation parameters annually.

Tax and other provisions are calculated on the basis of prudent business judgement. All information known up to the date of the balance sheet preparation is taken into account.

20. Liabilities

Financial liabilities, with the exception of derivative financial instruments, are measured at amortized cost, bonds using the effective interest method if necessary. Any difference between the amount disbursed and the amount repayable at maturity (discount, loan discount) is amortized by first recognizing the collection amount and then gradually updating it to the final repayment amount by continuously compounding the interest.

Receivables and liabilities in foreign currencies are translated at the exchange rate on the balance sheet date. Bank liabilities in foreign currency are translated at the buying rate on the balance sheet date. The swap of the Mafomedes wind farm, which had to be carried as a liability in the context of the earlier company acquisition, is carried forward at fair value (TEUR –148, previous year TEUR –238) with an effect on income.

Contingent liabilities are not recognised in the balance sheet, but are disclosed in the notes to the consolidated financial statements under “Other disclosures” (Part VIII.).

21. Significant accounting judgements and main sources of estimates

21.1. The need for estimates

In applying the above accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that cannot be readily determined from other sources. The estimates and underlying assumptions were based on past experience and other factors considered relevant. The actual values may differ from the estimates.

The assumptions on which the estimates are based are subject to regular review. Changes in estimates that affect only one period are only taken into account in this period. Changes in estimates affecting the current and subsequent reporting periods are taken into account accordingly in this and subsequent periods.

21.2. Main sources of estimation uncertainty

In the following, the most important forward-looking assumptions and other significant sources of estimation uncertainty at the balance sheet date that could give rise to a significant risk of causing a material adjustment to the reported amounts of assets and liabilities within the next financial year are disclosed.

21.2.1. Recoverability of technical equipment (wind/solar parks)

In the consolidated balance sheet as of 31 December 2019, the group's own wind/solar parks are capitalised in the amount of TEUR 192,407 (previous year TEUR 204,001). In order to determine any impairment of these property, plant and equipment in the context of regular impairment tests, it is necessary to determine the value in use of the cash-generating units to which the respective wind/solar parks belong.

The calculation of the values in use requires the estimation of future cash flows from the cash-generating unit as well as a suitable discount rate for the present value calculation by means of the valuation using discounted cashflow valuations. The estimates to be used for this purpose consist mainly of the future wind and irradiation conditions that influence the amount of electricity yields, the compensation rates for the sale of energy, the technical service life of the wind and solar energy plants and the other cost factors of a wind or solar park, such as repairs. These estimates are also consistent with the assumptions and observable input factors that

market participants would use in pricing wind/solar farms. The risks inherent in the discounted cash flow valuation method consist in particular of unfavourable developments that deviate from the estimates of management and market participants in the future, such as lower wind supply, higher operating costs, lower energy prices and any other unfavourable parameter developments.

The rights of use to be capitalised in accordance with IFRS 16 from 2019 for the leased parking spaces are allocated to the CGU "Wind/Solar Park". As the leased land is indispensable for the operation of the CGU, the financial liabilities and financing cash flows resulting from the recognition of lease payments as liabilities are also allocated to the respective CGU, so that, as expected, the application of IFRS 16 has no effect on the impairment test, as the value in use of the CGU must continue to be reduced by the lease payments.

21.2.2. Recoverability of inventories (work in progress)

The consolidated balance sheet as of 31 December 2019 includes inventories of TEUR 71,189 (previous year TEUR 38,481). These result from the capitalisation of project-related costs incurred in connection with wind/solar park project development. The management assessed the recoverability of the capitalised costs on the balance sheet date and took account of value reductions to the extent necessary. In the valuation of inventories, the future realization chances of projects and the value of expected future cash flows represent significant estimates.

21.2.3. Deferred tax assets

Deferred tax assets are recognized for all unused tax loss carryforwards and timing differences to the extent that it is probable that taxable profit will be available against which the unused tax loss carryforwards can be utilized, or there is convincing evidence that the unused tax loss carryforwards can be utilized. Significant portions of the deferred tax assets arose in the wind farm operating companies, which use maximum depreciation permitted for tax purposes, and in the foreign planning companies, which bear considerable start-up costs for the respective market and project development. In order to determine the amount of deferred tax assets, management estimates the expected timing and amount of future taxable income and future tax planning strategy (timing of taxable profits, consideration of tax risks, etc.). The respective national and EU tax law bases, which are subject to ongoing adjustments, also have a significant impact on this.

22. Determination of fair values

Many of the Group's accounting policies and disclosures require the determination of fair values for financial and non-financial assets and liabilities.

The Energiekontor Group has established a control framework for the determination of fair values. This includes a valuation team that has general responsibility for monitoring all material fair value measurements and reports directly to the Management Board. The valuation team regularly reviews the key input factors and the valuation adjustments. When information from third parties is used to determine fair values, the valuation team reviews the evidence obtained from the third parties to conclude that such valuations meet the requirements of IFRSs, including the level in the fair value hierarchy to which those valuations are assigned.

In determining the fair value of an asset or liability, the Group uses observable market data as far as possible. Based on the input factors used in the valuation techniques, the fair values are assigned to different levels in the fair value hierarchy:

- Stage 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: Valuation parameters other than quoted prices included in Level 1 but observable for the asset or liability either directly (i. e. as a price) or indirectly (i. e. derived from prices)
- Level 3: Valuation parameters for assets or liabilities that are not based on observable market data.

If the input factors used to determine the fair value of an asset or liability can be assigned to different levels of the fair value hierarchy, the fair value measurement in its entirety is assigned to the level of the fair value hierarchy that corresponds to the lowest input factor that is material to the measurement overall. Transfers between different levels of the fair value hierarchy are recognised at the end of the reporting period in which the change occurs.

Further information on the assumptions used to determine fair values can be found in the notes to the financial statements under the description of the respective assets and liabilities.

V. Notes to the profit and loss account

The following figures are given for the corresponding items in the income statement. Unless otherwise indicated, all figures are given EUR thousand,

1. Sales revenues

Group sales in the project planning and sales segment (wind, solar) relate to German wind/solar parks.

The activities attributable to the business development, innovation and other division are mainly performed almost exclusively in Germany.

Sales revenues in the segment of electricity generation in group-owned wind/solar parks (in short: electricity generation) is realised in wind/solar parks in Germany, Portugal and Great Britain.

In detail, sales revenues are broken down by segment as follows:

TEUR	2019	2018
Segments and related revenues		
Project planning and sales (wind, solar)	5,673	52,920
Power generation in the Group's own wind/solar parks	54,143	53,528
Business development, innovation and others	3,884	3,738
Revenues all segments	63,700	110,186

2. Changes in inventories and other own work capitalised

This item, which amounts to TEUR 32,708 (previous year TEUR 18,516), includes changes in the group-wide inventories of unfinished projects existing at the balance sheet date as well as the production costs of wind/solar parks produced in-house and included in fixed assets that are to remain in the group's portfolio.

TEUR	2019	2018
Transfer of wind/solar parks in fixed assets	0	27,041
Changes in inventories of unfinished projects	32,708	-8,525
Changes in inventories and own work	32,708	18,516

Impairment losses on inventories (wind/solar park projects) already taken into account in the changes in inventories amount to TEUR 1,061 in the financial year (previous year TEUR 1,163).

Since the construction costs for wind/solar parks, which may possibly remain in the Group's portfolio, are also booked under current cost of sales and other cost items (other operating expenses, personnel and interest expenses), the project-related portfolio must be capitalised until the time of completion and the decision to sell.

At the time of completion of the wind/solar park, the previous year's inventory of work in progress, which had been capitalised for this purpose up to that point, is initially derecognised. At the same time, this amount, plus the production costs incurred until completion, is capitalised under property, plant and equipment by reclassifying the completed wind/solar parks as fixed assets, insofar as they remain within the group for the purpose of generating electricity.

Capitalisation of internally produced wind and solar parks by transfer to fixed assets is always carried out without affecting income, as is any reverse transfer from fixed to current assets.

3. Other operating income

Other operating income breaks down as follows:

TEUR	2019	2018
Release of provisions	2,966	3,028
Miscellaneous other operating income	868	191
Subsidies	104	0
Damages/insurance refunds	48	48
Income from currency conversions (balance)	0	96
Other operating income	3,986	3,363

4. Cost of materials and purchased services

Group-wide expenses incurred for the planning and construction of wind/solar park projects amount to TEUR 30,501 (previous year TEUR 60,631). This includes, among other things, the costs incurred for the construction of the parks, which have been transferred to the Group's own portfolio.

5. Personnel expenses

Personnel expenses amounting to TEUR 14,679 (previous year TEUR 13,667) increased due to the increased number of employees in the financial year and are composed as follows:

TEUR	2019	2018
Salaries	12,526	11,937
Social security contributions and expenses	2,152	1,730
Personnel expenses	14,679	13,667

Taking into account the expenses for the sale of bonds (recognised directly in equity), total personnel expenses amount to TEUR 14,879 (previous year TEUR 13,967).

The average number of employees amounts to 159 (previous year 161 employees). Of these, an average of 29 employees (previous year 24) was employed by foreign subsidiaries.

6. Depreciation

The majority of the depreciation and amortisation totalling TEUR 22,551 (previous year TEUR 18,546), TEUR 19,680 (previous year TEUR 18,495) is attributable to the group's own wind/solar parks. Detailed information on fixed assets and depreciation and amortisation can be found in the statement of changes in fixed assets (cf. point VI. 1). As in the previous year, there was no unscheduled depreciation of property, plant and equipment in the reporting period.

7. Other operating expenses

Other operating expenses comprise the following expense items:

TEUR	2019	2018
Repairs and maintenance of wind-/solar parks	7,085	6,390
Administrative expenses	1,667	1,514
Legal, tax, audit and other consultancy fees, legal costs	1,536	1,470
Fees, charges, contributions	1,348	1,155
Project-related expenses (incl. planning, travel expenses, etc.)	1,080	1,091
Expenses from currency conversions (balance)	1,052	0
Advertising and distribution costs	650	629
Insurance	648	614
Lease payments for wind/solar parks	600	3,039
Electricity consumption wind turbines/solar plants	560	397
Miscellaneous other operating expenses	80	212
Room costs	57	634
Other operating expenses	16,362	17,144

8. Net interest income

Net interest income in the Group is as follows:

TEUR	2019	2018
Interest and similar income	61	783
Interest and similar expenses	-15,593	-13,255
Net interest	-15,532	-12,472
Income from investments	0	7
Income from investments	0	7
Financial result	-15,532	-12,465

There was no interest income from financial assets not measured at fair value through profit or loss. Changes from the fair value measurement of fully effective cash flow hedge derivatives (interest rate and cross-currency interest rate swaps) amounting to the cumulative negative fair values of TEUR -6,514 (previous year: negative fair values of TEUR -2,545) were recognised directly in equity, netted with the related deferred taxes. Changes generally relate to additions or disposals of hedged liabilities, declining residual maturities, changes in capital market interest rates and future interest and exchange rate forecasts that affect market values. The swaps were concluded exclusively to hedge the interest rate and currency risks arising from long-term wind/solar park financing, which is why it is not possible, or only in exceptional cases, to realise the negative market values before the derivatives mature. As a result of the gradual reduction in the reference parameters for the payer interest rate swaps, the

effects on earnings will also be gradually reduced in the following reporting periods. Effective interest is included in the amount of TEUR 620 (previous year TEUR 652).

Interest income of TEUR 61 (previous year TEUR 783) is attributable to current financial assets with variable interest rates. Of the interest expenses, TEUR 696 (previous year TEUR 107) are attributable to current financial liabilities with variable interest rates. The reported interest expenses are exclusively attributable to debt items that are measured at amortised cost.

9. Income taxes

The total tax expense for the Group is as follows:

TEUR	2019	2018
Current (actual) taxes	1,780	1,537
Deferred taxes	-1,253	1,395
Total tax expense	526	2,932

9.1. Actual taxes

This item includes trade and corporate income taxes payable in Germany, together with the solidarity surcharge, as well as comparable income tax expenses in the foreign companies.

9.2. Deferred taxes

Deferred taxes due to temporary differences between the carrying amounts in the tax balance sheets and the carrying amounts in the consolidated balance sheet are as follows:

TEUR	31 December 2019		31 December 2018	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Valuation of property, plant and equipment	467	13,756	373	14,860
Losses carried forward	10,730	0	10,871	0
Fair value measurement IFRS 9	1,943	0	759	5
Elimination of intercompany profits	659	0	0	0
Valuation of inventories	0	1,527	0	1,121
Valuation of financial instruments (effective interest method)	0	916	0	919
Other reasons for deviation	33	0	82	0
Subtotal before netting	13,833	16,200	12,084	16,905
Amounts eligible for netting	-5,646	-5,646	-6,319	-6,319
Deferred taxes (after netting)	8,187	10,554	5,765	10,585

The decisive factor for the assessment of the recoverability of deferred tax assets is the assessment of the probability of the reversal of the valuation differences and the usability of the loss carryforwards, which led to deferred tax assets.

This is dependent on the generation of future taxable profits during the periods in which tax valuation differences reverse and tax loss carryforwards can be utilized.

The Group's tax loss carryforwards consist of Energiekontor AG, the wind farm operators and the foreign planning and construction companies and are broken down as follows:

TEUR	31 December 2019		31 December 2018	
	Germany	Abroad	Germany	Abroad
Loss carryforwards				
with formation of deferred tax assets				
Trade tax losses carried forward	47,562	0	53,541	0
Losses carried forward corporation tax	12,964	9,269	12,204	7,406
without formation of deferred tax assets				
Trade tax losses carried forward	8,728	0	4,748	0
Loss carryforwards corporation tax	0	4,118	0	3,845

In the reporting period, the Company assumes that sufficient positive taxable income will be available to realize the capitalized tax asset for the tax loss carryforwards for which deferred tax assets were recognized due to future business activities. Based on past experience and the expected taxable income situation, it is assumed that the corresponding benefits from deferred tax assets can be realized to this extent. The loss carryforwards resulting mainly from the wind farm operating companies affect trade tax at the level of the wind farm operating companies themselves and corporation tax at the level of Energiekontor AG. They do not result from unplanned business developments, but in particular from increased initial tax depreciation. If it does not appear sufficiently certain that losses can be realised, possibly within the time limit existing abroad, they are not capitalised.

Insofar as deferred tax assets are capitalised for loss carryforwards, there is no time limit for the possibility of carrying forward in Germany and the United Kingdom. In Portugal, there is also a tax carry forward possibility for losses, the use of which is limited to twelve years.

The deferred tax amounts offset directly in equity (fair value reserve) amounting to TEUR 1,943 (previous year TEUR 754) were recognised directly in equity.

9.3. Tax reconciliation (Effective Tax Rate Reconciliation)

In fiscal 2019 and, according to the current legal situation, probably also in the following years, the corporate income tax rate in Germany will be 15 percent plus the solidarity surcharge of 5.5 percent of the corporate income tax burden. This results in an effective corporate income tax rate of 15.83 percent. Including trade tax, which averages 14.00 percent, the total tax rate for the fiscal year is 29.83 percent.

The reconciliation of the expected tax expense to the reported income tax expense is shown below. The calculation of the expected tax expense is based on the application of the overall domestic tax rate of 29.83 percent (previous year 29.83 percent). There is therefore no effect from a change in the tax rate.

The following overview shows the reasons for the difference between the expected (calculated) and actual tax expense:

TEUR	2019	2018
Calculated income tax expense	230	2,867
Income taxes for other periods	212	251
Effects from partnerships	220	188
Deactivated and eliminated tax loss carryforwards	0	148
Non-deductible operating expenses	95	135
Deviating tax law / tax rates abroad	-231	-657
Actual tax expense	526	2,932

10. Earnings per share

At the end of the financial year, 14,678,160 (previous year 14,578,160) shares were subscribed. Of these, 14,365,791 (previous year 14,548,240) shares were outstanding, taking into account the shares bought back for the purpose of cancellation and not yet cancelled. Taking into account an exact daily weighting, an average of 14,415,071 (previous year 14,571,623) shares were outstanding in the financial year. As in the previous year, there were no dilution effects in the fiscal year, so that "basic earnings per share" and "diluted earnings per share" are identical.

	2019	2018
Group result in €	243,780	6,679,845
Weighted average number of shares issued	14,415,071	14,571,623
Basic / diluted earnings per share in EUR	0.02	0.46

11. Financial risks and financial instruments

In principle, the Energiekontor Group is exposed to interest rate, liquidity and currency risks as well as credit and default risks in the case of assets.

Interest rate risks are hedged by means of hedging derivatives in addition to long-term fixed interest rate agreements (for wind farm financing). The wind farm operating companies concerned have taken out variable loans (3-month EUR-EURIBOR telerate) and converted them into fixed-interest loans, for which interest rate hedges are concluded by means of

interest rate swaps (synthetic fixed-interest loans). The Group is not exposed to interest rate risks during the term of the hedging derivatives. Changes in interest rates only affect the value of derivatives if they are considered separately, as required by IAS 39. To this end, such decoupled effects of changes in interest rates are presented using sensitivity analyses, which reflect the effects of changes in market interest rates on interest payments, interest income and expenses, other income components and equity.

As of the balance sheet date, the interest rate and currency swaps not affecting income had a negative fair value of TEUR -6,514 (previous year TEUR -2,545), calculated on a mark-to-market basis (MTM), due to the fall in capital market interest rates since then.

The negative fair values of derivative financial instruments are reported under "Other financial liabilities". The market value of such assets and liabilities is determined on the basis of parameters for which either directly or indirectly derived quoted prices are available on an active market and is based on financial mathematical simulation models of forecast currency and interest rate developments. From the management's point of view, the market values of these swaps are purely theoretical values, especially as a sale or realisation of the market values prior to the scheduled expiry of the fixed interest period hedged with the derivatives is not possible or can only be considered in exceptional cases. Where loans linked to interest rate swaps are refinanced, they shall always be fully effective and related.

The negative market values of synthetic fixed-interest loans are economically comparable with early repayment penalties payable in the event of loan termination for traditional fixed-interest loans, which in turn would not be accounted for under IFRS.

With regard to the interest rate swaps, the effective interest expense of the underlying transactions hedged with the aforementioned payer swap hedges corresponds to the interest rate level hedged for the underlying transaction in each case, so that retrospectively the effectiveness is fully ensured. As a result, these financial instruments are not subject to interest rate risks relating to the income statement or equity. Gains and losses from the fair value measurement of derivatives are therefore recognized directly in equity after offsetting against the related deferred tax liabilities or assets.

If the market interest rate level had been 100 basis points higher (lower) on the balance sheet date, the total fair value to be recognised in the fair value reserve with no effect on income would have been TEUR -2,762 (TEUR -9,255). The

reference figures for the underlying transactions of wind/solar park financing amount to a total of TEUR 91,868 (previous year TEUR 101,226), converted to EUR in some cases.

The maturities of interest rate hedges and interest rate currency hedges generally correspond to those of the hedged underlying transactions. At the balance sheet date, the Group held derivative instruments with a maximum term until March 2037 to hedge interest rate and currency risks from wind/solar park financing.

Other currency risks of the British and American subsidiaries in the area of market risks result from operating activities and investments and are generally not hedged.

Liquidity risks are countered by timely and sufficient agreement of credit lines that are not utilized and by issuing bonds. In order to ensure solvency at all times, ongoing liquidity planning is carried out, which reflects all expected inflows and outflows of liquidity and their maturities.

Credit and default risks are reflected in the balance sheet by means of value adjustments where necessary. They are limited to the amounts shown on the assets side of the balance sheet. No impairments were required either as of the balance sheet date or in the previous year in accordance with the principles of IFRS 9 for determining "expected credit losses".

VI. Notes to the balance sheet

The following figures are given under the corresponding items in the balance sheet. Unless otherwise indicated, all figures are given EUR thousand,

1. Fixed assets

The composition and development of the values of the fixed assets in the current year and in the previous year are shown in the following fixed-asset movement schedule.

None of the assets listed here are intended for sale (non-current assets held for sale) or are attributable to discontinued operations, so that they are not reported separately.

As in the previous year, no impairment loss was recognized.

Additions in the following amounts result exclusively from the first-time application of IFRS 16 in fiscal year 2019:

	2019	2018
Other intangible assets:	821	83
Land and buildings	35,275	2,535
Other equipment, operating and office equipment	645	191
Total	36,741	2,809

1.1. Goodwill

Goodwill had already been fully amortised in previous years and was not recognised either on the balance sheet date or in the previous year's financial statements.

1.2. Other intangible assets

This relates to software to be capitalized and continuously amortized. The value includes rights of use to be capitalised for the first time as of the balance sheet date in accordance with IFRS 16 in the amount of TEUR 737.

1.3. Properties

This item includes all land held and used for the operation of wind and solar parks and thus attributable to the "Electricity generation in Group-owned wind/solar parks" segment, which was recognised at amortised cost in the amount of TEUR 734 (previous year: TEUR 734) on the balance sheet date. The remaining values comprise the rights of use for the wind and solar park areas and business premises totalling TEUR 32,740, which must be capitalised for the first time pursuant to IFRS 16.

1.4. Technical equipment (wind and solar parks)

The additions of the Withernwick II wind farm and the Garzau-Garzin solar park had a value-enhancing effect in the year under review. Changes in the decommissioning provisions for the entire wind/solar park portfolio also had a corresponding effect. As in the previous year, no unscheduled write-downs had to be made on the wind farms in the fiscal year under review. The residual carrying amounts of all wind/solar parks in the Group amounted to TEUR 192,407 at the balance sheet date (previous year TEUR 204,001). The assets reported here are generally assigned by way of security within the framework of long-term financing agreements. Additions from construction costs for the expansion of the wind farm Waldfeucht, which will not be completed until the following year, are included under assets under construction at TEUR 5,827 (previous year TEUR 0).

1.5. Other equipment, operating and office equipment

The balance sheet figure of TEUR 660 (previous year TEUR 181) includes the office and business equipment of the various locations in Germany and abroad. Rights of use to be capitalised for the first time in accordance with IFRS 16 are included at TEUR 454.

2. Financial instruments

The following overview provides an overview of the categorisation of the financial instruments of the Energiekontor Group on the balance sheet date. There were no reclassifications either in the financial year or in the previous year.

Cash and cash equivalents of TEUR 18,458 (previous year TEUR 25,364) were netted with liabilities to banks.

Before netting, cash and cash equivalents amount to TEUR 85,448 (previous year TEUR 98,655). Liabilities to banks before netting amount to TEUR 156,241 (previous year TEUR 163,814).

The netting was based on the compensation agreements concluded with the banks and assignments of account balances in connection with external financing with the same bank.

A financial asset is allocated to the "available for sale" category if it cannot be allocated to the other categories (residual amount). Spot transactions of financial assets are recognized on the trading date.

Fixed Asset 2019

TEUR	Acquisition / manufacturing costs			
	01 Jan. 2019	Additions	Disposals	31 Dec. 2019
I. Goodwill				
Goodwill	5,200	0	0	5,200
II. Other intangible assets				
Other intangible assets	311	839	0	1,150
III. Property, plant and equipment				
1. Land and buildings	734	35,275	0	36,009
2. Technical equipment (wind / solar parks)	336,711	8,227	140	344,798
a. of which in operation	330,884	1,537	140	344,798
b. of which under construction	5,827	6,689	0	0
3. Other equipment, factory and office equipment	644	720	0	1,363
	338,089	44,221	140	382,170
IV. Financial assets				
Participations	26	0	0	26
Total	343,625	45,060	140	388,545

Fixed Asset 2018

TEUR	Acquisition / manufacturing costs			
	01 Jan. 2018	Additions	Disposals	31 Dec. 2018
I. Goodwill				
Goodwill	5,200	0	0	5,200
II. Other intangible assets				
Other intangible assets	285	26	0	311
III. Property, plant and equipment				
1. Land and buildings	734	0	0	734
2. Technical equipment (wind / solar parks)	307,907	28,911	107	336,711
a. of which in operation	307,907	23,085	107	330,884
b. of which under construction	0	5,827	0	5,827
3. Other equipment, factory and office equipment	548	96	0	644
	309,189	29,007	107	338,089
IV. Financial assets				
Participations	25	1	0	26
Total	314,699	29,034	107	343,625

Depreciations				Book value		
01 Jan. 2019	Additions	Disposals	31 Dec. 2019	31 Dec. 2019	31 Dec. 2018	
5,200	0	0	5,200	0	0	
287	96	0	384	766	23	
0	2,535	0	2,535	33,474	734	
132,710	19,680	0	152,390	192,407	204,001	
132,710	19,680	0	152,390	192,407	198,174	
0	0	0	0	0	5,827	
463	240	0	703	660	181	
133,173	22,455	0	155,628	226,541	204,916	
0	0	0	0	26	26	
138,661	22,551	0	161,212	227,333	204,965	

Depreciations				Book value		
01 Jan. 2018	Additions	Disposals	31 Dec. 2018	31 Dec. 2018	31 Dec. 2017	
5,200	0	0	5,200	0	0	
284	3	0	287	23	1	
0	0	0	0	734	734	
114,216	18,495	0	132,710	204,001	193,692	
114,216	18,495	0	132,710	198,174	193,692	
0	0	0	0	5,827	0	
415	48	0	463	181	133	
114,631	18,542	0	133,173	204,916	194,558	
0	0	0	0	26	25	
120,115	18,546	0	138,661	204,965	194,584	

3. Receivables from associated companies

This item includes non-controlling interests in partnerships accounted for using the equity method. As in the previous year, no impairments were necessary.

4. Other receivables and financial assets

This item includes deposits, accruals and prepayments for future expenses with a term of more than one year. As in the previous year, no impairments were necessary.

5. Deferred taxes

Deferred taxes result from different valuations in the IFRS and tax balance sheets of the Group companies as well as from consolidation measures, insofar as these differences balance out again over time.

Under the liability method, the tax rates applicable are those that have been enacted or substantively enacted by the balance sheet date or that are expected to apply in the future.

Deferred tax assets and liabilities are netted to the extent that the relevant conditions are met.

The composition of deferred tax assets before and after netting with deferred tax liabilities is shown in Note 9.2 to the income statement.

TEUR	Carrying amount Balance sheet 31 December 2019				
	Book value 31 Dec. 2019	Continuing acquisition costs	Fair value not affecting net income	Fair value affecting net income	Fair Value 31 Dec. 2019
Asset and debt values					
Assets					
Cash and cash equivalents	66,989	66,989			66,989
Trade receivables and services	13,765	13,765			13,765
Other accounts receivable	1,080	1,080			1,080
Financial investments in Equity instruments	26	26			26
Available-for-sale financial assets	36		36		36
Debts					
Bonds	95,225	95,225			95,225
Liabilities to banks	137,783	137,783			137,783
Other financial liabilities	4,123	4,123			4,123
Trade accounts payable and services	9,785	9,785			9,785
Other miscellaneous liabilities	4,797	4,649		148	4,797
Leasing liabilities according to IFRS 16	34,999	34,999			34,999
Derivative financial liabilities with hedging relationship**	6,514		6,514		6,514

* excluding assets that are measured in other comprehensive income

** exclusively cash flow hedges

6. Inventories

Inventories totalling TEUR 71,189 (previous year TEUR 38,481) relate to capitalised planning services for wind and solar park projects to be realised as well as construction costs incurred in connection with the construction of wind and solar parks (work in progress). In the current year, expenses for inventories amounting to KEUR –30,501 (previous year KEUR –60,631) were recognised.

Unscheduled write-downs on inventories were necessary in the financial year in the amount of TEUR 1,061 (previous year TEUR 1,163). These are included in the changes in inventories and other own work capitalised and relate exclusively to the project planning and sales segment (wind, solar).

The write-downs relate to projects that are no longer being pursued due to inefficiency or non-approvals. They have already been taken into account in the changes in inventories and amount to TEUR 1,061 (previous year TEUR 1,163).

Financing costs relating to project and construction costs are capitalized to the extent that they are attributable to capitalisable inventories (IAS 23.27). Accordingly, TEUR 5,121 (previous year TEUR 3,759) were capitalised in the financial year, the average financing cost rate is 3.5 per cent (previous year 4.5 per cent). Due to the non-capitalisation for tax purposes, deferred tax liabilities must be taken into account.

TEUR	Carrying amount Balance sheet 31 December 2018				
	Book value 31 Dec. 2018	Continuing acquisition costs	Fair value not affecting net income	Fair value affecting net income	Fair Value 31 Dec. 2018
Asset and debt values					
Assets					
Cash and cash equivalents	73,291	73,291			73,291
Trade receivables and services	19,123	19,123			19,123
Other accounts receivable	666	666			666
Financial investments in Equity instruments	26	26			26
Available-for-sale financial assets	5,061		5,061		5,061
Debts					
Bonds	84,780	84,780			84,780
Liabilities to banks	138,450	138,450			138,450
Other financial liabilities	1,040	1,040			1,040
Trade accounts payable and services	5,489	5,489			5,489
Other miscellaneous liabilities	4,415	4,176		238	4,415
Leasing liabilities according to IFRS 16	0				0
Derivative financial liabilities with hedging relationship**	2,545		2,545		2,545

* excluding assets that are measured in other comprehensive income

** exclusively cash flow hedges

7. Trade accounts receivable

This item in the amount of TEUR 13,765 (previous year TEUR 19,123) shown in the balance sheet relates exclusively to receivables arising on the balance sheet date, which are generally received no later than 90 days after the balance sheet date. To the extent that the receivables result from the sale of wind/solar park operating companies, they had already been received by the time the annual financial statements were prepared. Otherwise, they exist in respect of energy supply companies and companies for which the Group is responsible for commercial management and payment processing, which is why their solvency and the need for an impairment loss for any default risks can be reliably assessed as non-existent. The probability of default of receivables from wind/solar park operating companies is also classified as low, as the projects are generally bindingly financed through financing. In this respect, no value adjustment is regularly required. Reference is made to the information on the provision of loan collateral under point VI. 20.

8. Other receivables and financial assets

Other receivables and financial assets amounting to T EUR 1,612 (previous year T EUR 1,178) are mainly composed of prepaid expenses and other current monetary assets. As in the previous year, no impairments were necessary.

9. Income tax receivables

This item amounting to T EUR 693 (previous year T EUR 480) mainly includes trade tax and corporate income tax refund claims due to advance payments.

10. Cash and cash equivalents

Of the liquid cash and bank balances amounting to TEUR 66,989 (prev. year TEUR 73,291) at the balance sheet date, a total of TEUR 1,244 (prev. year TEUR 1,244) is pledged to banks for security purposes (guarantee lines granted).

11. Subscribed capital

The share capital of Energiekontor AG, which was issued and in circulation on the balance-sheet date in the amount of EUR 14,365,791.00, increased by EUR 100,000.00 (EUR 0.00 in the year before), compared to the previous year (EUR 14,548,240.00), due to the issue of 100,000 shares within the framework of a stock-option plan (conditional capital increase) and decreased accordingly, due to the repurchase of 282,449 shares (29,035 shares in the year before).

The subscribed and registered capital of EUR 14,678,160.00 as of the balance sheet date is divided into 14,678,160 ordinary shares with no par value (no-par value shares with a notional value of EUR 1.00 each).

12. Own shares

By resolution of the Annual General Meeting of 21 May 2015, the Company is authorised pursuant to Section 71 (1) no. 8 of the AktG to acquire treasury shares up to a total of ten percent of the current share capital. This authorization is valid until 20 May 2020.

On the basis of this resolution, a total of 282,449 shares (previous year 29,035 shares) were repurchased in the financial year for the purpose of cancellation for capital reduction. The portion of the acquisition costs exceeding the nominal capital per share is offset against other revenue reserves.

The last cancellation and capital reduction of 75,000 repurchased shares took place in November 2017.

13. Capital reserve

The capital reserve in the amount of TEUR 41,460 is composed of the premiums earned on the initial public offering and the capital increases of Energiekontor AG in 2000 and 2001, respectively, less the costs incurred in this connection (after tax). Compared to the previous year (TEUR 40,458), it has increased by the premium on the shares issued within the scope of the stock option programme in the current year.

14. Authorized and conditional capital

Reference is made to the statements in the annual financial statements of Energiekontor AG.

15. Reserves for changes in equity not affecting net income

15.1 Currency translation

The cumulative currency translation differences at the end of the previous year of TEUR 61, which reduced equity in previous years, did not change in the financial year under review. They will only be released to income at the time of the partial disposal of the UK subsidiaries. This relates to currency translations performed within the Group in previous years.

15.2 Fair Value Valuation

This equity item amounting to TEUR –4,571 (previous year TEUR –1,775) is formed within the framework of fair value measurement and is composed of the negative market value of interest rate swaps and cross-currency interest rate swaps totalling TEUR –6,514 (previous year TEUR –2,545) as well as measurement differences for German Government securities held as of the balance sheet date. The negative market values declined year-on-year due to the effect of the decline in the exchange rate of the British pound against the euro and the development of interest rates.

In accordance with IAS 39, these values are recognised directly in equity after offsetting the deferred tax assets or liabilities attributable to them.

The reserve is composed as follows:

TEUR	2019	2018
Value of interest-rate and interest/currency swaps	–6,514	–2,545
Adjustment of market value of German Government securities	0	16
Deferred tax assets and liabilities	1,943	754
Balance at 31 December	–4,571	–1,775

16. Retained earnings

Retained earnings of TEUR 35,457 (previous year TEUR 39,344) comprise the unchanged legal reserve of TEUR 15 and other revenue reserves of TEUR 35,442 (previous year TEUR 39,329).

Other revenue reserves developed as follows in the fiscal year:

TEUR	2019	2018
As at 1 January	39,329	39,702
Offsetting against acquisition costs for repurchased own shares that have exceeded the nominal capital	–4,683	–374
Partial appropriation of results	796	0
As at 31 December	35,442	39,329

The appropriation of earnings for 2019 will be decided by the Annual General Meeting.

17. Accumulated consolidated results

Accumulated consolidated earnings developed as follows in the fiscal year:

TEUR	2019	2018
As at 1 January	–24,115	–22,049
Profit distributions	–5,784	–8,745
Group result	244	6,680
Allocations to retained earnings	–796	0
As at 31 December	–30,451	–24,115

18. Other provisions and accrued liabilities

This non-current item consists exclusively of provisions for dismantling and renaturation costs for wind and solar power plants and transformer stations held in the Group's portfolio. The expected costs, which vary in amount depending on the type of plant, are discounted to their present value depending on the expected date of dismantling and adjusted annually by compounding the present value.

In the year under review, depending on the different terms of the obligations until the expected date of decommissioning, discounting was carried out at rates of between 2.37 percent and 3.29 percent before taking inflation discounts into account. An anticipated inflation rate of 2.00 percent p. a. (previous year: 2.00 percent) has been taken into account for the application of the nominal interest rate calculation to the anticipated dismantling costs.

Provisions developed as follows in the previous year and in the reporting period:

TEUR	2019	2018
Provisions for dismantling and renaturation 1 January	14,859	12,603
Additions in the current year due to accrued interest	436	439
Additions/disposals present value (change in production costs, interest rate)	559	496
Additions in connection with completion/acquisition	255	593
Decreases/additions present value (change in production costs, deconstruction costs)	-9	728
Provisions for dismantling and renaturation 31 December	16,100	14,859

19. Bond capital

The following bonds and the interest claims are securitised for the entire term of the respective bonds in one collective bearer bond each, which is deposited with Clearstream Banking AG, Frankfurt

The bonds contain no conversion rights or other equity elements (IAS 32) and are freely tradable. The bonds issued by Energiekontor Finanzierungsdienste GmbH & Co KG, Energiekontor Finanzanlagen II GmbH & Co KG, Energiekontor Finanzanlagen III GmbH & Co KG, Energiekontor Finanzanlagen IV GmbH & Co KG, Energiekontor Finanzanlagen V GmbH & Co KG, Energiekontor Finanzanlagen VI GmbH & Co KG and Energiekontor Finanzanlagen VII GmbH & Co KG are also admitted to the open market of the Frankfurt Stock Exchange.

The issuer may give eight weeks' notice before maturity at the end of the quarter, but bondholders may only give notice if payments are suspended or if the issuer becomes insolvent or insolvent.

The bonds classified as maturity values under IFRS do not have embedded derivative features. They are to be recognized at fair value in the form of the present value of the cash flows under borrowings.

Step interest bond IV for TEUR 11,250

In 2012, Energiekontor Finanzierungsdienste GmbH & Co. KG issued a TEUR 11,250 bond with a nominal value of TEUR 1,000, divided into 11,250 bearer bonds with a nominal value of EUR 1,000 each, whose interest commenced on 1 July 2012, under the securities identification number (WKN) A1MLW0. Interest and repayment of the capital invested will take place in two stages.

Until the first partial repayment of 20 percent of the nominal amount on June 30, 2018, the investor received interest of 6.0 percent; for the remaining term to June 30, 2022, the annual interest rate rose to 6.5 percent.

Taking into account the first partial redemption on 3 April 2017 and the first partial repayment on 30 June 2018, the bond is still valued at TEUR 8,222 (previous year TEUR 8,222) as of the balance sheet date.

Step interest bond VII for TEUR 9,560

In 2014, Energiekontor Finanzanlagen II GmbH & Co. KG issued a EUR 9,560 thousand bond with a nominal value of TEUR 1,000, divided into 9,560 bearer bonds with a nominal value of EUR 1,000 each, whose interest commenced on 1 January 2015, under the securities identification number (WKN) A12T6G. Interest and repayment of the capital invested will take place in two stages.

Until the first partial repayment of 30 percent of the nominal amount on 31 December 2019, the investor will receive interest of 5.5 percent; for the remaining term to 31 December 2022, the annual interest rate will increase to 6.0 percent. The first repayment tranche of TEUR 2,868 is reported under current assets on the balance sheet date.

In the financial year under review, the first partial repayment of T€2,868 was made as scheduled on 31 December 2019.

The bond has a nominal value of TEUR 6,692 (previous year TEUR 9,560) as of the balance sheet date. According to the effective interest rate method, the value as of the balance sheet date was TEUR 6,682 (previous year TEUR 9,496).

Step interest bond VIII for TEUR 11,830

In 2015, Energiekontor Finanzanlagen III GmbH & Co KG issued a TEUR 11,830 bond with a nominal value of EUR 1,000 each, divided into 11,830 bearer bonds under the securities identification number (WKN) A14J93, the interest on which commenced on 1 July 2015. Interest and repayment of the capital invested will take place in two stages. Until the first partial repayment amounting to 25 per cent of the nominal amount on 30 June 2020, the investor will receive interest of 5.0 per cent. For the remaining term to 30 June 2023, the annual interest rate will increase to 5.5 per cent.

The first repayment tranche of TEUR 2,958 is reported under current assets on the balance sheet date.

The bond is valued at the balance sheet date at TEUR 11,830 (previous year TEUR 11,830). According to the effective interest rate method, the value on the balance sheet date is TEUR 11,531 (previous year TEUR 11,404).

Corporate bond 2015 for TEUR 6,000

In 2015, Energiekontor AG issued another bond in the amount of TEUR 6,000, which is divided into 6,000 bearer bonds with a nominal value of EUR 1,000 each, under the securities identification number (WKN) A1611S. Investors receive interest of 5.25 per cent of the nominal value of the subscribed capital. The bond is due for repayment at par on 1 January 2021.

As in the previous year, the bond was valued at TEUR 6,000 on the balance sheet date.

According to the effective interest rate method, the value as of the balance sheet date is TEUR 5,946 (previous year TEUR 5,892).

Step interest bond IX for TEUR 10,950

In 2016, Energiekontor Finanzanlagen IV GmbH & Co. KG issued a TEUR 10,950 bond in the amount of TEUR 1,000, divided into 10,950 bearer bonds with a nominal value of EUR 1,000 each, whose interest commenced on 1 March 2016, under the securities identification number (WKN) A16861. Interest and repayment of the capital invested will take place in two stages. Until the first partial repayment of 30 per cent of the nominal amount on 28 February 2022, the investor will receive interest of 5.0 per cent. For the remaining term to 28 February 2026, the annual interest rate will increase to 5.5 per cent.

As in the previous year, the bond was valued at TEUR 10,950 at the balance sheet date, resulting in a value of TEUR 10,686 (previous year TEUR 10,604) according to the effective interest method.

Step interest bond X over TEUR 22,730

In 2017, Energiekontor Finanzanlagen V GmbH & Co KG issued a bond in the amount of TEUR 22,730 divided into 22,730 bearer bonds of EUR 1,000 each, under the securities identification number (WKN) A2DADL, with interest commencing on 1 November 2017. Interest and repayment of the capital invested will take place in four stages.

Until the first partial repayment of 20 percent of the nominal amount on 31 October 2022, the investor will receive interest at 4.0 percent, until the second partial repayment of 10 percent of the nominal amount on 31 October 2027, the investor will receive interest at 4.3 percent, until the third partial repayment of 20 percent of the nominal amount on 31 October 2032, the investor will receive interest at 4.7 percent, for the remaining term to 31 October 2035, the annual interest rate will increase to 5.0 percent.

The bond was valued at TEUR 22,730 (previous year TEUR 22,730) on the balance sheet date. According to the effective interest rate method, the value as of the balance sheet date was TEUR 22,017 (previous year TEUR 21,860).

Corporate bond 2018 for TEUR 9,000

In 2018, Energiekontor AG issued another bond in the amount of TEUR 9,000 divided into 9,000 bearer bonds with a nominal value of EUR 1,000 each, under the securities identification number (WKN) A2E4HA. Investors receive interest of 4.0 per cent of the nominal value of the subscribed capital. The bond is due for repayment at par on 31 January 2023.

The bond was valued at TEUR 9,000 (previous year TEUR 9,000) on the balance sheet date.

According to the effective interest rate method, the value on the balance sheet date is EUR 8,743 thousand (previous year EUR 8,659 thousand).

Step interest bond XI for TEUR 9,000

In 2018, Energiekontor Finanzanlagen VI GmbH & Co KG issued a bond in the amount of EUR 9,000,000 thousand, divided into 9,000 bearer bonds of EUR 1,000 each, under the securities identification number (WKN) A2LQQD, with interest commencing on 01 November 2018. Interest and repayment of the capital invested will be made in three stages.

Until the first partial repayment of 15 percent of the nominal amount on 01 November 2024, the investor will receive interest of 4.0 percent, until the second partial repayment of 20 percent of the nominal capital on 01 November 2030, the investor will receive interest of 4.5 percent, for the remaining term to November 1, 2036, the annual interest rate will increase to 5.0 percent.

The bond was valued at TEUR 9,000 (previous year TEUR 9,000) on the balance sheet date. According to the effective interest rate method, the value on the balance sheet date is TEUR 8,705 (previous year TEUR 8,643).

Graduated interest bond XII for TEUR 13,400

In 2019, Energiekontor Finanzanlagen VII GmbH & Co KG issued a bond in the amount of TEUR 13,400, divided into 13,400 bearer bonds of EUR 1,000 each, whose interest commences on 01 December 2019, under the securities identification number (WKN) A2TR8Y. Interest and repayment of the capital invested will be affected in four stages.

Until the first partial repayment amounting to 35 percent of the nominal amount on 01 December 2023, the investor will receive interest at 4.0 percent, until the second partial repayment amounting to 25 percent of the nominal capital on 01 December 2027, the investor will receive interest at 4.25 percent, until the third partial repayment amounting to 20 percent of the nominal capital on 01 December 2032, the investor will receive interest at 4.5 percent for the remaining term to 01 December 2036, the annual interest rate will increase to 5.0 percent.

The bond was valued at TEUR 13,400 (previous year TEUR 0) on the balance sheet date. According to the effective interest rate method, the value on the balance sheet date is TEUR 12,693 (previous year TEUR 0).

The total liabilities from long-term and short-term bond capital amounted to a nominal TEUR 97,824 (previous year TEUR 87,292) on the balance sheet date, of which – taking into account the bonds terminated by the Energiekontor Group in the previous year – an amount of TEUR 2,958 (previous year TEUR 2,868) is due for repayment in 2020. According to the effective interest rate method, the total value as of the balance sheet date amounts to TEUR 95,225 (previous year TEUR 84,780).

After expiry of the above terms of the respective bonds, there is a risk of interest rate changes depending on the development of market interest rates, insofar as these are replaced by bond issues, bank loans or other forms of financing. No follow-up financing is required for the bonds that are called prematurely.

20. Liabilities to banks

The interest rates for liabilities to banks with fixed interest rate agreements range between 0.60 percent and 9.00 percent (previous year between 0.60 percent and 9.00 percent). The variable interest rates are between 0.69 percent and 4.20 percent (previous year between 0.69 percent and 4.20 percent). With regard to these variable interest conditions, which are regularly adjusted at intervals of less than one year, the company is exposed to an interest rate risk. The total liabilities to banks of TEUR 137,783 (previous year TEUR 138,450) include current portions of TEUR 30,858 (previous year TEUR 17,771). Amounts with a term of more than one year are shown in the non-current Section of the balance sheet.

The repayments to be made on long-term loans due within one to five years amount to T EUR 45,830 (previous year T EUR 49,789), while loans with a term of more than five years amount to T EUR 61,094 (previous year T EUR 70,890).

Maturities of more than five years consist exclusively of investment financing for wind/solar parks. The expected remaining terms for wind/solar park financing until full repayment are between 1 and 20 years (previous year between 1 and 20 years). After expiry of the respective fixed-interest periods, which still have residual terms of between 1 and 20 years (previous year between 1 and 20 years), there is also an interest rate risk depending on the development of market interest rates.

Non-current liabilities to banks amounting to TEUR 0 (in the previous year, TEUR 118,947 were secured accordingly) are secured as follows:

Mortgages (land charges) on land belonging to the Group companies, assignment as security of all wind and solar parks operated by the Group and, if applicable, the transformer stations, and assignment of all claims and receivables of these operating companies as security for the long-term financing of investments, including the assignment of all rights and claims to remuneration for electricity fed into the grid from grid connection or grid connection systems. power purchase agreements, direct marketing agreements, insurance agreements concluded for wind turbines and transformer stations, agreements for the supply and erection of wind turbines, maintenance agreements for the wind turbines, all permit agreements and agency agreements necessary for the operation of wind turbines and the transmission of energy, refund

of value-added tax to German tax authorities, by way of assignment of wind turbines and transformer stations including all ancillary and additional equipment and other accessories, by granting the Bank's rights of entry into the utilisation agreements for the construction and operation of wind turbines and transformer stations, by declaring commitments to form and maintain capital service reserves and credit balances to secure the guarantee, by pledging capital service reserves and credit balances to secure the deconstruction obligations and by pledging shares in wind/solar park infrastructure companies.

The assets assigned as collateral relate to wind and solar parks as well as shares in wind park infrastructure (carrying amount TEUR 192,407/previous year TEUR 204,001), receivables from electricity sales (carrying amount TEUR 10,821/previous year TEUR 11,824). Pledged bank balances, insofar as they have not already been netted with liabilities, had a book value of EUR 1,244k (previous year EUR 1,244k) on the balance sheet date.

As of the balance sheet date, the Group had credit lines, including long-term commitments, totalling EUR 193,182 thousand (previous year EUR 197,977 thousand), of which EUR 0 thousand (previous year EUR 138,450 thousand) was drawn down.

21. Liabilities to group-external limited partners

Liabilities to non-group limited partners in the non-current area consist of the shares of non-group shareholders in the amount of KEUR 1,123 (previous year KEUR 1,040), namely in operating companies whose wind farms are intended to remain in the Group's portfolio. These companies have the legal form of a limited partnership, which is why this item is accounted for as debt at the calculated present value of the "net assets of the limited partners" in accordance with IAS 32. Minority interests in the results are recorded under financial expenses.

Current liabilities include liabilities to limited partners outside the Group in the amount of TEUR 3,000 (previous year TEUR 0). This relates to an advance payment already made by a non-Group partner for a project that will be completed and deconsolidated in the coming year.

22. Other financial liabilities

This item includes the negative fair values of interest rate and currency swaps to be reported as liabilities totalling TEUR 6,514 (previous year: negative fair values of TEUR 2,545). The interest rate and currency swaps are based on the underlying transactions (wind/solar park financing) and have terms of more than twelve months. The items are cash flow hedges recognised directly in equity, whose fair value was determined on the basis of parameters for which either directly or indirectly derived quoted prices on an active market are available.

This item also includes a swap from a previous company acquisition amounting to TEUR 148 (previous year TEUR 238), which is recognised in the income statement due to the fact that the hedging relationship has since been dissolved. The swap is recognised at fair value.

23. Other liabilities

For the long-term transfer of capacities at the transformer stations included in the Group's assets, usage fees were received from third parties in the form of one-off payments, which are to be distributed evenly over the entire term of the transfer of use and are to be recognised as profit in instalments in the future. The amount not yet dissolved and not discounted on the balance sheet date is shown here.

24. Provisions for taxes

Tax provisions include provisions for current taxes on income and earnings. The balance sheet value has developed as follows:

TEUR	2019	2018
Provisions for taxes as of 01.01.	1,180	1,046
Consumption	-1,035	-1,035
Feeding	1,483	1,169
As of 31 December	1,629	1,180

25. Other accrued liabilities

Other provisions developed as follows:

TEUR	01 Jan. 2019	Usage 2019	Dissolution 2019	Addition 2019	31 Dec. 2019
Legal disputes, lawsuits	145	145	0	135	135
Legal and consultancy costs	615	611	5	670	670
Personnel costs	1,973	1,973	0	2,136	2,136
Project-related provisions	9,057	6,768	2,288	5,281	5,281
Others	1,714	1,041	673	953	953
Other provisions and accrued liabilities	13,504	10,538	2,966	9,175	9,175

TEUR	01 Jan. 2018	Usage 2018	Dissolution 2018	Addition 2018	31 Dec. 2018
Legal disputes, lawsuits	29	29	0	145	145
Legal and consultancy costs	534	478	13	572	615
Personnel costs	1,871	1,867	0	1,969	1,973
Project-related provisions	9,684	6,809	2,620	8,802	9,057
Übrige	2,541	2,014	395	1,581	1,714
Other provisions and accrued liabilities	14,660	11,197	3,028	13,069	13,504

Personnel-related provisions mainly include provisions for profit-sharing, overtime and untaken vacation.

The reversal of project-related provisions is mainly due to the absence of follow-up costs from the construction and sale of wind/solar parks already realised and sold.

VII. Segment reporting 2019 (IFRS)

1. Principles of segment reporting

Based on the organisational and reporting structures at En-ergiekontor, business activities are organised in the business segments Project Development and Sales (Wind, Solar) (or, in short, Project Development and Sales), Power Generation in Group-owned Wind Farms (or, in short, Power Generation) and Operation Development, Innovation and Others (or, in short, Others).

The allocation to these segments depends on the different product groups on offer.

The commercial and technical operational management services offered are reported in the Operation Development, Innovation and Others segment, as are services in connection with repowering of third-party wind farms.

Financial information derived from the internal control system is reported separately for these Group units to the Management Board, who regularly reviews this information to be able to assess the business performance and decide on the allocation of resources.

Financial information derived from the internal control system is reported separately for these Group units to the Management Board, who regularly reviews this information to be able to assess the business performance and decide on the allocation of resources.

The fair values of interest hedging instruments (interest/currency swaps) that are based on mathematical simulation models and take into account forecasts of currency and interest developments are purely arithmetic and are not shown in segment reporting as they are not relevant to Company management and segment reporting.

The accounting principles laid out in item II. General accounting principles also apply to the reportable segments.

2. Group segments

Project development and Sales (Wind, Solar)

The Project Development and Sales (Wind, Solar) segment covers the entire value chain up to the sale of wind farms and solar parks developed by the Group itself, i.e. the development, project development, realisation and sale of wind farms and solar parks in Germany, the UK and Portugal as well as the sale of shares in operating companies founded by the Group and repowering of Group-owned wind turbines. Usually wind farms and solar parks are sold in the way that a separate company is incorporated for each farm or park as a German GmbH&Co. KG (limited partnership with a limited liability company as sole general partner), which enters into all legal relationships required to construct and operate the farm or park (farm or park operator).

The sale of the wind farm or solar park by the Group is then affected via the sale of shares in the corresponding limited partnership.

All services rendered by Group companies in connection with the project development and sale of solar parks or onshore wind farms are also included in this segment. Specifically, this refers to the services that are required for the construction and sale of projects in connection with economic planning and the contractual and legal implementation, project management, company management in the foundation phase, sales and marketing measures and the procurement of own and external funds for the wind farm operators.

Since these services are directly related to the sale of the wind farm or solar park and are therefore an inseparable element of the project development and sales stage of the value chain, the management always assesses these services in connection with the construction and sale of the corresponding wind farm or solar park.

As such, these services do not constitute an independent operating segment in terms of IFRS 8, the financial information of which must be reported separately from the construction and sale and reviewed and assessed separately by the chief operating decision makers with regard to business performance criteria.

Power generation in the Group's own wind/solar parks

In recent years, more and more shares in wind farm operators have not been sold to third parties but remain in the Group to secure reliable income from these wind farms in the long term. In addition to self-constructed wind farms, third-party facilities are also acquired to expand the wind farm portfolio. The corresponding Power Generation segment now includes the generation of energy in Group-owned wind farms and the sale of electricity to regional energy suppliers.

Operation Development, Innovation and Others

This segment includes all services rendered after the wind farms and solar parks are completed that aim to optimise the operating profit margin as from the time of commissioning. This comprises, in particular, technical and commercial operational management as well as services in connection with the replacement of facilities for power generation with new and more efficient facilities (repowering), measures to reduce costs, extend the service life (e.g. by way of preventive maintenance) and increase earnings (e.g. by direct marketing of electricity, rotor blade extension, etc.).

3. Transfers between segments

There are regular transfers between the individual segments of the Group. These transactions between segments are consolidated and fully eliminated in Group accounting.

3.1 Transfers between Project Development and Sales (Wind, Solar) – Power Generation

Transfers between the Project Development and Sales (Wind, Solar) and the Power Generation in Group-owned Wind Farms segments mostly refer to wind farms that are developed and constructed without being sold to third parties but, instead, to a Group subsidiary that uses the wind farm to generate and sell energy in the long term. The actual acquisition cost is recognised and depreciated at the level of the separate financial statements. At the level of the consolidated financial statements, the profits of the involved Group companies pertaining to the construction price and the other fees are fully eliminated, so that only the production costs are capitalised and depreciated in the consolidated financial statements. As the internally generated hidden reserves in wind farms (difference between fair values and carrying amounts) may not be recognised in the consolidated financial statements, they have to be eliminated again for Group accounting purposes. The segment report only contains the figures that were adjusted accordingly.

The reverse transfer from the Power Generation segment to the Project Development and Sales (Wind/Solar) segment is also recognised directly in equity and is utilised whenever a wind farm previously classified as a fixed asset is to be sold and thus must be allocated to current assets.

3.2 Transfers between Operation Development, Innovation and Others – Power Generation

Transfers between the Operation Development, Innovation and Others and the Power Generation in Group-owned Wind Farms segments refer to optimisation and innovation services as well as commercial and technical operational management services rendered by Group subsidiaries to wind farm operators.

Income and expenses recognised in the relevant segments are also eliminated in the scope of reconciliation to Group income in the Reconciliation and consolidation item.

4. Reconciliation of segment assets and liabilities

Segment assets and liabilities that are broken down in the following segment report relate to gross assets and liabilities as follows:

TEUR	2019	2018
Gross assets according to balance sheet	389,899	348,437
Deferred and current tax assets	-8,880	-6,245
Segment assets	381,018	342,193
Gross liabilities as per balance sheet	333,699	280,038
Neutralisation of cash flow hedges from park financing (interest rate and cross-currency interest rate swaps)	-6,662	-2,783
Deferred and current tax liabilities	-12,185	-11,771
Segment liabilities	314,851	265,483
Gross net assets according to the balance sheet	56,200	68,400
Neutralisation of cash flow hedges park financing (interest rate and cross-currency interest rate swaps)	6,662	2,783
Deferred and current taxes on balance	3,305	5,527
Segment net assets	66,167	76,709

The asset and liability amounts allocated to the segments are adjusted for tax items and theoretical fair values of the interest rate/currency hedging instruments (cash flow hedges), which are also adjusted in regular internal reporting.

5. Income statement by segments

TEUR	Project planning and sale (wind, solar)		Power generation in Group-owned wind/solar parks	
	2019	2018	2019	2018
Revenues				
Revenues	5,642	52,920	54,175	53,528
Revenues with other segments	0	0	53	70
Total revenues	5,642	52,920	54,228	53,598
Changes in inventories and other assets				
Own work capitalised *	32,481	18,900	18	2
Total output	38,123	71,820	54,246	53,600
Other operating income	2,678	2,840	1,263	523
Operating output	40,801	74,659	55,509	54,123
Cost of materials and services purchased	-29,982	-60,294	-65	-7
Personnel expenses	-12,223	-11,500	-880	-791
Other operating expenses	-5,016	-4,545	-12,306	-13,591
EBITDA	-6,420	-1,680	42,258	39,735
Depreciation of property, plant and equipment and amortization of intangible assets	-891	-49	-21,646	-18,497
EBIT	-7,311	-1,729	20,611	21,238
Income from investments	0	7	0	0
Interest and similar income	61	427	0	356
Interest and similar expenses	-2,674	-3,348	-12,852	-9,890
EBT	-9,925	-4,643	7,759	11,704

* The project planning and sales segment (wind, solar) includes TEUR 1,061 (previous year TEUR 1,163) of non-cash valuation measures from the write-down of inventories.

Operation Development, Innovation and Others		Total before reconciliation/ consolidation		Reconciliation		Energiekontor Group	
2019	2018	2019	2018	2019	2018	2019	2018
3,884	3,738	63,700	110,186	0	0	63,700	110,186
2,109	2,106	2,162	2,176	-2,162	-2,176	0	0
5,993	5,844	65,862	112,362	-2,162	-2,176	63,700	110,186
209	-386	32,708	18,516	0	0	32,708	18,516
6,202	5,458	98,571	130,878	-2,162	-2,176	96,409	128,702
45		3,986	3,363	0	0	3,986	3,363
6,248	5,458	102,557	134,241	-2,162	-2,176	100,395	132,065
-454	-330	-30,501	-60,631	0	0	-30,501	-60,631
-1,575	-1,376	-14,679	-13,667	0	0	-14,679	-13,667
-1,202	-1,185	-18,524	-19,320	2,162	2,176	-16,362	-17,144
3,016	2,567	38,853	40,622	0	0	38,853	40,622
-14	0	-22,551	-18,546	0	0	-22,551	-18,546
3,002	2,567	16,302	22,076	0	0	16,302	22,076
0	0	0	7	0	0	0	7
0	0	61	783	0	0	61	783
-67	-17	-15,593	-13,255	0	0	-15,593	-13,255
2,935	2,550	770	9,612	0	0	770	9,612

6. Assets by segments

TEUR	Project planning and sale (wind, solar)		Power generation in Group-owned wind / solar parks		Company development, innovation and Others		Energiekontor Group	
	2019	2018	2019	2018	2019	2018	2019	2018
Long-term segment assets								
Other intangible assets	739	23	0	0	28	0	766	23
Assets								
Land and buildings	1,182	0	32,292	734	0	0	33,474	734
Technical equipment (wind and solar parks)	0	0	192,407	204,001	0	0	192,407	204,001
Other equipment, factory and office equipment	639	181	21	0	0	0	660	181
Participating interests	26	26	0	0	0	0	26	26
Receivables and financial assets	59	59	35	35	0	0	94	95
Long-term segment assets	2,644	289	224,756	204,770	28	0	227,428	205,059
Short-term segment assets								
Inventories	70,527	38,047	155	137	506	297	71,189	38,481
Receivables and financial assets	2,791	7,298	12,007	12,555	579	448	15,377	20,301
Securities	36	5,061	0	0	0	0	36	5,061
Cash and cash equivalents	52,523	61,189	13,969	10,708	497	1,394	66,989	73,291
Short-term segment assets	125,877	111,595	26,132	23,400	1,582	2,139	153,591	137,133
Total segment assets	128,521	111,884	250,887	228,170	1,609	2,139	381,018	342,193

7. Liabilities and net assets by segment

TEUR	Project planning and sale (wind, solar)		Power generation in Group-owned wind/solar parks		Company development, innovation and Others		Energiekontor Group	
	2019	2018	2019	2018	2019	2018	2019	2018
Long-term segment liabilities								
Provisions for dismantling and renaturation	0	0	16,100	14,859	0	0	16,100	14,859
Financial liabilities	27,352	28,979	171,377	174,085	1,325	344	200,054	203,409
Liabilities vis-à-vis external limited partners	0	0	1,123	1,040	0	0	1,123	1,040
Other liabilities	0	0	3,012	3,184	0	0	3,012	3,184
Liabilities from leases	2,095	0	30,483	0	0	0	32,578	0
Long-term segment liabilities	29,447	28,979	222,094	193,169	1,325	344	252,867	222,492
Short-term segment liabilities								
Provisions	8,101	11,920	1,067	1,522	7	62	9,175	13,504
Financial liabilities	19,926	4,462	13,890	16,175	0	1	33,816	20,639
Liabilities from deliveries and services	7,180	3,306	2,493	2,152	111	30	9,785	5,489
Liabilities vis-à-vis external limited partners	3,000	0	0	0	0	0	3,000	0
Other liabilities	973	2,629	2,704	662	112	66	3,788	3,358
Liabilities from leases	982	0	1,439	0	0	0	2,421	0
Short-term segment liabilities	40,161	22,318	21,593	20,513	230	160	61,984	42,991
Total segment liabilities	69,608	51,297	243,687	213,681	1,555	504	314,851	265,483
Segment net assets	58,913	60,586	7,200	14,489	54	1,634	66,167	76,709

8. Investments by segments

TEUR	Project planning and sale (wind, solar)		Power generation in Group-owned wind/solar parks		Company development, innovation and Others		Energiekontor Group	
	2019	2018	2019	2018	2019	2018	2019	2018
Segment investments	1,517	123	43,501	28,911	42	0	45,060	29,034

9. Additional geographical indications

The customers of the domestic and foreign wind and solar parks realised by the company are mainly German companies in the “Project Planning and Sales (Wind/Solar)” segment. The remaining amount of TEUR 21,903 is attributable to Luxembourg. The remaining amount of TEUR 59,657 is attributable to Great Britain.

The operations management services included in “other operating segments” are also provided exclusively in Germany.

Additional information on geographical areas (IFRS 8.33) is only relevant for the segment “Electricity Generation”, as foreign markets are affected in this segment in so far as the Energiekontor Group also receives electricity income from Portuguese energy supply companies and British electricity customers.

For this reason, the electricity revenues are broken down below according to the location of the wind/solar parks.

TEUR	2019	2018
Location of wind/solar parks		
Germany	25,557	25,355
Portugal	8,988	8,672
Great Britain	19,598	19,500
Electricity sales	54,143	53,528

The carrying amounts of property, plant and equipment are distributed geographically as follows.

TEUR	2019	2018
Location of wind/solar parks		
Germany	98,516	115,731
Portugal	19,271	22,299
Great Britain	74,620	65,971
Book values of wind/solar parks	192,407	204,001

10. Information about important customers

In the “Power Generation” segments, sales revenues totalling TEUR 25,962 were generated with two customers.

VIII. Other information

1. Capital Management

The objectives of the Energiekontor Group’s capital management are to ensure the company’s ability to continue as a going concern and its financial flexibility to maintain business operations in the long term and to take advantage of strategic options. Maintaining a stable rating, securing liquidity and limiting financial risks are goals of financial policy and set important framework conditions for the capital management of the Energiekontor Group. The responsible bodies of the Energiekontor Group decide on the capital structure of the balance sheet, the equity base, the appropriation of the balance sheet profit, the amount of the dividend, the financing of investments, the increase and reduction of bank liabilities and the issue of bond capital. Similarly, decisions by the corporate bodies on the purchase and sale of wind/solar parks as well as on the inclusion of internally produced wind/solar parks in the company’s own portfolio serve to pursue the purposes described above. When considering the Group’s equity ratio and debt-equity ratio, it should be noted that, in the opinion of the management, the unrelative use of the balance sheet values to be determined in accordance with IFRS would lead to economically incorrect results, which is why these values must first be adjusted for the following influencing factors. One aspect is that, in contrast to German accounting law, international IFRS require the market values of interest rate hedging derivatives to be reported, even if they form a valuation unit with the underlying transactions to be hedged and do not represent payment obligations even in the case of negative market values. In the area of its wind/solar park financing, the Energiekontor Group pursues long-term hedging against interest rate and currency risks, for which it concludes, among other things, corresponding derivatives (currency and interest rate swaps) as hedging measures, which from an economic point of view represent fixed interest rate agreements in relation to the loans (variable underlying transaction + interest rate swap = fixed interest rate). The fact that capital market interest rates have fallen, coupled with corresponding future forecasts, leads to negative market values of the swaps. According to IFRS (IFRS 9), these negative values must be removed from the overall context of the financing and recognized in the balance sheet, although they form a valuation unit with the underlying transactions and, in the opinion of management, should not be separated from them and recognized separately from an economic perspective.

In particular, IFRS 16, which is to be applied as of fiscal year 2019 and requires leased assets to be capitalized and all future payment obligations to be recognized as liabilities, has resulted in a significant reduction in the equity ratio due to the large number of wind and solar park areas leased by the Group for the operation of its wind and solar parks, as a result of the increase in total assets not motivated by economic considerations but solely by accounting considerations. This change in the IFRS key figures is not based on any economic changes within the group.

For the purposes of its capital management, the management therefore does not determine the debt ratio according to IFRS principles, which cannot reliably reflect the actual economic circumstances in a specific case, but according to the debt and capital ratios as they result when the aforementioned IFRS effects are disregarded. This results in the “adjusted” amounts for the management, both for financial liabilities, equity and the debt-equity ratio.

This results in the following values in relation to the adjusted gearing ratio:

TEUR	2019	2018
Financial liabilities IFRS balance sheet	279,654	227,871
less recognised SWAP market values	-6,514	-2,545
less minority interests in the Group (long-term)	-1,123	-1,040
less financial liabilities according to IFRS 16	-34,999	0
Financial liabilities adjusted	237,018	224,287
less cash and cash equivalents	-67,025	-78,352
Net debt adjusted	212,629	149,520
Equity IFRS balance sheet	56,200	68,400
plus included SWAP market values	4,571	-1,790
plus minority interests in the Group (long-term)	1,123	1,040
plus/minus earnings effects from IFRS 16	1,067	0
Equity adjusted	62,961	67,649
Total capital adjusted	275,589	217,169
Gearing adjusted in percent	77.15	68.85

The dormant hidden reserves in the group’s own wind and solar parks, which are therefore only recognised at amortised external production costs, naturally lead to significantly improved values when the fair values of the parks are used to determine fair value.

Thanks to the unchanged strategy with regard to capital management, the objectives pursued with regard to the gearing ratio were also achieved in the financial year.

2. Contingent liabilities

As at 31 December 2019, there were fixed-term or unlimited guarantees by Group companies of the Energiekontor Group in favour of third parties amounting to TEUR 1,746 (previous year TEUR 2,172).

3. Other financial obligations

In four cases, Energiekontor AG has made an optional commitment to buy back shares in wind farm operating companies in the amount of 10 to 20 percent of the fixed price of the original construction contracts in the years 2025 to 2029.

Moreover, for a total of nine wind farm operating companies, as well as for the holding company 3LänderFonds, the respective general partners – all of them wholly-owned subsidiaries of Energiekontor AG – have optionally committed themselves to repurchase a total of shares of between 20% and 30% of the respective total limited partnership capital at the capitalised earnings value, less a marketing discount, in tranches limited annually.

None of the above repurchase options are expected to have a negative impact on the Group’s earnings in the event of the beneficiaries exercising their options, so there is no need for provisions.

Currently, an objection procedure is being conducted with the Bremerhaven tax office, which is dealing with the fundamental question of the right of taxation of wind farms located abroad. The tax office seems to want to implement a paradigm shift in relation to this right of taxation, contrary to all internationally enforced practices, with the aim of withdrawing the tax revenue of wind and solar parks managed from Germany but operated abroad from the state there and assigning it to Germany. The only connecting factor here is that the tax authorities claim that in the case of wind and solar parks, significant personnel functions can only be identified in Germany in the management. This approach, in turn, is formally substantiated by a permanent establishment report adopted by the OECD, which incidentally did not deal with the relevant

issue of unstaffed permanent establishments at all or only marginally in connection with a note on a data server. The implementation of the Foreign Tax Act into German national law and the Ordinance on the Distribution of Profits of Permanent Establishments issued by the administration also leave unmentioned the relevant issues of unmanned permanent establishments. The taxation procedure still practised by all other states involved, i.e. to tax the profits of such unpersonnelised permanent establishments according to the so-called principle of inducement, i.e. to tax them in the state in whose jurisdiction all resources (wind, sun) are used, the plants are operated and all profits are generated by feeding them into the local grids and by selling them to local customers, is now to be overridden by the Bremerhaven tax office with reference to this OECD permanent establishment report and to secure the taxable substrate of such foreign companies.

The management as well as all tax experts consulted in the field of international tax law assume that the tax authorities' actions are illegal, which is why no provisions are required in this respect. If, contrary to these expectations and expert estimates, the tax authorities were to confirm the tax office's decision in the event of a necessary legal action before the tax courts, the Group would be burdened with additional taxes of EUR 6 million.

4. Relationships with related companies and persons

Related parties of the Group within the meaning of IAS 24 are generally companies and persons if there is a controlling relationship, joint management or significant influence between the Group and these parties. These therefore include

- the **fully consolidated companies** listed under "Included companies", on which Energiekontor AG directly or indirectly exercises a controlling influence
- the associated companies,
- the companies to be included in the consolidated financial statements as joint operations,
- the non-consolidated companies over which influence is exercised via **management functions**,

- the members of the **Board of Management** and senior executives of Energiekontor AG,
 - the **Supervisory Board** of Energiekontor AG
- and their respective relatives.

All transactions of the Group with these related parties and their relatives during the financial year are explained below.

The business model of the Energiekontor Group comprises the entire spectrum of project planning and sales of wind/solar parks as well as ongoing services for wind/solar park operators; the main business transactions are conducted with the project companies founded by Energiekontor AG.

The sale of wind and solar projects is basically carried out in the form that these wind and solar parks are each "encased" by a special purpose company founded by Energiekontor AG in the form of a GmbH & Co KG, so that the sale of the wind/solar park is formally not an "asset deal" but a "share deal" in the form of the sale of the shares in this special purpose company. In this respect, this special purpose entity is also the contractual partner of both Energiekontor AG and the property development company of the Energiekontor Group for all contracts essential in connection with the park construction (construction contract as well as services in connection with the economic and technical planning, financing and sales) during the foundation and construction phase.

Even after the parks have been built and the shares in these companies have been sold to third parties, in some cases subsidiaries of Energiekontor AG perform management and executive tasks for these project companies on the basis of long-term contracts and, in this respect, continue to exercise influence on these companies.

Fully consolidated companies

The conclusion of contracts with subsidiaries of Energiekontor AG in connection with the construction of the wind and solar parks and the other services in this phase is carried out at times when the project company is a related party as defined by IAS 24.

Intra-group transactions between Energiekontor AG and the subsidiaries in which Energiekontor AG holds a majority share and which are therefore consolidated in the consolidated financial statements are fully eliminated in the consolidated financial statements by way of consolidation.

Associated companies

Relationships with associated companies exist only in the form that these companies manage infrastructure companies of wind parks operated by the Energiekontor Group.

Management functions

In those cases in which, after construction of the wind/solar park and sale of the company shares to third parties, subsidiaries of Energiekontor AG perform management and executive functions for these companies on the basis of long-term contracts, these companies remain related companies to Energiekontor AG within the meaning of IFRS (IAS 24), since it is assumed that the Group can exercise a significant influence on these companies even without an equity interest.

Such influence is assumed to be exerted by the executive bodies as well as by the participation in the entrepreneurial decision-making process by the group's general partners who exercise management functions. The "close relationship" in the sense of IAS 24 is therefore considered to be significant influence, even if there is no majority of voting rights and the discretionary scope in the implementation of management measures is regularly significantly restricted by contracts and instructions to the owners of the companies.

On the basis of this interpretation of IFRS, the transactions described and, therefore, almost the entire business activities of the group (with the exception of the **electricity generation segment in the group's own wind/solar parks**) consist of transactions against payment with project companies and, therefore, with related parties within the meaning of IAS 24.

With regard to the requirement to make numerical disclosures on transactions with related parties, reference is therefore made here to the income statement and segment reporting, which provide all the disclosures on the amounts of transactions with related parties within the meaning of this section.

Nevertheless, all services within the scope of these transactions are always provided at arm's length conditions that are also customary among third parties.

Since 5 June 2003, Energiekontor AG and the members of the Supervisory Board, Dr Wilkens and Lammers, have had consulting agreements with a fee volume of TEUR 60 each for the financial year (previous year TEUR 60).

Management Board, Senior Executives and Supervisory Board

All transactions against payment between the Energiekontor Group and the Management Board and Supervisory Board are listed and explained in full in the notes. The remuneration and shareholdings of the Supervisory Board and the members of the Management Board are shown under point 5.

There were no paid transactions with executive employees apart from the employment contracts existing with them and customary in the market, nor were there any transactions with members of these groups of persons.

5. Members of Management bodies and remuneration, shareholdings of management bodies, misc.

5.1. Management Board

Members of the Management Board were members during the fiscal year:

- **Dipl.-Kaufm. Peter Szabo**, graduate in business administration, Oldenburg
- **Dipl.-Ing. Günter Eschen**, engineer, Saterland
- **Dipl.-Ing. Torben Möller**, engineer, Achim

Each member of the Management Board represents the Company together with another member of the Management Board or an authorised signatory. Exemption from the restrictions of § 181 BGB (German Civil Code) has been granted.

The members of the Management Board received total remuneration for their activities in the financial year amounting to TE 1,437 (previous year TEUR 1,064). The variable portion of this amounts to TEUR 686 (previous year TEUR 315). Subscription rights within the scope of a stock option programme were not granted in 2019 (previous year TEUR 0).

In 2014, the Supervisory Board made partial use of its authorization to issue subscription rights to members of the Management Board as part of a stock option program and granted subscription rights to Management Board member Peter Szabo to acquire 100,000 shares in the company. The exercise price is EUR 11.02272 per share, the waiting period ended in 2018. These subscription rights were exercised in full in the current year.

Please refer to the remuneration report in the management report for further details.

At the Annual General Meeting on 26 May 2016, a resolution was passed to make use of the opt-out option provided for in Sections 286 (5) and 314 (3) of the German Commercial Code. On the basis of this resolution, the disclosure of the remuneration of each individual member of the Management Board in the annual financial statements and consolidated financial statements of the company for the financial years up to and including 2020, as provided for in Section 285 Sentence 1 No. 9 Letter a) Sentences 5 to 8 HGB and Section 314 (1) No. 6 Letter a) Sentences 5 to 8 HGB, is dispensable.

5.2. Supervisory Board

The following were members of the Supervisory Board:

- **Dipl.-Wirtsch.Ing. Dr. Bodo Wilkens,**
engineer, Darmstadt, Chairman
Dr. Wilkens also holds a supervisory board position at the following unlisted company:
Energiekontor Ocean Wind AG, Bremen (Chairman)
- **Günter Lammers,**
management consultant, Geestland, Deputy Chairman
Mr. Lammers also holds a supervisory board position at the following unlisted company:
Energiekontor Ocean Wind AG, Bremen
- **Dipl.-Volkswirt Darius Oliver Kianzad,**
management consultant, Essen
Mr. Kianzad also holds a supervisory board position at the following unlisted company:
Energiekontor Ocean Wind AG, Bremen

The members of the Supervisory Board received TEUR 90 (previous year TEUR 90) in Supervisory Board remuneration in the year under review.

5.3. Shareholdings of the members of the executive bodies

The members of the executive bodies held the following interests in the AG as of 31 December 2019:

Name, function	Shares piece
Dr. Bodo Wilkens, Chairman of the Supervisory Board	3,759,835
Günter Lammers, Deputy Chairman of the Supervisory Board	3,752,474

6. Information on the remuneration of the auditor

The fee for the audit of the annual financial statements of Energiekontor AG, including the accounting and the management report, as well as the monitoring system to be set up pursuant to §91 Par. 2 of the German Stock Corporation Act (AktG) for the financial year from 1 January to 31 December 2019, as well as for the audit of the consolidated financial statements and the management report in accordance with IFRS principles, amounts to TEUR 124 (previous year TEUR 105) and for other certification services TEUR 3 (previous year TEUR 2).

7. Supplementary report

Instead of 2019, Energiekontor did not commission the Waldfeucht wind farm (13.5 MW) until January 2020 due to a significant weather-related delay in construction. As a result, the entire double-digit million euro contribution to earnings has been shifted from 2019 to 2020, increasing the Group's EBT 2020 accordingly.

In the first quarter, Energiekontor successfully participated in the wind tender of 1 February 2020. Two wind farms in Lower Saxony in the districts of Harburg and Uelzen with a total of 6 wind turbines and a cumulative capacity of 35.4 MW were awarded the contracts.

The Absberg, Gefrees and Karstädt solar parks have been built. The commissioning will take place at short notice. All three solar parks are to be sold.

Like almost every company in Germany, Energiekontor is also affected by the corona pandemic. Energiekontor has successfully sent almost all employees at all locations to their home offices as a precautionary measure. Fortunately, "remote work", including all the necessary technical support, is already relatively well established at Energiekontor, so that work can continue to be done efficiently from home.

8. Declaration in accordance with § 161 AktG

In March 2020, the Board of Management and the Supervisory Board of Energiekontor AG issued the declaration on the German Corporate Governance Code within the meaning of § 161 AktG and made it available to the shareholders by way of publication on the company's homepage (www.energiekontor.de) on the Internet.

9. Disclosure

The complete annual financial statements and the consolidated financial statements of Energiekontor AG, which have been issued with an unqualified audit certificate by the auditor, PKF Deutschland GmbH, Stuttgart branch, will be published in the Federal Gazette. It can be ordered as a special print from Energiekontor AG. It is available on the Internet at www.energiekontor.de.

The annual financial statements and the consolidated financial statements for the previous year were published in the Federal Gazette on 17 May 2019.

10. Exemption pursuant to § 264 (3) and § 264 b HGB

All subsidiaries included in the consolidated financial statements of Energiekontor AG, which meet the legal requirements for this purpose, have made use of the provision of § 264 Para. 3 HGB and § 264 b HGB, respectively, for the business year under review, regarding the exemption from the obligation to prepare, audit and disclose the annual financial statements and the management report. Energiekontor AG as the parent company has approved the exemptions without exception. The resolutions of the subsidiaries pursuant to § 264 Para. 3 HGB are disclosed in accordance with § 325 HGB. The companies that have made use of the exemption are shown in the list of shareholdings within the meaning of Section 313 (2) and (4) HGB in Point IX of the Notes to the Consolidated Financial Statements.

11. Dividends

The following dividends were resolved and paid or are proposed by Energiekontor AG.

TEUR	2019	2018
Dividends declared and paid		
Dividend EUR 0.40 per ordinary share entitled to dividend (2018: EUR 0.60) with 14,578,160 (previous year 14,578,160) shares entitled to dividend	5,784	8,745

	Hauptversammlung	
TEUR	2020	2019
Proposed Dividends		
Dividend EUR 0.40 per subscribed ordinary share (2019: EUR 0.40) on 14,678,160 (previous year 14,578,160) subscribed shares	5,871	5,831

IX. List of shareholdings

Direct and indirect shareholdings of Energiekontor AG

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Construtora da nova Energiekontor – Parquet Eólicos, Unipessoal Lda., Lissabon, Portugal	100.00	-4	55
EER GbR, Worpswede ⁷	30.19	0	100
EK HDN Projektentwicklung GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor - WSB - GmbH, Bremerhaven ⁴	100.00	215	401
Energiekontor Aufwind GmbH, Bremerhaven ⁴	100.00	-4	-3
Energiekontor Alstedt BGWP ALF GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Anlagen GmbH&Co. Offshore KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Aufwind 4 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Aufwind 8 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Aufwind 9 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Bau I GmbH, Bremerhaven ⁴	100.00	-2	9
Energiekontor Bau II GmbH, Bremerhaven ⁴	100.00	-2	9
Energiekontor Bau III GmbH, Bremerhaven ⁴	100.00	-2	21
Energiekontor Bau IV GmbH, Bremerhaven ⁴	100.00	-2	9
Energiekontor Bau V GmbH, Bremerhaven ⁴	100.00	-2	9
Energiekontor Bau VI GmbH, Bremerhaven ⁴	100.00	-2	9
Energiekontor Bau VII GmbH, Bremerhaven ⁴	100.00	-2	9
Energiekontor Bau VIII GmbH, Bremerhaven ⁴	100.00	-3	8
Energiekontor Bau IX GmbH, Bremerhaven ⁴	100.00	-4	7
Energiekontor Bau X GmbH, Bremerhaven ⁴	100.00	-2	9
Energiekontor Bau XI GmbH, Bremerhaven ⁵	100.00	-3	10
Energiekontor Bau XII GmbH, Bremerhaven ⁵	100.00	-3	10
Energiekontor Bau XIII GmbH, Bremerhaven ⁵	100.00	-3	10
Energiekontor Bau XIV GmbH, Bremerhaven ⁵	100.00	-2	10
Energiekontor Bau XV GmbH, Bremerhaven ⁵	100.00	-2	10
Energiekontor Bau XVI GmbH, Bremerhaven ⁵	100.00	-2	10
Energiekontor Bau XVII GmbH, Bremerhaven ⁵	100.00	-3	10
Energiekontor Bau XVIII GmbH, Bremerhaven ⁵	100.00	-2	10
Energiekontor Bau XIX GmbH, Bremerhaven ⁵	100.00	-3	10
Energiekontor Bau XX GmbH, Bremerhaven ⁵	100.00	-2	10
Energiekontor Direktvermarktung GmbH, Bremerhaven ⁴	100.00	-3	7
Energiekontor Finanzanlagen GmbH&Co. KG, Bremerhaven ⁵	100.00	-6	148
Energiekontor Finanzanlagen II GmbH&Co. KG, Bremerhaven ⁵	100.00	-55	248
Energiekontor Finanzanlagen III GmbH&Co. KG, Bremerhaven ⁵	100.00	-19	289

1) Equity under commercial law

2) Annual result under commercial law, if applicable after execution of the profit and loss transfer agreement (SAB) with Energiekontor AG

3) Energiekontor AG has concluded a control and profit and loss transfer agreement with these companies

4) Subsidiary in the legal form of a GmbH which is exempt from the publication obligation

5) Subsidiary in the legal form of a GmbH&Co. KG or UG&Co. KG, which is exempt from the publication obligation

6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor Finanzanlagen IV GmbH & Co. KG, Bremerhaven ⁵	100.00	34	354
Energiekontor Finanzanlagen V GmbH & Co. KG, Bremerhaven ⁵	100.00	142	350
Energiekontor Finanzanlagen VI GmbH & Co. KG, Bremerhaven ⁵	100.00	112	116
Energiekontor Finanzanlagen VII GmbH & Co. KG, Bremerhaven ⁵	100.00	-68	32
Energiekontor Finanzanlagen VIII GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Finanzierungsdienste GmbH & Co. KG, Bremerhaven ⁵	100.00	16	559
Energiekontor Finanzierungsdienste II GmbH, Bremerhaven ⁴	100.00	-2	-6
Energiekontor Finanzierungsdienste III GmbH, Bremerhaven ⁴	100.00	-2	-4
Energiekontor Finanzierungsdienste IV GmbH, Bremerhaven ⁴	100.00	-2	-3
Energiekontor Finanzierungsdienste V GmbH, Bremerhaven ⁴	100.00	-2	0
Energiekontor Finanzierungsdienste VI GmbH, Bremerhaven ⁴	100.00	-2	0
Energiekontor Finanzierungsdienste VII GmbH, Bremerhaven ⁴	100.00	-2	7
Energiekontor Finanzierungsdienste VIII GmbH, Bremerhaven ⁵	100.00	-1	11
Energiekontor Finanzierungsdienste IX GmbH, Bremerhaven ⁵	100.00	-1	11
Energiekontor Finanzierungsdienste-Verwaltungs GmbH, Bremerhaven ⁴	100.00	-2	-8
Energiekontor France SAS, Toulouse, Frankreich	100.00	-570	-774
Energiekontor Guardao GmbH & Co. WP GU KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Guardao GmbH, Bremerhaven ⁴	100.00	-2	-13
Energiekontor Infrastruktur I GmbH & Co. KG, Bremerhaven ⁵	100.00	27	26
Energiekontor Infrastruktur II GmbH & Co. KG, Bremerhaven ⁵	100.00	248	248
Energiekontor Infrastruktur IV GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur IX GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur Solar GmbH & Co. KG, Bremerhaven ⁵	100.00	26	64
Energiekontor Infrastruktur Solar I GmbH & Co. KG, Bremerhaven ⁵	100.00	1	1
Energiekontor Infrastruktur Solar II GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur Solar III GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur Solar IV GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur Solar V GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur und Anlagen GmbH, Bremerhaven ^{3,4}	100.00	0	98
Energiekontor Infrastruktur V GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur VI GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur VII GmbH & Co. KG, Bremerhaven ⁵	100.00	-2	-2
Energiekontor Infrastruktur VIII GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur X GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur XI GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur XII GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur XIII GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur XIV GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0

1) Equity under commercial law

2) Annual result under commercial law, if applicable after execution of the profit and loss transfer agreement (SAB) with Energiekontor AG

3) Energiekontor AG has concluded a control and profit and loss transfer agreement with these companies

4) Subsidiary in the legal form of a GmbH which is exempt from the publication obligation

5) Subsidiary in the legal form of a GmbH & Co. KG or UG & Co. KG, which is exempt from the publication obligation

6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor Infrastruktur XV GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur XVI GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur XVII GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur XVIII GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur XIX GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Infrastruktur XX GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Innovations GmbH, Bremerhaven ⁴	100.00	38	188
Energiekontor Mafomedes GmbH, Bremerhaven ⁴	100.00	-1	-2
Energiekontor Mafomedes GmbH & Co. WP MF KG, Bremerhaven ⁵	97.90	-811	1,882
Energiekontor Mafomedes ÜWP MF GmbH & Co. KG, Bremerhaven ⁵	100.00	-411	1,323
Energiekontor Management GmbH, Bremerhaven ⁴	100.00	-298	-123
Energiekontor Management Hagen GmbH, Hagen ⁴	100.00	12	82
Energiekontor Montemuro GmbH & Co. WP MONT KG, Bremerhaven ⁵	100.00	13	-3,823
Energiekontor Montemuro GmbH, Bremerhaven ⁴	100.00	1	34
Energiekontor Neue Energie GmbH, Bremerhaven ⁴	100.00	-3	7
Energiekontor Neue Energie 1 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Neue Energie 2 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Neue Energie 3 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Neue Energie 4 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Neue Energie 5 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Neue Energie 6 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Neue Energie 7 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Neue Energie 8 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Neue Energie 9 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Neue Energie 10 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Neue Energie 11 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Neue Energie 12 GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor NL B.V., Nijmegen, Niederlande	100.00	-70	-427
Energiekontor Ocean Wind AG, Bremerhaven ⁴	100.00	-2	37
Energiekontor Ocean Wind GmbH & Co. Projektentwicklungs KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Ocean Wind Verwaltungs GmbH, Bremerhaven ⁴	100.00	0	8
Energiekontor Offshore Anlagen GmbH, Bremerhaven ⁴	100.00	0	9
Energiekontor Offshore Bau GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Offshore GmbH, Bremerhaven ⁴	100.00	-2	16
Energiekontor Ökofonds GmbH & Co. Tandem I KG, Bremerhaven ⁵	100.00	-4	4,466
Energiekontor Ökofonds GmbH & Co. Tandem II KG, Bremerhaven ⁵	100.00	-33	2,153
Energiekontor Ökofonds GmbH, Bremerhaven ⁴	100.00	-2	27

1) Equity under commercial law

2) Annual result under commercial law, if applicable after execution of the profit and loss transfer agreement (SAB) with Energiekontor AG

3) Energiekontor AG has concluded a control and profit and loss transfer agreement with these companies

4) Subsidiary in the legal form of a GmbH which is exempt from the publication obligation

5) Subsidiary in the legal form of a GmbH & Co. KG or UG & Co. KG, which is exempt from the publication obligation

6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor Ökofonds GmbH&Co. WP 4 KG, Bremerhaven ⁵	100.00	0	2,293
Energiekontor Ökofonds GmbH&Co. WP BD KG, Bremerhaven ⁵	100.00	137	-1,156
Energiekontor Ökofonds GmbH&Co. WP Elni KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Ökofonds GmbH&Co. WP GEL KG, Hagen ⁵	100.00	45	-1,772
Energiekontor Ökofonds GmbH&Co. WP MA KG, Bremerhaven ⁵	88.52	355	-1,587
Energiekontor Ökofonds GmbH&Co. WP Nordergründe KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Ökowind GmbH, Bremerhaven ⁴	100.00	-2	-1
Energiekontor Ökowind 8 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Ökowind 9 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Penedo Ruivo GmbH, Bremerhaven ⁴	100.00	2	44
Energiekontor Penedo Ruivo GmbH&Co. WP PR KG, Bremerhaven ⁵	100.00	553	-3,976
Energiekontor Portugal - Energia Eólica Lda., Lissabon, Portugal	99.00	-275	1,004
Energiekontor Portugal Marao GmbH, Bremerhaven ⁴	100.00	1	37
Energiekontor Portugal Marao GmbH&Co. WP MA KG, Bremerhaven ⁵	100.00	-2,042	-5,572
Energiekontor Portugal Trandeiras GmbH, Bremerhaven ⁴	100.00	1	47
Energiekontor Schönberg GmbH, Bremerhaven ⁴	100.00	0	-9
Energiekontor Seewind GmbH, Bremerhaven ⁴	100.00	-2	2
Energiekontor Sobrado GmbH, Bremerhaven ⁴	100.00	0	25
Energiekontor Solar 2 GmbH&Co. KG, Bremerhaven ⁵	100.00	-14	-14
Energiekontor Solar 3 GmbH&Co. KG, Bremerhaven ⁵	100.00	-18	-17
Energiekontor Solar 4 GmbH&Co. KG, Bremerhaven ⁵	100.00	-5	-5
Energiekontor Solar 5 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Solar 6 GmbH&Co. KG, Bremerhaven ⁵	100.00	-1	0
Energiekontor Solar 7 GmbH&Co. KG, Bremerhaven ⁵	100.00	-1	0
Energiekontor Solar 8 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Solar 9 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Solar 10 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Solar 12 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Solar 13 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Solar 14 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Solar 15 GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Solar Bau GmbH, Bremerhaven ⁴	100.00	0	1
Energiekontor Solar Bau I GmbH, Bremerhaven ⁴	100.00	-2	10
Energiekontor Solar Bau II GmbH, Bremerhaven ⁴	100.00	-2	10
Energiekontor Solar Bau III GmbH, Bremerhaven ⁴	100.00	-2	10
Energiekontor Solar Bau IV GmbH, Bremerhaven ⁴	100.00	-2	10
Energiekontor Solar Bau V GmbH, Bremerhaven ⁴	100.00	-2	10
Energiekontor Solar GmbH, Bremerhaven ⁴	100.00	-2	-9

1) Equity under commercial law

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4) Subsidiary in the legal form of a GmbH which is exempt from the publication obligation

5) Subsidiary in the legal form of a GmbH&Co. KG or UG&Co. KG, which is exempt from the publication obligation

6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor Stromvermarktung GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor UK BU GmbH, Bremerhaven ⁴	100.00	-2	-3
Energiekontor UK CO GmbH, Bremerhaven ⁴	100.00	-2	7
Energiekontor UK Construction Ltd., Leeds, Großbritannien	100.00	509	5,136
Energiekontor UK FM GmbH, Bremerhaven ⁴	100.00	4	60
Energiekontor UK GL GmbH, Bremerhaven ⁴	100.00	-2	7
Energiekontor UK GmbH, Bremerhaven ⁴	100.00	1	46
Energiekontor UK Hold Limited, Leeds, Großbritannien	100.00	0	0
Energiekontor UK HY 2 GmbH, Bremerhaven ⁴	100.00	-2	-3
Energiekontor UK HY GmbH&Co. WP Hyndburn KG, Bremerhaven ⁵	100.00	5,186	3,455
Energiekontor UK HY GmbH, Bremerhaven ⁴	100.00	-2	-12
Energiekontor UK LI GmbH, Bremerhaven ⁴	100.00	-2	-7
Energiekontor UK LO GmbH, Bremerhaven ⁴	100.00	-3	7
Energiekontor UK Ltd., Leeds, Großbritannien	100.00	152	15,609
Energiekontor UK Man Limited, Leeds, Großbritannien	100.00	-130	-130
Energiekontor UK NR GmbH, Bremerhaven ⁴	100.00	-2	0
Energiekontor UK PE GmbH, Bremerhaven ⁴	100.00	-2	3
Energiekontor UK PI GmbH, Bremerhaven ⁴	100.00	-3	7
Energiekontor UK WI GmbH, Bremerhaven ⁴	100.00	-2	-12
Energiekontor UK WI EXT GmbH, Bremerhaven ⁴	100.00	-2	4
Energiekontor UK WI GmbH&Co. Withernwick KG, Bremerhaven ⁵	100.00	1,832	887
Energiekontor Umwelt GmbH, Bremerhaven ⁴	100.00	3	18
Energiekontor Umwelt GmbH&Co. WP BRI KG, Bremerhaven ⁵	100.00	165	-557
Energiekontor Umwelt GmbH&Co. WP DE KG, Bremerhaven ⁵	100.00	165	-1,142
Energiekontor Umwelt GmbH&Co. WP GRE II KG, Bremerhaven ⁵	96.19	-7	543
Energiekontor Umwelt GmbH&Co. WP SCHLO KG, Hagen ⁵	100.00	-2	-621
Energiekontor Umwelt GmbH&Co. WP SIE X KG, Bremerhaven ⁵	100.00	43	-701
Energiekontor US Dakota WP 1 LLC, Dakota, USA	100.00	-3	-65
Energiekontor US Dakota WP 2 LLC, Dakota, USA	100.00	-1	-1
Energiekontor US Dakota WP 3 LLC, Dakota, USA	100.00	-1	-1
Energiekontor US Dakota WP 4 LLC, Dakota, USA	100.00	-16	-16
Energiekontor US Dakota WP 5 LLC, Dakota, USA	100.00	-1	-1
Energiekontor US Dakota WP 6 LLC, Dakota, USA	100.00	-1	-1
Energiekontor US Holding Inc., Chicago, USA	100.00	-36	-55
Energiekontor US Inc., Chicago, USA	100.00	-316	-375
Energiekontor US Texas SP 1 LLC, Texas, USA	100.00	-17	-19
Energiekontor US Texas SP 2 LLC, Texas, USA	100.00	-315	-317
Energiekontor US Texas SP 3 LLC, Texas, USA	100.00	-15	-191

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5) Subsidiary in the legal form of a GmbH&Co. KG or UG&Co. KG, which is exempt from the publication obligation

6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor US Texas SP 4 LLC, Texas, USA	100.00	-16	-193
Energiekontor US Texas SP 5 LLC, Texas, USA	100.00	-14	-212
Energiekontor US Texas SP 6 LLC, Texas, USA	100.00	-12	-189
Energiekontor US Texas SP 7 LLC, Texas, USA	100.00	-13	-13
Energiekontor US Texas SP 8 LLC, Texas, USA	100.00	-12	-189
Energiekontor US Texas SP 9 LLC, Texas, USA	100.00	-1	-1
Energiekontor US Texas SP 10 LLC, Texas, USA	100.00	-358	-358
Energiekontor US Texas SP 11 LLC, Texas, USA	100.00	-212	-212
Energiekontor US Texas SP 12 LLC, Texas, USA	100.00	-1	-1
Energiekontor US Texas SP 13 LLC, Texas, USA	100.00	-173	-173
Energiekontor US Texas SP 14 LLC, Texas, USA	100.00	-1	-1
Energiekontor US Texas SP 15 LLC, Texas, USA	100.00	-1	-1
Energiekontor Windfarm GmbH, Bremerhaven ⁴	100.00	-2	-5
Energiekontor Windfarm GmbH&Co. WP 1 KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Windfarm GmbH&Co. WP 2 KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Windfarm ÜWP ALU GmbH&Co. KG, Hagen ⁵	100.00	-236	-1,556
Energiekontor Windfarm ÜWP SCHLUE GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Windfarm ZWP THÜ GmbH&Co. KG, Hagen ⁵	100.00	-831	-6,085
Energiekontor Windinvest GmbH, Bremerhaven ⁴	100.00	-2	-8
Energiekontor Windinvest GmbH&Co. ÜWP KRE KG, Hagen ⁵	100.00	194	1,222
Energiekontor Windinvest GmbH&Co. ÜWP LE KG, Hagen ⁵	100.00	-238	-1,523
Energiekontor Windinvest GmbH&Co. ZWP BE KG, Hagen ⁵	100.00	3	288
Energiekontor Windinvest GmbH&Co. ZWP Langendorf KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Windkraft GmbH, Bremerhaven ⁴	100.00	0	220
Energiekontor Windkraft GmbH&Co. WP NL KG, Bremerhaven ⁵	51.32	403	161
Energiekontor Windpark BRW 1 GmbH&Co. WP I KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Windpark GmbH&Co. Giersleben KG, Hagen ⁵	100.00	-311	-5,461
Energiekontor Windpower GmbH, Bremerhaven ⁴	100.00	-3	-14
Energiekontor Windpower GmbH&Co. ÜWP 5 KG, Bremerhaven ⁵	100.00	168	849
Energiekontor Windpower GmbH&Co. ÜWP B KG, Bremerhaven ⁵	100.00	0	12
Energiekontor Windpower GmbH&Co. ÜWP ENG KG, Hagen ⁵	100.00	52	784
Energiekontor Windpower GmbH&Co. ÜWP GRE II KG, Bremerhaven ⁵	100.00	-1	-147
Energiekontor Windpower GmbH&Co. ÜWP HN II KG, Hagen ⁵	100.00	112	-648
Energiekontor Windpower GmbH&Co. ÜWP HN KG, Hagen ⁵	100.00	288	-1,609
Energiekontor Windpower GmbH&Co. ÜWP OE-Osterende KG, Hagen ⁵	100.00	-9	-283
Energiekontor Windpower GmbH&Co. WP 5 KG, Bremerhaven ⁵	100.00	0	8
Energiekontor Windpower GmbH&Co. WP 20 KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Windpower GmbH&Co. WP BRIEST II KG, Bremerhaven ⁵	100.00	-17	-694

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6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor Windpower GmbH&Co. WP KJ KG, Hagen ⁵	100.00	-11	-180
Energiekontor Windpower Improvement GmbH&Co. KG, Bremerhaven ⁵	100.00	-26	297
Energiekontor Windregion GmbH, Hagen ⁴	100.00	-2	-3
Energiekontor Windstrom GmbH&Co. UW Uthlede-Süd KG, Bremerhaven ⁵	100.00	-33	-138
Energiekontor Windstrom GmbH&Co. ÜWP HW KG, Hagen ⁵	100.00	-131	-6,164
Energiekontor Windstrom GmbH&Co. ÜWP KRE II KG, Hagen ⁵	100.00	-194	-1,962
Energiekontor Windstrom GmbH&Co. WP 5 KG, Bremerhaven ⁵	100.00	-34	-139
Energiekontor Windstrom GmbH&Co. WP 15 KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Windstrom GmbH&Co. ZWP HÖ KG, Hagen ⁵	100.00	-409	-2,147
Energiekontor Windstrom GmbH, Bremerhaven ⁴	100.00	-2	-5
Energiekontor Windstrom ÜWP SCHWA GmbH&Co. KG, Hagen ⁵	100.00	-18	-152
Energiekontor Windstrom ZWP PR GmbH&Co. KG, Hagen ⁵	100.00	72	-784
Energiekontor WP Booßen GmbH, Bremerhaven ⁴	100.00	-2	7
Energiekontor WPI GmbH, Bremerhaven ⁴	100.00	-3	-2
Energiekontor WSB 1 GmbH, Bremerhaven ⁴	100.00	-3	7
Energiepark Nienwohlde WP NIEN GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor III Energias Alternativas, Unipessoal Lda., Lissabon, Portugal	100.00	-3	-28
Energiepark Alfstedt WP ALF GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Alfstedt WP IG ALF GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Alfstedt WP UW GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Beckum-Repowering WP BE 1 GmbH&Co. KG, Bremerhaven ⁵	100.00	-107	-107
Energiepark Beckum-Repowering WP BE 2 GmbH&Co. KG, Bremerhaven ⁵	100.00	-108	-107
Energiepark Beerfelde GmbH&Co. WP BF II KG, Bremerhaven ⁵	100.00	0	0
Energiepark Beiersdorf-Freudenberg WP BF GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Boddin WP KW GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Bramstedt GmbH&Co. WP BRA KG, Bremerhaven ⁵	100.00	0	0
Energiepark Bultensee WP BULT GmbH&Co. KG, Bremerhaven ⁵	100.00	-139	-148
Energiepark Eggersdorf GmbH&Co. WP EGG KG, Bremerhaven ⁵	100.00	0	0
Energiepark Elstorf NDS WP ELS GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Erfstadt-Erp I GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Erfstadt-Erp II GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Flögelin Stüh GmbH&Co. WP FLÖ KG, Bremerhaven ⁵	100.00	133	737
Energiepark Garzau-Garzin SP GG GmbH&Co. KG, Hagen ⁵	100.00	34	1,325
Energiepark Hanstedt WP UW GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Hanstedt-Erweiterung WP HEW GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Heringen-Philippsthal WP HP GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Jacobsdorf UW Petersdorf GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0

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6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiepark Jacobsdorf WP Jaco GmbH & Co. KG, Bremerhaven ⁵	100.00	0	-10
Energiepark Jülich-Barmen-Merzenhausen WP JBM GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Jülich-Ost WP JO GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Jülich-Ost WP JO II GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Krempel GmbH & Co. RE WP KRE KG, Bremerhaven ⁵	100.00	0	0
Energiepark Kreuzau WP ST GmbH & Co. KG, Hagen ⁵	100.00	-62	1,665
Energiepark Nartum BGWP NART GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Nartum WP NART GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Naumburg WP Naumburg-Prießnitz GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Niederzier WP ST I GmbH & Co. KG, Hagen ⁵	100.00	-89	2,031
Energiepark Oerel BGWP OER GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Oerel WP OER GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Oerel WP UW GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Solar GmbH & Co. SP Berlin KG, Bremerhaven ⁵	100.00	0	0
Energiepark Solar GmbH & Co. SP Worms KG, Bremerhaven ⁵	100.00	0	0
Energiepark SP Theilenhofen GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Stinstedt WP STIN GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark UK CO GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark UK GA GmbH, Bremerhaven ⁴	100.00	-2	-6
Energiepark UK GL GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark UK NR GmbH & Co. KG, Hagen ⁵	100.00	-812	-1,191
Energiepark UK OV GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark UK PE GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark UK WI EXT GmbH & Co. KG i. L., Bremerhaven ⁵	100.00	0	0
Energiepark UK WP HY II GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Waldenrath WP HE GmbH & Co. KG, Hagen ⁵	100.00	-118	2,579
Energiepark Waldfeucht WP SeBo GmbH & Co. KG, Bremerhaven ⁵	100.00	-401	-400
Energiepark Winterberg-Altenfeld WP WA GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark WP Bützfleth GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark WP Völkersen GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energiepark Zülpich WP FÜ GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Energyfarm UK BA I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK BA II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Baldoon LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK CO I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK CO II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Cornharrow LLP, Leeds, Großbritannien	100.00	0	0

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7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energyfarm UK DU I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK DU Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK FE I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK FE II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Fell LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK GA I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK GA II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Garbet LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK GL I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK GL II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Glenshimmeroch LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK HA I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK HA II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Hare Craig LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK LA I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK LA II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Lairg LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK LI I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK LI II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Little Hartfell LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK LO I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK LO II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Longhill Burn LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK NA I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK NA II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Narachan LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK OV I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK OV II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Overhill LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK PE I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK PE II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Pencarreg LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK PI I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK PI II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Pines Burn LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK SO I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK SO II Ltd., Leeds, Großbritannien	100.00	0	0

1) Equity under commercial law

2) Annual result under commercial law, if applicable after execution of the profit and loss transfer agreement (SAB) with Energiekontor AG

3) Energiekontor AG has concluded a control and profit and loss transfer agreement with these companies

4) Subsidiary in the legal form of a GmbH which is exempt from the publication obligation

5) Subsidiary in the legal form of a GmbH & Co. KG or UG & Co. KG, which is exempt from the publication obligation

6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energyfarm UK WE I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK WE II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Windy Edge LLP, Leeds, Großbritannien	100.00	0	0
Energyfarm UK WU I Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK WU II Ltd., Leeds, Großbritannien	100.00	0	0
Energyfarm UK Wull Muir LLP, Leeds, Großbritannien	100.00	0	0
Engeryfarm UK Dunbeath LLP, Leeds, Großbritannien	100.00	0	0
Hafen Wind Hamburg GmbH & Co. KG, Bremerhaven ⁵	100.00	0	0
Infrastrukturgemeinschaft Flögeln GbR, Bremerhaven ⁶	50.00	-34	-34
Infrastrukturgesellschaft Energiepark Beckum GbR, Bremerhaven	100.00	0	0
Netzanschluss Badingen GbR, Bremerhaven ⁶	37.29	-27	150
Netzanschluss Mürow Oberdorf GbR, Bremerhaven ⁶	28.60	-5	-200
Netzanschluss Stadorf GbR, Hagen	100.00	0	19
Nordergründe Treuhand GmbH, Bremerhaven ⁴	100.00	-1	3
Windpark Booßen GmbH & Co. KG, Bremerhaven ⁶	37.50	-6	-5
Windpark Flögeln GmbH, Bremerhaven ⁴	100.00	-2	-10
WPS-Windkraft GmbH, Bremerhaven ⁴	100.00	-1	-2

1) Equity under commercial law

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5) Subsidiary in the legal form of a GmbH & Co. KG or UG & Co. KG, which is exempt from the publication obligation

6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Bremen, 2 April 2020



Peter Szabo
Chairman of the Board



Günter Eschen
Management Board
Member



Torben Möller
Management Board
Member

Please note that the auditor's opinion is only binding
in the German version

INDEPENDENT AUDITOR'S REPORT

To Energiekontor AG, Bremen

Audit opinions

We have audited the consolidated financial statements of Energiekontor AG, Bremen, and its subsidiaries (the Group), comprising the consolidated balance sheet as at 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2019 to 31 December 2019, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the consolidated management report of Energiekontor AG for the financial year from 1 January 2019 to 31 December 2019, which is combined with the management report of Energiekontor AG.

In accordance with the legal requirements, we have not audited the content of the information provided in the "Other information" Section of our audit opinion.

In our opinion, based on the findings of our audit

- the accompanying consolidated financial statements comply in all material respects with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the additional requirements of German law pursuant to Section 315e (1) HGB and give a true and fair view of the net assets and financial position of the Group as of 31 December 2019 and of its results of operations for the fiscal year from 1 January 2019 to 31 December 2019 in accordance with these requirements; and
- On the whole the attached Group management report provides a suitable understanding of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Our opinion

on the group management report does not extend to the content of the components of the group management report referred to in the Section "Other information".

In accordance with § 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the correctness of the consolidated financial statements and the Group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the Group management report in accordance with Section 317 HGB and the EU Auditor Regulation (No. 537/2014; hereinafter "EU-APrVO"), taking into account the generally accepted German auditing standards established by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these rules and principles is described in more detail in the Section "Responsibility of the auditor for the audit of the consolidated financial statements and the Group management report" in our audit opinion. We are independent of the Group companies in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional duties in accordance with these requirements. In addition, we declare in accordance with Article 10 (2) (f) EU-APrVO that we have not performed any prohibited non-audit services pursuant to Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements and the group management report.

Audit issues of particular importance in the audit of the consolidated financial statements

Matters of particular importance are those matters which, in our opinion, are most relevant to our audit of the consolidated financial statements for the fiscal year from January 1, 2019 to December 31, 2019. These matters have been considered in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon; we do not express a separate opinion on these matters.

1. Revenue recognition and accruals

The consolidated income statement shows sales revenues from project planning in the amount of EUR 5.7 million (previous year: EUR 52.9 million). These are attributable to the construction of wind and solar parks for operating companies. This area is thus a significant part of the business activity.

Since the realisation of revenue from the construction of wind and solar parks for operating companies occurs upon completion and the transfer of risks and opportunities and thus at the time of deconsolidation or completion, this is a matter of relevant importance for our audit.

The risk for the consolidated financial statements

In our opinion, revenue recognition and accrual accounting is an area with a significant risk of material misstatement, including a possible risk of management circumventing controls, and is therefore a particularly important audit issue, as several conditions must be cumulatively met for the date of preparation and the recognition of revenue from project companies (wind or solar park operating companies in the stage up to completion of the park) and the date of deconsolidation. Due to the size of the projects, the incorrect period allocation of a sold wind farm would have a significant impact on sales revenues, the reporting of inventories and the result.

Our approach to the audit

In the course of our audit – based on our findings from the previous year's audits as well as the economic and legal environment of the company – we examined the methods, procedures and control mechanisms of project management in the bidding and processing phase of long-term contract manufacturing, which are defined within the company.

The focus was on the analysis of the contractual basis as well as contractual terms and conditions against the background of the fulfilment of the criteria for revenue recognition according to IFRS 15 for all material transactions. In the case of the major projects, we examined whether the conditions for revenue recognition were met, i.e. whether the wind/solar park had been completed and put into operation and (cumulatively) whether the shares in the company had been sold. The focus here was on the analysis of the various share purchase agreements and commissioning and acceptance protocols, in order to ensure that the date of the share transfer and thus the correct revenue recognition was achieved.

Reference to further information

With regard to the information provided by the legal representatives on accounting and valuation issues, we refer to the notes to the consolidated financial statements, item IV. 3 "Recognition of sales and other income".

2. Value adjustments on wind and solar parks in the portfolio

Wind and solar parks that are decided not to be sold at the end of the project are included in the company's own portfolio for the purpose of generating electricity. With regard to the wind and solar parks in the portfolio, each park represents a cash-generating unit in its own right. In addition to ongoing depreciation, the carrying amount of property, plant and equipment is written down if necessary due to impairment if, as a result of changed circumstances, a permanent impairment is expected to occur.

The risk for the consolidated financial statements

Impairment is determined by comparing the carrying amount of the respective assets with the recoverable amount. This recoverable amount is based on various value-determining factors, such as the term of the lease agreements including subsequent continued use, income statement including changes in electricity prices and wind and solar radiation, and financing costs.

The determination of these value-determining factors involves a high degree of judgment and uncertainty. There is a risk for the consolidated financial statements that future cash flows or other parameters may not be estimated correctly and/or that the value determination may be incorrect and thus the value adjustments may not be taken into account or may not be taken into account to a sufficient extent. Due to the uniqueness of each individual wind and solar park, the fair value cannot be derived from market values.

Our approach to the audit

We have checked the sales volumes from the plans submitted for plausibility on the basis of past experience. We have examined the planned expenses analytically and on a sample basis in comparison with the underlying financing. The discount rate, a company-specific weighted composite rate of equity and debt financing (WACC), was determined in detail, taking into account the peer group. We have checked the mathematical calculation model and recalculated it on a sample basis. In doing so, we relied, among other things, on a comparison with general and sector-specific market expectations and on explanations provided by the legal representatives on the key value drivers underlying the expected cash flows. We discussed our queries with the commercial management.

Reference to further information

For information on accounting and valuation issues, please refer to the notes to the consolidated financial statements, Section IV. 9 "Impairment of property, plant and equipment".

3. Provisions for wind and solar park demolition costs

For information on accounting and valuation issues, please refer to the notes to the consolidated financial statements, Section IV. 19 "Provisions". Provisions for the dismantling and renaturation of existing wind and solar parks are recognised under non-current liabilities. In these cases, the carrying amount of the related property, plant and equipment must be increased by the present value of the legal obligations arising from the deconstruction.

The risk for the consolidated financial statements

The calculation of provisions involves a large number of assumptions that are uncertain and at the discretion of the Management Board. The currently expected restoration and renaturation costs must be estimated and discounted to the current balance sheet date, taking inflation into account. In particular, the estimated costs can change significantly over time. Corresponding adjustments – with the exception of the discount rates – are recognized in income and can have a significant impact on earnings.

Our approach to the audit

We check the plausibility of the demolition costs expected at the time of dismantling the wind turbines and solar power plants and reconcile the appraisal values applied with the itemised list. Finally, we check the discount rate used, including the inflation rate and credit spread taken into account for risk consideration, the correct inclusion of the previous year's values for the change in the current fiscal year, changes in the wind and solar park portfolio, other renaturation costs and the estimated probable year of dismantling, as well as the arithmetical accuracy.

Reference to further information

For information on accounting and valuation issues, please refer to the notes to the consolidated financial statements, Section IV. 19 "Provisions".

4. Accounting and disclosures in the notes from the first-time application of IFRS 16 to leases

As of the balance sheet date, fixed assets in the consolidated financial statements include rights of use of EUR 33.9 million and leasing liabilities of EUR 35.0 million. The leasing liabilities thus correspond to 9.0% of the balance sheet total. For information on accounting and valuation issues, please refer to section IV. 4 "Leasing" in the notes to the consolidated financial statements.

The risk for the consolidated financial statements

The first-time application of IFRS 16 to leases had a significant impact on the opening balance sheet values in the financial year under review and their updating in the financial year. The first-time application was carried out according to the modified retrospective approach, meaning that comparative figures for the previous year were not adjusted. The application of IFRS 16 requires estimates and discretionary decisions to be made by the legal representatives, the appropriateness of which must be assessed by us as auditors. This, together with the complexity and volume of the underlying contractual documents, meant that the accounting treatment of leases was of particular importance in the context of our audit. Likewise, extensive new disclosures in the notes to the financial statements are required, which were also of material importance to our audit in this context.

Our approach to the audit

As part of our audit, we first assessed the effects of the first-time application of IFRS 16. For the purposes of recognition, we examined the complete recording of all companies and, on a sample basis, the complete recording of all leasing agreements per wind/solar park. We also examined the contracts on a sample basis to assess the identification of the service components to determine whether they were fully and accurately recognised. By interviewing the contact persons and other documents, we have verified that extension options have been taken into account. We have recalculated the interest rate used for discounting to present value on the basis of existing financing structures. Furthermore, we were able to verify that the assumptions and estimates made by the legal representatives are adequately documented and justified in order to ensure the appropriate accounting treatment of leases under the first-time application of IFRS 16. We were able to satisfy ourselves of the appropriateness of the approach.

We have examined the information in the notes to the consolidated financial statements for completeness and accuracy.

Reference to further information

For information on accounting and valuation issues and the effects of the first-time application of IFRS 16, please refer to the notes to the consolidated financial statements, Section IV. 4 "Leasing".

Other information

The legal representatives are responsible for other information. The other information includes:

- the corporate governance statement contained in the Group management report and the balance sheet oath of the legal representatives and
- the remaining parts of the annual report, with the exception of the audited consolidated financial statements and Group management report and our audit opinion.

In connection with our audit, we have a responsibility to read the other information and assess whether the other information

- contain material inconsistencies with the consolidated financial statements, the group management report or the knowledge gained from our audit, or
- appear to be substantially misrepresented elsewhere.

Management's Responsibility for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply in all material respects with IFRSs as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB, and for ensuring that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. Furthermore, the legal representatives are responsible for the internal controls that they have determined to be necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They are also responsible for disclosing, where relevant, information about the Group's ability to continue as a going concern. They are also responsible for accounting for the business as a going concern unless the Group is to be wound up or decommissioned or there is no realistic alternative but to liquidate the Group.

In addition, the legal representatives are responsible for the preparation of the group management report, which as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) which they have deemed necessary to enable the preparation of a Group management report in accordance with the applicable German legal regulations and to provide sufficient suitable evidence for the statements made in the Group management report.

The Supervisory Board is responsible for monitoring the Group's accounting process for preparing the consolidated financial statements and the Group management report.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Group Management Report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, whether the group management report as a whole provides a suitable understanding of the Group's position and suitably presents the opportunities and risks of future development in all material respects in accordance with the consolidated financial statements and the findings of our audit, and to express an audit opinion which includes our audit opinion on the consolidated financial statements and the group management report.

Adequate assurance is a high degree of certainty, but does not guarantee that an audit conducted in accordance with § 317 HGB and the EU-APrVO and in compliance with the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misrepresentations can result from violations or inaccuracies and are considered material if it could reasonably be expected that they could individually or collectively influence the economic decisions of addressees made on the basis of these consolidated financial statements and the group management report.

During the audit we exercise due discretion and maintain a critical attitude. Beyond that

- we identify and assess the risks of material misstatement of the consolidated financial statements and the group management report, whether due to fraud or error, plan and perform the audit procedures in response to these risks and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinion. The risk that material misstatements will not be detected is greater for violations than for misstatements because violations may involve fraudulent interactions, falsification, intentional omissions, misrepresentations, or the disabling of internal controls.

- we obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the procedures and measures relevant to the audit of the group management report in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- we draw conclusions on the appropriateness of the accounting policies adopted by the legal representatives regarding the going concern principle and, based on the audit evidence obtained, whether there is any material uncertainty relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are obliged to draw attention in our audit opinion to the related disclosures in the consolidated financial statements and the group management report or, if these disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may result in the Group being unable to continue its operations.
- we assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e (1) HGB.
- we obtain sufficient suitable audit evidence for the accounting information of the companies or business activities within the group to enable us to express an opinion on the consolidated financial statements and the group management report. We are responsible for instructing, monitoring and conducting the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- we assess the consistency of the Group management report with the consolidated financial statements, its legal

compliance and the picture of the Group's situation conveyed by it.

- we perform audit procedures on the future-oriented statements in the group management report presented by the legal representatives. On the basis of sufficient suitable audit evidence, we verify in particular the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express an independent audit opinion on the future-oriented statements and the underlying assumptions. There is a significant unavoidable risk that future events could differ materially from the forward-looking statements.

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

We make a declaration to those responsible for monitoring that we have complied with the relevant independence requirements and discuss with them any relationships or other matters that could reasonably be expected to affect our independence and the safeguards put in place to protect it.

Of the matters that we have discussed with those responsible for supervision, we have identified those matters that were most significant in the audit of the consolidated financial statements for the current reporting period and are therefore the most significant matters. We describe these matters in our audit opinion, unless laws or regulations preclude public disclosure of the matters.

Other legal and regulatory requirements

Other information required by Article 10 EU-APrVO

We were elected as auditors of the consolidated financial statements by the Annual General Meeting on 22 May 2019. We were commissioned by the Supervisory Board on 14 November, 2019. We have acted as auditors of the consolidated financial statements of Energiekontor AG without interruption since the 2014 financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Audit Committee pursuant to Article 11 EU-APrVO (audit report).

Responsible auditor

The auditor responsible for the audit is Julian Wenninger.

Stuttgart, 2 April 2020

PKF Germany GmbH
Auditing company

Christoph Kalmbach
Auditor

Julian Wenninger
Auditor



2019 Separate financial statements of the AG (German GAAP: HGB

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BALANCE SHEET

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INDEPENDENT
AUDITORS' REPORT

BALANCE SHEET (HGB)

as at 31 December 2019

ASSETS	Item in the Notes for the AG, Sec. III.	31 Dec. 2019 EUR	31 Dec. 2018 TEUR
A. Fixed assets	(1.)		
I. Intangible assets			
Patents, licenses, trademarks and similar rights and assets	(1.1.)	1,228	1
II. Tangible assets			
Fixtures and fittings	(1.2.)	121,219	133
III. Financial assets	(1.3.)		
1. Shares in affiliated companies	(1.3.1.)	66,988,068	54,927
2. Loans to affiliated companies	(1.3.2.)	33,295,528	28,810
3. Investments		54,672	54
		100,338,268	83,792
B. Current assets	(2.)		
I. Inventories	(2.1.)		
1. Unfinished goods and work in progress		19,471,205	16,946
2. Payments received on account		0	-40
		19,471,205	16,906
II. Receivables and other assets	(2.2.)		
1. Trade receivables		334,063	1,870
2. Receivables from affiliated companies		28,712,361	25,622
3. Other assets		712,842	542
		29,759,266	28,034
III. Other securities		3,371	5,087
IV. Cash in hand and bank balances	(2.3.)	31,746,911	45,123
C. Prepaid expenses	(2.4.)	25,194	5
Total assets		181,466,663	179,082

EQUITY AND LIABILITIES		Item in the Notes for the AG, Sec. III.	31 Dec. 2019 EUR	31 Dec. 2018 TEUR
A. Equity		(3.)		
I. Issued capital				
1. Subscribed capital		(3.1.)	14,678,160	14,578
2. Nominal amounts/ arithmetic value for retirement of purchased shares		(3.2.)	-312,369	- 30
			14,365,791	14,548
II. Capital reserves		(3.5.)	42,239,717	41,237
III. Retained earnings		(3.6.)		
1. Statutory reserve			15,000	15
2. Other retained earnings			34,960,373	38,847
			34,975,373	38,862
IV. Net income		(3.7.)	6,750,028	6,627
<i>Total equity</i>			98,330,909	101,275
B. Provisions		(4.)		
1. Provisions for taxes			940,467	209
2. Other provisions			3,247,280	3,361
			4,187,747	3,570
C. Liabilities		(5., 6., 7.)		
1. Bonds			15,000,000	15,000
2. Liabilities to banks			481	
3. Trade payables			1,192,318	922
4. Liabilities to affiliated companies			45,630,255	40,675
5. Other liabilities			619,912	2,604
			62,442,966	59,201
D. Deferred tax liabilities		(8.)	16,505,041	15,036
Total liabilities			181,466,663	179,082

PROFIT AND LOSS STATEMENT (HGB)

1 January to 31 December 2019

	Item in the Notes for the AG, Sec. IV.	2019 EUR	2018 TEUR
1. Revenue	(1.)	20,049,756	17,913
2. Increase in inventories of finished goods and work in progress		2,525,124	3,617
3. Total output		22,574,880	21,530
4. Other operating income	(2.)	755,742	171
5. Cost of materials	(3.)		
a) Expenses for purchased services		5,189,944	5,816
6. Gross result		18,140,678	15,885
7. Personnel expenses			
a) Wages and salaries		10,133,290	9,923
b) Social security, pension and other benefits <i>of which EUR 97,168 (previous year: EUR 94 thousand) relating to pensions</i>		1,613,753	1,516
		11,747,043	11,439
8. Depreciation and amortisation			
a) Depreciation and amortisation of intangible and tangible fixed assets		33,763	41
9. Other operating expenses	(4.)	4,431,752	4,320
10. Income from investments <i>of which EUR 9,000,000 (previous year: EUR 9,997 thousand) from affiliated companies</i>	(5.)	7,000,000	9,007
11. Income from profit and loss transfer agreements with affiliated companies	(6.)	1,641,147	2,715
12. Income from other long-term securities and loans <i>of which EUR 1,511,136 (previous year: EUR 149 thousand) from affiliated companies</i>	(7.)	1,486,046	1,708
13. Interest and similar income <i>of which EUR 165,400 (previous year: EUR 277 thousand) from affiliated companies</i>	(9.)	201,160	228
14. Depreciation and amortisation of financial assets and securities classified as current assets	(8.)	938,014	1,973
15. Interest and similar expenses <i>of which EUR 1,302,890 (previous year: EUR 216 thousand) to affiliated companies</i>	(9.)	2,246,641	2,529
16. Net operating income		9,071,818	9,240
17. Tax on profit	(10.)	2,368,969	2,614
18. Profit or loss for the year		6,702,848	6,626
19. Profit carried forward			
a) Profit carried forward before appropriation		6,627,404	8,747
b) Dividend payments		-5,784,084	-8,745
c) Allocations to retained earnings by the General Meeting		-796,140	0
		47,179	2
20. Allocations to retained earnings		-	0
21. Net income		6,750,028	6,627

ANNEX

to the annual financial statements of Energiekontor AG according to HGB principles for the 2019 financial year

I. Basic principles of the financial statements

The annual financial statements of Energiekontor AG, Bremen (Bremen Local Court, HRB 20449 HB) are prepared in accordance with German commercial law accounting regulations as amended by the German Accounting Directive Implementation Act (BilRUG) and in accordance with German stock corporation law.

Where applicable, the accounting standards of the German Accounting Standards Committee e. V. valid on the balance sheet date were also applied. (DRSC).

The annual financial statements of Energiekontor AG are prepared in euros. The figures in the annual financial statements and in the notes are given in euros (EUR) and thousands of euros (TEUR). Figures in tabular form are calculated and totalled exactly, which can result in rounding differences in the totals.

For the sake of clarity and rationality of the financial statements, the additional disclosures required for each item in the balance sheet and profit and loss account are included in the notes. The income statement has been prepared using the nature of expense method.

II. Accounting and valuation principles, currency translation

The following accounting, valuation and currency translation principles were applied unchanged to the previous year.

1. Classification principles

The balance sheet items are comparable with those of the previous year. Any reclassifications of prior-year amounts made in individual cases are noted under the respective item.

2. Accounting policies

The annual financial statements include all assets, liabilities, prepaid expenses, expenses and income, unless otherwise required by law. The items on the assets side have not been offset against the items on the liabilities side of the balance sheet – or only to the extent permitted by law – expenses have not been offset against income and land rights have not been offset against land charges.

Fixed and current assets, shareholders' equity, liabilities and prepaid expenses are shown separately in the balance sheet and adequately broken down.

The fixed assets only show items that are intended to serve business operations on a permanent basis. Expenses for the formation of the company and for the procurement of equity as well as for intangible assets that were not acquired against payment were not included in the balance sheet. Provisions were only formed within the framework of § 249 HGB and deferred items were formed in accordance with the provisions of § 250 HGB. Contingent liabilities within the meaning of § 251 HGB may be stated separately below, as may the nature, purpose, risks and rewards of transactions not included in the balance sheet, to the extent necessary to assess the financial position.

3. Valuation methods

The carrying amounts of the opening balance sheet for the financial year are the same as those of the closing balance sheet for the previous financial year. The valuation was based on the going concern assumption. The assets and liabilities were valued individually. It has been carefully evaluated, in particular all foreseeable risks and losses incurred up to the balance sheet date have been taken into account, even if they only became known between the balance sheet date and the preparation of the annual financial statements. Profits are only recognized if they have been realized by the balance sheet date. Expenses and income for the financial year have been taken into account irrespective of the date of payment.

Intangible assets acquired for consideration are capitalized at cost and amortized on a straight-line basis over a maximum of five years or the longer contractual useful life.

Property, plant and equipment are valued at acquisition or production cost, less scheduled depreciation in the case of depreciable items; unscheduled depreciation is charged where necessary. Scheduled depreciation is based on the expected useful life of the asset. The useful lives range from three to 13 years. Interest on borrowings is not capitalized.

The useful lives and depreciation methods used are reviewed in each period. For asset acquisitions during the fiscal year, depreciation is recognized pro rata temporis from the month of acquisition. Assets with individual acquisition costs of up to EUR 800 are written off in full in the year of acquisition.

Shares in affiliated companies are reported under fixed assets under financial assets. Write-downs to a lower value are made on financial assets at the balance sheet date if the impairment is considered likely to be permanent.

Loans to affiliated companies relate to financial and capital receivables. They are stated at the lower of nominal value or fair value. Where loans are non-interest-bearing or low-interest, they are carried at their present value. The default risk is measured by the realization of the redemption schedules.

Reversals of impairment losses on property, plant and equipment and financial assets are reversed through profit-increasing write-ups, up to a maximum of the original acquisition cost, insofar as the reasons for impairment in value for earlier write-downs no longer apply.

Inventories are valued at acquisition or production cost plus directly attributable ancillary costs in accordance with the lower of cost or market principle. Work in progress is recognized at cost. General administrative costs are not capitalized; borrowing costs are not included in production costs. Inventories are free of third-party rights.

Receivables and other assets are carried at their nominal value, non-interest-bearing or low-interest receivables at their present value. Receivables for which payment is expected after more than one year are discounted. Default risks are adequately taken into account by individual value adjustments.

Securities and cash and cash equivalents are carried at the lower of cost or market.

Treasury shares are offset against equity at cost plus incidental expenses. The acquisition costs for own shares are openly deducted from the subscribed capital in the amount of the nominal capital if they have not yet been retired. To the extent that treasury shares have already been redeemed, they have reduced the nominal capital by offsetting. The portion of the acquisition costs of treasury stock exceeding the nominal capital is offset against other revenue reserves.

Tax and other provisions are measured in accordance with prudent business judgment, take into account all discernible risks and uncertain obligations and are stated at the amount required to settle the obligation in accordance with prudent business judgment, based on future expected prices and costs at the time the obligation is fulfilled. All information known up to the date of the balance sheet preparation is taken into account.

Fixed Assets 2019

TEUR	Acquisition / Production costs			
	01 Jan. 2019	Additions	Disposals	31 Dec. 2019
I. Intangible assets				
Intellectual property rights and similar rights and assets	256	1	0	257
II. Property, plant and equipment				
Operating and office equipment	274	10	0	285
III. Financial assets				
1. Shares in affiliated companies	65,773	14,994	1,995	78,772
2. Loans to affiliated companies	29,118	6,089	1,604	33,603
3. Participating interests	54		0	55
	94,945	21,084	3,599	112,429
Total	95,475	21,095	3,599	112,971

Where discounting is required, it is carried out in accordance with § 253 para. 2 sentences 4 and 5 HGB in conjunction with the Provisions Discounting Ordinance (RückAbzinsV) on the basis of the interest rates published by the Deutsche Bundesbank.

Liabilities are carried at their settlement amount.

Bank balances in foreign currencies are translated at the mean spot exchange rate on the balance sheet date.

Receivables and liabilities denominated in foreign currencies are generally recognized at the mean spot exchange rate on the balance sheet date; in the subsequent measurement of assets denominated in foreign currencies and liabilities with a remaining term of more than one year, changes in value from currency translation are also treated taking into account the realization principle and the acquisition cost principle.

Deferred tax assets and liabilities are also to be recognized according to the balance sheet-oriented "temporary concept" for quasi-permanent differences between balance sheet items of the commercial balance sheet and the tax balance sheet and reported in a separate balance sheet item. Deferred tax liabilities are offset against deferred tax assets, whereby tax loss carryforwards are included in the recognition of deferred taxes to the extent that their cause is causally related to the occurrence of deferred tax liabilities. Otherwise, deferred tax assets on losses carried forward are only recognised to the

extent that offsetting can be expected within the next five financial years. For valuation purposes, the individual company tax rates that will probably be valid at the time the differences are reduced are used. The amounts are not discounted.

III. Notes to the balance sheet

The following figures are shown under the corresponding items in the balance sheet. Unless otherwise specified, all information is given in TEUR.

1. Fixed assets

The composition and development of fixed assets are shown in the following fixed asset movement schedule (all figures in TEUR).

	Depreciation				Carrying amount		
	01 Jan. 2019	Additions	Transfers	Disposals	31 Dec. 2019	31 Dec. 2019	31 Dec. 2018
	256	1	0	0	256	1	1
	141	22	0	0	163	121	133
	10,846	938	0	0	11,784	66,988	54,927
	307	0	0	0	307	33,296	28,810
	0	0	0	0	0	55	54
	11,153	938	0	0	12,091	100,338	83,792
	11,550	961	0	0	12,511	100,461	83,926

1.1. Intangible assets

The value concerns software modules.

1.2. Property, plant and equipment

These are mainly office and business equipment assets.

1.3. Financial assets

1.3.1. Shares in affiliated companies

Financial assets are generally carried at cost, reduced by write-downs to the lower fair value if necessary.

Write-downs on shares in subsidiaries had to be made in the amount of TEUR 938 (previous year TEUR 1,973). As in the previous year, there were no write-ups (reversals of impairment losses) in the year under review.

A list of shareholdings is provided in Note VI.

1.3.2. Loans to affiliated companies

Loans to affiliated companies relate to financial and capital claims against domestic wind farm operating companies, against the Portuguese and English planning and construction companies and against German wind farm holding companies.

As in the previous year, no write-downs or write-ups were made on loans in the financial year under review. The loans are interest-bearing.

2. Current assets

2.1. Inventories

Inventories of unfinished goods and services totalling TEUR 19,471 (previous year TEUR 16,906) relate in particular to capitalised planning services for wind and solar park projects to be realised in the onshore segment. When the planning services are performed and the planning fees are realised, the corresponding inventories are released to income.

The recoverability of inventories is generally dependent on the future realisation of these projects. If the degree of probability with regard to the realization of capitalized projects decreases, write-downs are made on the planning services allocated to these projects if necessary.

2.2. Receivables and other assets

Receivables and other assets are broken down by maturity as follows, with no maturities exceeding five years.

This item includes receivables from third parties from planning and sales services amounting to TEUR 334 (previous year TEUR 1,870) and receivables from subsidiaries from planning activities, personnel provision, administrative revenues, profit transfers and loans granted amounting to TEUR 28,712 (previous year TEUR 25,622).

Other assets consist mainly of tax receivables.

	31 December 2019			31 December 2018		
	Total	of which with a remaining term		Total	of which with a remaining term	
		till 1 year	1 to 5 years		till 1 year	1 to 5 years
TEUR						
Trade receivables and services	334	334	0	1,870	1,870	0
Receivables from affiliated companies	28,712	23,381	5,331	25,622	22,272	3,351
of which from deliveries and services	17,645	17,645	0	11,242	11,242	0
Other Assets	713	710	3	542	537	5
	29,759	24,425	5,334	28,034	24,679	3,355

2.3. Cash on hand and bank balances

As in the previous year, no bank balances were offset against short-term bank liabilities in the financial year under review.

Of the bank balances, an amount of TEUR 1,244 (previous year TEUR 1,244) is pledged as collateral for third-party liabilities.

2.4. Prepayments and accrued income

Prepaid expenses and deferred charges amounting to TEUR 25 (previous year TEUR 5) relate to deferred interest, rental and licence payments that were already paid before the balance sheet date but are economically attributable to the following year.

3. Equity

3.1. Subscribed capital

The share capital (nominal capital) of Energiekontor AG on the balance-sheet date corresponds to the subscribed capital of T EUR 14,678 and has increased by T EUR 100 compared to the previous year due to the issue of 100,000 shares within the framework of a stock-option plan (conditional capital increase).

A further 282,449 shares (previous year: 29,035 shares) were bought back in the year under review. The share capital of Energiekontor AG now amounts to EUR 14,678,160.00 (EUR 14,578,160.00 in the year before) and is divided into 14,678,160 (14,578,160 in the year before) ordinary bearer shares without nominal value (individual share certificates with a calculated nominal value of EUR 1.00 each). Taking into account the repurchased shares that have not yet been retired, the issued capital as of the balance sheet date amounts to EUR 14,365,791.00 (previous year EUR 14,548,240.00) and is divided into 14,365,791 ordinary shares with no par value (no-par value shares with a calculated par value of EUR 1.00 each).

3.2. Nominal amount of shares acquired for cancellation (treasury shares)

By resolution of the Annual General Meeting on 27 May 2010, the Company was authorised in accordance with Section 71 (1) no. 8 of the AktG to acquire its own shares up to a total of ten percent of the current share capital. This authorisation, which expired on 26 May 2015, was revoked and amended by resolution of the Annual General Meeting on 21 May 2015. Accordingly, the Company was again authorized pursuant to Section 71 (1) no. 8 of the AktG to acquire treasury shares up

to a total of ten percent of the current share capital. This authorisation shall expire on 20 May 2020.

On the basis of this resolution (reproduced in detail below) and the previous resolution, a total of 282,449 shares (previous year: 29,035 shares) were repurchased in the fiscal year for the purpose of cancellation for the purpose of capital reduction. The amount of share capital attributable to treasury shares not yet retired amounted to EUR 312,369 (previous year: EUR 29,920) as of the balance sheet date and was openly deducted from subscribed capital, as these shares were also acquired for the purpose of retiring and reducing capital.

The portion of acquisition costs exceeding the nominal capital per share was deducted from other revenue reserves.

Together with other treasury shares held by the Company or attributable to it pursuant to Sections 71 a et seq. of the German Stock Corporation Act (AktG), the acquired shares may at no time account for more than ten percent of the share capital. The authorization may not be used for the purpose of trading in treasury shares. The authorization may be exercised in whole or in part, once or several times, in pursuit of one or several purposes by the Company or by third parties for the account of the Company. The shares may be acquired on the stock exchange or by means of a public purchase offer addressed to all shareholders of the Company.

If the shares are acquired on the stock exchange, the consideration per share paid by the Company (excluding incidental acquisition costs) may not be more than 10 percent above or below the average closing price (XETRA trading or comparable successor system) for shares with the same securities reference number determined on the Frankfurt Stock Exchange during the last three trading days prior to the acquisition of the shares.

If the shares are purchased via a public purchase offer to all shareholders of the Company, the purchase price offered per share (excluding ancillary purchase costs) may not be more than 10 percent above or below the average closing price on the Frankfurt Stock Exchange on the three trading days prior to the date of publication of the offer. The purchase offer or the invitation to submit such an offer may provide for further conditions. The Management Board was also authorized, with the consent of the Supervisory Board, to sell acquired treasury shares under exclusion of shareholders' subscription

rights in a manner other than via the stock exchange or an offer to all shareholders if the acquired treasury shares are sold at a price that is not significantly lower than the market price of Company shares of the same class at the time of the sale. The exclusion of subscription rights is limited to a maximum of 10 percent of the Company's share capital existing at the time this authorization becomes effective and at the time this authorization is exercised. Shares issued during the term of this authorization on the basis of other authorizations in direct or analogous application of Section 186 (3) sentence 4 of the AktG, excluding subscription rights, shall be counted towards this limit. In addition, the Management Board was authorized to sell acquired treasury shares to the exclusion of shareholders' subscription rights in a manner other than via the stock exchange or an offer to all shareholders to third parties in connection with the acquisition of companies, parts of companies, interests in companies, other assets, receivables, rights or know-how. The Management Board is authorized to redeem shares of the Company acquired on the basis of this authorization without such redemption or its implementation requiring a further resolution of the Annual General Meeting. The redemption leads to a capital reduction. The shares may also be redeemed in a simplified procedure without a capital reduction by adjusting the proportionate arithmetical amount of the remaining no-par value shares in the Company's share capital. The redemption may be limited to a portion of the acquired shares. The authorization to redeem shares may be exercised several times.

If the redemption is carried out using the simplified procedure, the Executive Board is authorized to adjust the number of no-par value shares in the Articles of Association. Measures taken by the Management Board on the basis of this resolution of the Annual General Meeting may only be taken with the consent of the Supervisory Board.

These authorizations to acquire, redeem, resell or otherwise utilize treasury shares may also be exercised in part in each case. The statutory subscription right of shareholders to own shares is excluded pursuant to Sections 71 (1) No. 8, 186 (3) and (4) AktG to the extent that these shares are used in accordance with the above authorizations.

The above authorizations to acquire treasury shares are valid until May 20, 2020.

3.3. Authorized capital

The Annual General Meeting of Energiekontor AG on May 26, 2016 created new authorised capital by cancelling the previously authorised capital. The Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital by up to EUR 7,326,580.00 by issuing up

to 7,326,580 new ordinary and/or preferred bearer shares with or without voting rights against cash and/or non-cash contributions on one or more occasions up to and including May 23, 2021 (Authorized Capital 2016). The authorization includes the authority to issue further preference shares (with or without voting rights) in the event of repeated issuance of preference shares, which take precedence over or equal to the previously issued preference shares in the distribution of profits or company assets.

In principle, shareholders are to be granted subscription rights. The new shares may also be acquired by one or more banks with the obligation to offer them to the shareholders for subscription.

However, the Management Board is authorized, with the consent of the Supervisory Board, to exclude the statutory subscription right of shareholders,

- to the extent necessary to compensate for fractional amounts;
- if the shares are issued against contributions in kind for the purpose of acquiring companies or interests in companies or parts of companies or for the purpose of acquiring receivables from the Company;
- if a capital increase against cash contributions does not exceed 10 percent of the share capital and the issue price of the new shares is not significantly lower than the stock exchange price (§ 186 (3) sentence 4 AktG); when exercising this authorization under exclusion of subscription rights pursuant to § 186 (3) sentence 4 AktG, the exclusion of subscription rights on the basis of other authorizations pursuant to § 186 (3) sentence 4 AktG must be taken into account.

The Management Board was authorised, with the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation. The Supervisory Board was authorized to amend the wording of the Articles of Association in line with the utilization of the authorized capital.

As in the previous year, no use was made of these authorizations in the financial year under review.

3.4. Conditional capital and stock option program

The Annual General Meeting of Energiekontor AG on May 28, 2014 passed a resolution to conditionally increase the Company's share capital by up to EUR 500,000.00 by issuing up to 500,000 new bearer shares with a notional value of EUR 1.00 each as subscription shares. This resolution was entered in the commercial register on July 1, 2014. The conditional capital increase is intended exclusively for the purpose of

granting subscription rights to members of the Company's Management Board within the framework of a stock option plan (Section 192 (2) no. 3 AktG). The conditional capital increase shall only be carried out to the extent that the subscription rights granted are exercised by the respective beneficiary. The new shares participate in the Company's profits from the beginning of the financial year in the course of which they are created by the exercise of subscription rights.

Under the stock option program 2014, subscription rights for up to 500,000 shares of the Company could be issued to members of the Management Board of the Company until 31 December 2018. Each subscription right entitles the holder to subscribe to one bearer share in Energiekontor AG in accordance with the subscription right conditions to be determined by the Supervisory Board. The term of the subscription rights is five years beginning at the end of the respective issue period. The stock options can only be exercised four years after the respective issue period and are not transferable. The Company is entitled to satisfy the subscription rights either by issuing shares from the conditional capital created for this purpose or by selling treasury shares.

In 2014, the Supervisory Board made partial use of this authorisation and granted Peter Szabo, a member of the Management Board, subscription rights to acquire 100,000 shares in the company. The exercise price is EUR 11.02272 per share, the waiting period ended in 2018. These subscription rights were exercised in full in the current year.

The General Meeting of Energiekontor AG on 23 May 2018 passed the resolution to conditionally increase the company's share capital by up to EUR 500,000,00 by issuing up to 500,000 new no-par value bearer shares, each with a nominal share in the share capital of EUR 1.00, as subscription shares. The conditional capital increase is intended solely to serve the purpose of granting subscription rights to members of the Company's Management Board within the framework of a stock option plan (Section 192 (2) No. 3 AktG). The conditional capital increase shall only be implemented to the extent that the subscription rights granted are exercised by the respective beneficiary. The new shares shall participate in the profits of the Company from the beginning of the financial year in the course of which they are created by the exercise of subscription rights.

Under the 2018 Stock Option Program, subscription rights for up to 500,000 shares of the Company may be issued to members of the Company's Board of Management until April 30, 2023. Each subscription right entitles the holder to subscribe to one no-par value bearer share of Energiekontor AG in accordance with the subscription right conditions to be

determined by the Supervisory Board. The term of the subscription rights is five years, beginning with the end of the respective issue period. The stock options can only be exercised four years after the respective issue period and are not transferable. The Company is entitled to satisfy the subscription rights either by issuing shares from the conditional capital created for this purpose or by selling treasury shares.

As in the previous year, no subscription rights were granted in the the business year.

3.5. Additional paid-in capital

The capital reserve of TEUR 42,240 (previous year TEUR 41,237) is made up of the premiums earned on the initial public offering and the capital increases of Energiekontor AG in 2000 and 2001, respectively, as well as the premium on the shares issued under the stock option programme in the 2019 financial year.

3.6. Retained earnings

The statutory retained earnings of Energiekontor AG remains unchanged at TEUR 15.

The other retained earnings of Energiekontor AG developed as follows:

TEUR	2019	2018
As at 01 January	38,847	39,221
Offsetting against acquisition costs for repurchased own shares that have exceeded the nominal capital	-4,683	-374
Partial appropriation of results	796	0
As at 31 December	34,960	38,847

The partial appropriation of earnings in the current year of €796 thousand relates to the allocation to retained earnings by the Annual General Meeting on 22 May 2019.

3.7. Balance sheet profit

The retained earnings as of 31 December 2019 are as follows:

TEUR	2019	2018
As of 01.01.	6,627	8,747
Dividend payment	-5,784	-8,745
Allocation to retained earnings by the Annual General Meeting	-796	0
Net profit for the year	6,703	6,626
As at 31.12.	6,750	6,627

4. Provisions

The composition and development of provisions is shown in the following overview.

Statement of changes in provisions 2019

TEUR	01 Jan. 2019	Consumption 2019	Resolution 2019	Feeding 2019	31 Dec. 2019
Provisions for taxes (excluding deferred taxes)	209	209	0	940	940
Other accrued liabilities					
Project related costs	713	88	29	50	646
Process costs	145	45	0	35	135
Annual financial statement, legal and consulting fees	312	228	0	195	279
Annual Report	80	80	0	80	80
Remuneration of the Supervisory Board	90	90	0	70	70
Personnel costs (vacation, overtime, employer's liability insurance, profit sharing)	1,857	1,857	0	2,007	2,007
Other	164	67	67	0	30
Other accrued liabilities	3,361	2,455	96	2,437	3,247

As in the previous year, the provisions do not include any non-current portions.

5. Liabilities

Liabilities are broken down by maturities as of the balance sheet dates as follows:

TEUR	31 December 2019				31 December 2018			
	Total	of which with a remaining term of			Total	of which with a remaining term of		
		till 1 year	1 to 5 years	more than 5 years		till 1 year	1 to 5 years	more than 5 years
Bonds	15,000	0	15,000	0	15,000	0	15,000	0
Liabilities to banks	1,192	1,192	0	0	922	922	0	0
Liabilities from trade accounts payable	45,630	8,073	13,194	24,363	40,675	4,165	11,300	25,209
Liabilities to connected companies	805	805	0	0	271	271	0	0
thereof prepayments received	1,633	1,633	0	0	0	0	0	0
Other liabilities	620	620	0	0	2,604	2,604	0	0
of which taxes	251	251	0	0	2,238	2,238	0	0
of which within the scope of social security	36	36	0	0	17	17	0	0
	62,443	9,885	28,194	24,363	59,201	7,691	26,300	25,209

As in the previous year, no bank loans secured by current account balances were offset against the corresponding credit accounts in the financial year under review.

Bonds

In 2015, Energiekontor AG issued a bond in the amount of TEUR 6,000, divided into 6,000 bearer bonds with a nominal value of EUR 1,000 each under the securities identification number (WKN) A1611S. Investors receive a return of 5.25 percent of the nominal value of the subscribed capital. The bond matures on January 1, 2021 for repayment at nominal value. As in the previous year, the bond had a value of TEUR 6,000 at the balance sheet date.

In 2018, Energiekontor AG issued another bond in the amount of TEUR 9,000, divided into 9,000 bearer bonds with a nominal value of EUR 1,000 each, under the securities identification number (WKN) A2E4HA. Investors receive interest of 4

per cent of the nominal value of the subscribed capital. The bond is due for repayment at par on 31 January 2023. As in the previous year, the bond was valued at EUR 9,000 thousand on the balance sheet date.

The total volume of the bonds was therefore TEUR 15,000 (previous year TEUR 15,000) as of the balance sheet date. The aforementioned bonds and the interest claims are securitized for the entire term of the respective bonds in a bearer collective bond deposited with Clearstream Banking AG, Frankfurt. The bonds contain no conversion rights or other equity elements and are freely tradable. The Issuer may give notice of termination prior to maturity by giving eight weeks' notice to the end of the quarter, but the bondholders may only give notice if payments are suspended, the Issuer becomes insolvent or the Issuer becomes insolvent.

6. Contingent liabilities

On 31 December 2019, Energiekontor AG had fixed-term and unlimited guarantees of TEUR 1,746 (previous year TEUR 2,172). Of these, guarantees in favour of Group companies account for TEUR 454 (previous year TEUR 879).

As in the past, the risk of a claim under the guarantees is considered to be low due to the good net assets, financial position and results of operations of the companies concerned.

In six cases Energiekontor AG has made an optional commitment to buy back shares in five domestic wind park operating companies in the amount of up to 10 percent and shares in one foreign wind park operating company in the amount of up to 20 percent of the fixed price of the original construction contracts in the years 2022 to 2029. If the wind park operating companies exercise their option in the future, the company may be subject to payment obligations which may fall due

at the end of 2022 in the amount of TEUR 581 and in the years 2025 to 2028 in the amount of TEUR 4,840. In each case, the maximum nominal values due are stated, the current present value of which is significantly lower in line with the terms.

In the event that the option is exercised, however, the Company will take over the limited partner shares in these wind farm operating companies in return for the payments. As the Company assumes that the shares will be fully recoverable at the conditions offered, risks from such repurchases are not expected.

Limited partner's interests give rise to contingent liabilities within the meaning of §§ 171 (1) and, if applicable, 172 (4) HGB. The liability amounts pursuant to § 171 (1) HGB result from the respective difference between the liability contribution entered in the commercial register on the one hand and the contribution actually paid on the other.

The following overview shows the contingent liabilities arising from the limited partnership interests.

TEUR	Limited partners' contributions			
	according to articles of partnership	into the commercial register	registered thereupon	Liability within the meaning of § 171 HGB
Total amounts	80,809	80,809	36,296	43,713

There are (uncalled) payment obligations to subsidiaries from deposits not yet made as at the balance sheet date amounting to TEUR 780.

Due to the scheduled development of the asset, financial and earnings situation of the companies, no liability claims are expected.

As of 31 December 2019, there was collateral for third-party liabilities from the assignment of 15 shares in affiliated companies (previous year: 12). As of the balance sheet date, these are reported under financial assets with a total carrying amount of TEUR 12,110 (previous year TEUR 899).

7. Other financial obligations

Other financial obligations consist of rental agreements for the business premises in Bremen, Bremerhaven and the other German and foreign branches and from leasing agreements for vehicles, furniture and IT hardware and software.

TEUR	2020	2021 bis 2024
From rental contracts	580	622
From maintenance and service contracts	53	195
From leasing contracts	425	596
Other financial obligations	1,058	1,413

8. Deferred tax liabilities

According to the balance sheet-oriented “temporary concept”, deferred tax assets and liabilities must also be recognised for quasi-permanent differences between balance sheet items in the commercial balance sheet and the tax balance sheet and reported in a separate balance sheet item. This includes in particular the different valuations of investments in subsidiaries in the commercial and tax balance sheets. Deferred tax assets on losses carried forward must also be taken into account if their cause is causally connected with the occurrence of deferred tax liabilities. Otherwise, deferred tax assets on losses carried forward are only recognised to the extent that offsetting can be expected within the next five financial years.

As of the balance sheet date, the following deferred taxes were recognized:

TEUR	31 December 2019		31 December 2018	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Valuation differences in investments, loans, Receivables from subsidiaries	112	18,831	98	16,952
Losses carried forward	2,214	0	1,818	0
Subtotal before netting	2,326	18,831	1,917	16,952
Amounts eligible for netting	-2,326	-2,326	-1,917	-1,917
Deferred taxes (after netting)	0	16,505	0	15,036

A rate of 15.8 percent for corporation tax (including solidarity surcharge) and a rate of 16.2 percent for trade tax were applied as tax rates to be expected at the time of dissolution:

As of the balance sheet date, the aforementioned deferred tax assets for loss carryforwards expected to be utilized within the next five financial years included TEUR 12,342 in offset losses from subsidiaries for corporate income tax purposes.

IV. Notes to the profit and loss account

The following figures are given for the corresponding items in the income statement. Unless otherwise indicated, all figures are given in T€.

The income statement has been prepared using the nature of expense method.

1. Sales proceeds

Sales are mainly generated in Germany. Sales revenues consist of proceeds from the sale of shares in companies in wind farms, from services in connection with construction, economic planning and contractual and legal processing, project management, management in the start-up phase, sales and advertising activities and the procurement of equity and debt for the wind farm operating companies, from planning services to obtain building permits for wind farm projects, as well as from accounting proceeds and intra-Group proceeds for the provision of personnel and project coordination.

TEUR	2019	2018
Income from		
Construction, planning, distribution	14,273	12,728
Administration, provision of personnel	5,592	4,985
Bookkeeping	185	200
Proceeds	20,050	17,913

2. Other operating income

Other operating income is composed as follows:

TEUR	2019	2018
Income from currency conversions	390	51
Other operating income	222	83
amortization of accruals	96	3
Insurance compensation	48	34
Other operating income	756	171

3. Cost of materials

The cost of purchased services in connection with the wind and solar park project planning (expert opinions, planning costs, public fees, etc.) amounted to TEUR 5,190 in the financial year (previous year TEUR 5,816).

4. Other operating expenses

Other operating expenses mainly include general administrative, legal and consulting costs, project-related expenses, advertising and similar costs.

TEUR	2019	2018
Administration and other costs	1,365	1,332
Legal and consulting fees	1,230	1,249
Room costs	583	543
Distribution costs	573	693
Expenses from exchange rate differences	244	31
Insurance, fees, contributions	183	208
Travel expenses for employees	136	36
Project-related expenses	118	229
other operating expenses	4,432	4,320

5. Income from investments

The income results from profit allocations from subsidiaries of Energiekontor AG.

6. Income and expenses from profit and loss transfer agreements of affiliated companies

The income results from the profit transfer of the subsidiary Energiekontor Infrastruktur und Anlagen GmbH, Bremerhaven, which is affiliated with the Company under a profit transfer and control agreement.

7. Income from other securities and loans from financial assets

This item includes interest income earned on long-term loans to subsidiaries and former subsidiaries.

8. Depreciation of financial assets

Write-downs on shares in subsidiaries had to be made in the year under review in the amount of TEUR 938 (previous year TEUR 1,973). As in the previous year, no depreciation was made on loans to affiliated companies in the year under review.

9. Net interest income

Net interest income developed as follows:

TEUR	2019	2018
Income from other securities and loans from financial assets	1,486	1,708
thereof from affiliated companies	1,471	1,511
Other interest and similar income	201	228
thereof from affiliated companies	153	165
Interest and similar expenses	-2,247	-2,529
thereof to affiliated companies	-1,308	-1,303
Net interest income	-559	-593

10. Taxes on income and earnings

The total tax burden (corporation tax and trade tax) for the fiscal year for the Group of consolidated companies amounts to TEUR 2,369 (previous year TEUR 2,614). Of this tax expense, TEUR 948 (previous year TEUR 224) relates to the result from ordinary activities and TEUR -48 (previous year TEUR -96) to tax payments for earlier years. The total expense is broken down as follows:

TEUR	2019	2018
Actual tax expense	900	128
Deferred tax expense	1,469	2,486
Tax expense	2,369	2,614

V. Other information

1. Employees

During the business year under review, Energiekontor AG had an average of 130 employees (137 in the year before), not including trainees.

2. Board members and remuneration, shareholdings

2.1. Board of Directors

Members of the Management Board were members during the fiscal year:

- **Dipl.-Kaufm. Peter Szabo**, Businessman, Oldenburg
- **Dipl.-Ing. Günter Eschen**, Engineer, Saterland
- **Dipl.-Ing. Torben Möller**, Engineer, Achim

Each member of the Management Board represents the Company together with another member of the Management Board or an authorised signatory. Exemption from the restrictions of § 181 BGB (German Civil Code) has been granted.

The members of the Management Board received total remuneration for their activities in the financial year amounting to TEUR 1,437 (previous year TEUR 1,064). The variable portion of this amounts to TEUR 680 (previous year TEUR 315). Please refer to the remuneration report in the management report for further details.

At the Annual General Meeting on 26 May 2016, a resolution was passed to make use of the opt-out option provided for in Sections 286 (5) and 314 (3) of the German Commercial Code. On the basis of this resolution, the disclosure of the remuneration of each individual member of the Management Board in the annual financial statements and consolidated financial statements of the Company for the financial years up to and including 2020, as provided for in Section 285 Sentence 1 No. 9 Letter a) Sentences 5 to 8 HGB and Section 314 (1) No. 6 Letter a) Sentences 5 to 8 HGB, is dispensable.

2.2. Supervisory Board

Members of the Supervisory Board were:

- **Dipl.-Wirtsch.-Ing. Dr. Bodo Wilkens,**
Engineer, Darmstadt, Chairman
Dr. Wilkens also holds a supervisory board position at the following unlisted Company:
Energiekontor Ocean Wind AG, Bremen (Chairman)
- **Günter Lammers,**
Management consultant, Geestland, Deputy Chairman
Mr. Lammers also holds a supervisory board position at the following unlisted Company:
Energiekontor Ocean Wind AG, Bremen
- **Dipl.-Volkswirt Darius Oliver Kianzad,**
Management consultant, Essen
Mr. Kianzad also holds a supervisory board position at the following unlisted Company:
Energiekontor Ocean Wind AG, Bremen

As in the previous year, the members of the Supervisory Board received EUR 90 thousand in Supervisory Board remuneration in the year under review. In addition, the Supervisory Board members Dr Wilkens and Mr Lammers have concluded consultancy agreements with the Company, which provide for an annual fee of €60 thousand each, as in the previous year.

2.3. Shareholdings of the members of the Management bodies

The members of the Management bodies held the following interests in the AG as of 31 December 2019:

Function	Name	Shares piece
Chairman of the Supervisory Board	Dr Bodo Wilkens	3,759,835
Deputy Chairman of the Supervisory Board	Günter Lammers	3,752,474

2.4. Miscellaneous

The members of the Management bodies of Energiekontor AG and all Management bodies of affiliated companies at home and abroad are indemnified by Energiekontor AG or the affiliated companies from claims by third parties to the extent permitted by law. For this purpose the Company maintains a pecuniary loss liability Group insurance for members of the Management bodies and managing directors of the Energiekontor Group. It is concluded or extended annually. The insurance covers the personal liability risk in the event that a claim is made against the Group of persons for financial losses while performing their duties.

In the financial year under review, no transactions were conducted with related parties at conditions that were not customary in the market.

No advances or loans were granted to members of Management bodies or their relatives.

3. Information on subsidiaries

Point VI of the Notes contains a list of the companies in which Energiekontor AG directly or indirectly holds a majority interest (subsidiaries or affiliated companies pursuant to §271 Par. 2 HGB).

4. Fees for the audit of the annual and consolidated financial statements

The fees for the audit of the annual financial statements of Energiekontor AG, including the accounting and the management report, as well as the monitoring system to be set up pursuant to §91 Par. 2 of the German Stock Corporation Act (AktG) for the financial year from 1 January to 31 December 2019, as well as for the audit of the consolidated financial statements and the management report in accordance with IFRS principles, amount to EUR 124,000 (previous year EUR 105,000), for other certification services EUR 3,000 (previous year EUR 2,000) and for other services EUR 4,000 (previous year EUR 0).

5. Declaration in accordance with § 161 AktG

In March 2020, the Board of Management and the Supervisory Board of Energiekontor AG issued the declaration on the German Corporate Governance Code within the meaning of § 161 AktG and made it available to the shareholders by way of publication on the Company's homepage (www.energiekontor.de) on the Internet.

6. Disclosure

The financial statements for the previous year were published in the Federal Gazette on 17 May 2019.

7. Exemption options pursuant to Sections 264 (3) and 264b of the German Commercial Code (HGB)

In application of Sections 264 (3) and 264b of the German Commercial Code (HGB), those subsidiaries that are included in the consolidated financial statements by way of full consolidation and meet the other legal requirements waive disclosure of their annual financial statements.

Energiekontor AG has agreed to the exemption. The exempt subsidiaries are listed in the consolidated financial statements.

8. Supplementary report

Instead of 2019, Energiekontor did not commission the Waldfeucht wind farm (13.5 MW) until January 2020 due to a significant weather-related delay in construction. As a result, the entire double-digit million euro contribution to earnings has been shifted from 2019 to 2020, increasing the Group's EBT 2020 accordingly.

In the first quarter, Energiekontor successfully participated in the wind tender of 1 February 2020. Two wind farms in Lower Saxony in the districts of Harburg and Uelzen with a total of 6 wind turbines and a cumulative capacity of 35.4 MW were awarded the contracts.

The Absberg, Gefrees and Karstädt solar parks have been built. The commissioning will take place at short notice. All three solar parks are to be sold.

Like almost every company in Germany, Energiekontor is also affected by the corona pandemic. Energiekontor has successively sent almost all employees at all locations to their home offices as a precautionary measure. Fortunately, "remote work", including all the necessary technical support, is already relatively well established at Energiekontor, so that work can continue to be done efficiently from home.

9. Proposal for the appropriation of profits

The profit for the year 2019 in the amount of EUR 6,702,848.36 and the profit carried forward in the amount of EUR 47,179.36 result in a balance sheet profit of Energiekontor AG in the amount of EUR 6,750,027.72.

The Management Board and the Supervisory Board propose that, from the net profit for the 2019 financial year of EUR 6,750,027.72

- a) to use an amount of EUR 5,871,264.00 to pay a dividend of EUR 0.40 per no-par value share entitled to dividend,
- b) to allocate an amount of EUR 878,763.72 to revenue reserves and
- c) to carry forward to new account the arithmetical amount of the dividend distribution in accordance with lit. a) on own shares.

The distribution corresponds to a dividend of EUR 0.40 per share on the subscribed capital of EUR 14,678,160.00, divided into 14,678,160 shares.

VI. List of participations

Direct and indirect shareholdings of Energiekontor AG

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Construtora da nova Energiekontor – Parquet Eólicos, Unipessoal Lda., Lissabon, Portugal	100.00	-4	55
EER GbR, Worpswede ⁷	30.19	0	100
EK HDN Projektentwicklung GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor - WSB - GmbH, Bremerhaven ⁴	100.00	215	401
Energiekontor Aufwind GmbH, Bremerhaven ⁴	100.00	-4	-3
Energiekontor Alfstedt BGWP ALF GmbH&Co. KG, Bremerhaven ⁵	100.00	0	0
Energiekontor Anlagen GmbH&Co. Offshore KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Aufwind 4 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Aufwind 8 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Aufwind 9 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Bau I GmbH, Bremerhaven ⁴	100.00 %	-2	9
Energiekontor Bau II GmbH, Bremerhaven ⁴	100.00 %	-2	9
Energiekontor Bau III GmbH, Bremerhaven ⁴	100.00 %	-2	21
Energiekontor Bau IV GmbH, Bremerhaven ⁴	100.00 %	-2	9
Energiekontor Bau V GmbH, Bremerhaven ⁴	100.00 %	-2	9
Energiekontor Bau VI GmbH, Bremerhaven ⁴	100.00 %	-2	9
Energiekontor Bau VII GmbH, Bremerhaven ⁴	100.00 %	-2	9
Energiekontor Bau VIII GmbH, Bremerhaven ⁴	100.00 %	-3	8
Energiekontor Bau IX GmbH, Bremerhaven ⁴	100.00 %	-4	7
Energiekontor Bau X GmbH, Bremerhaven ⁴	100.00 %	-2	9
Energiekontor Bau XI GmbH, Bremerhaven ⁵	100.00 %	-3	10
Energiekontor Bau XII GmbH, Bremerhaven ⁵	100.00 %	-3	10
Energiekontor Bau XIII GmbH, Bremerhaven ⁵	100.00 %	-3	10
Energiekontor Bau XIV GmbH, Bremerhaven ⁵	100.00 %	-2	10
Energiekontor Bau XV GmbH, Bremerhaven ⁵	100.00 %	-2	10
Energiekontor Bau XVI GmbH, Bremerhaven ⁵	100.00 %	-2	10
Energiekontor Bau XVII GmbH, Bremerhaven ⁵	100.00 %	-3	10
Energiekontor Bau XVIII GmbH, Bremerhaven ⁵	100.00 %	-2	10
Energiekontor Bau XIX GmbH, Bremerhaven ⁵	100.00 %	-3	10
Energiekontor Bau XX GmbH, Bremerhaven ⁵	100.00 %	-2	10
Energiekontor Direktvermarktung GmbH, Bremerhaven ⁴	100.00 %	-3	7
Energiekontor Finanzanlagen GmbH&Co. KG, Bremerhaven ⁵	100.00 %	-6	148
Energiekontor Finanzanlagen II GmbH&Co. KG, Bremerhaven ⁵	100.00 %	-55	248

1) Equity under commercial law

2) Annual result under commercial law, if applicable after execution of the profit and loss transfer agreement (SAB) with Energiekontor AG

3) Energiekontor AG has concluded a control and profit and loss transfer agreement with these companies

4) Subsidiary in the legal form of a GmbH which is exempt from the publication obligation

5) Subsidiary in the legal form of a GmbH&Co. KG or UG&Co. KG, which is exempt from the publication obligation

6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor Finanzanlagen III GmbH & Co. KG, Bremerhaven ⁵	100.00 %	-19	289
Energiekontor Finanzanlagen IV GmbH & Co. KG, Bremerhaven ⁵	100.00 %	34	354
Energiekontor Finanzanlagen V GmbH & Co. KG, Bremerhaven ⁵	100.00 %	142	350
Energiekontor Finanzanlagen VI GmbH & Co. KG, Bremerhaven ⁵	100.00 %	112	116
Energiekontor Finanzanlagen VII GmbH & Co. KG, Bremerhaven ⁵	100.00 %	-68	32
Energiekontor Finanzanlagen VIII GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Finanzierungsdienste GmbH & Co. KG, Bremerhaven ⁵	100.00 %	16	559
Energiekontor Finanzierungsdienste II GmbH, Bremerhaven ⁴	100.00 %	-2	-6
Energiekontor Finanzierungsdienste III GmbH, Bremerhaven ⁴	100.00 %	-2	-4
Energiekontor Finanzierungsdienste IV GmbH, Bremerhaven ⁴	100.00 %	-2	-3
Energiekontor Finanzierungsdienste V GmbH, Bremerhaven ⁴	100.00 %	-2	0
Energiekontor Finanzierungsdienste VI GmbH, Bremerhaven ⁴	100.00 %	-2	0
Energiekontor Finanzierungsdienste VII GmbH, Bremerhaven ⁴	100.00 %	-2	7
Energiekontor Finanzierungsdienste VIII GmbH, Bremerhaven ⁵	100.00 %	-1	11
Energiekontor Finanzierungsdienste IX GmbH, Bremerhaven ⁵	100.00 %	-1	11
Energiekontor Finanzierungsdienste-Verwaltungs GmbH, Bremerhaven ⁴	100.00 %	-2	-8
Energiekontor France SAS, Toulouse, Frankreich	100.00 %	-570	-774
Energiekontor Guardao GmbH & Co. WP GU KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Guardao GmbH, Bremerhaven ⁴	100.00 %	-2	-13
Energiekontor Infrastruktur I GmbH & Co. KG, Bremerhaven ⁵	100.00 %	27	26
Energiekontor Infrastruktur II GmbH & Co. KG, Bremerhaven ⁵	100.00 %	248	248
Energiekontor Infrastruktur IV GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur IX GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur Solar GmbH & Co. KG, Bremerhaven ⁵	100.00 %	26	64
Energiekontor Infrastruktur Solar I GmbH & Co. KG, Bremerhaven ⁵	100.00 %	1	1
Energiekontor Infrastruktur Solar II GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur Solar III GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur Solar IV GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur Solar V GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur und Anlagen GmbH, Bremerhaven ^{3,4}	100.00 %	0	98
Energiekontor Infrastruktur V GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur VI GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur VII GmbH & Co. KG, Bremerhaven ⁵	100.00 %	-2	-2
Energiekontor Infrastruktur VIII GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur X GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur XI GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur XII GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0

1) Equity under commercial law

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5) Subsidiary in the legal form of a GmbH & Co. KG or UG & Co. KG, which is exempt from the publication obligation

6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor Infrastruktur XIII GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur XIV GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur XV GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur XVI GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur XVII GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur XVIII GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur XIX GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Infrastruktur XX GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Innovations GmbH, Bremerhaven ⁴	100.00 %	38	188
Energiekontor Mafomedes GmbH, Bremerhaven ⁴	100.00 %	-1	-2
Energiekontor Mafomedes GmbH & Co. WP MF KG, Bremerhaven ⁵	97.90 %	-811	1,882
Energiekontor Mafomedes ÜWP MF GmbH & Co. KG, Bremerhaven ⁵	100.00 %	-411	1,323
Energiekontor Management GmbH, Bremerhaven ⁴	100.00 %	-298	-123
Energiekontor Management Hagen GmbH, Hagen ⁴	100.00 %	12	82
Energiekontor Montemuro GmbH & Co. WP MONT KG, Bremerhaven ⁵	100.00 %	13	-3,823
Energiekontor Montemuro GmbH, Bremerhaven ⁴	100.00 %	1	34
Energiekontor Neue Energie GmbH, Bremerhaven ⁴	100.00 %	-3	7
Energiekontor Neue Energie 1 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Neue Energie 2 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Neue Energie 3 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Neue Energie 4 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Neue Energie 5 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Neue Energie 6 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Neue Energie 7 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Neue Energie 8 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Neue Energie 9 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Neue Energie 10 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Neue Energie 11 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Neue Energie 12 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor NL B.V., Nijmegen, Niederlande	100.00 %	-70	-427
Energiekontor Ocean Wind AG, Bremerhaven ⁴	100.00 %	-2	37
Energiekontor Ocean Wind GmbH & Co. Projektentwicklungs KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Ocean Wind Verwaltungs GmbH, Bremerhaven ⁴	100.00 %	0	8
Energiekontor Offshore Anlagen GmbH, Bremerhaven ⁴	100.00 %	0	9
Energiekontor Offshore Bau GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Offshore GmbH, Bremerhaven ⁴	100.00 %	-2	16
Energiekontor Ökofonds GmbH & Co. Tandem I KG, Bremerhaven ⁵	100.00 %	-4	4,466

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5) Subsidiary in the legal form of a GmbH & Co. KG or UG & Co. KG, which is exempt from the publication obligation

6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor Ökofonds GmbH&Co. Tandem II KG, Bremerhaven ⁵	100.00 %	-33	2,153
Energiekontor Ökofonds GmbH, Bremerhaven ⁴	100.00 %	-2	27
Energiekontor Ökofonds GmbH&Co. WP 4 KG, Bremerhaven ⁵	100.00 %	0	2,293
Energiekontor Ökofonds GmbH&Co. WP BD KG, Bremerhaven ⁵	100.00 %	137	-1,156
Energiekontor Ökofonds GmbH&Co. WP Elni KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Ökofonds GmbH&Co. WP GEL KG, Hagen ⁵	100.00 %	45	-1,772
Energiekontor Ökofonds GmbH&Co. WP MA KG, Bremerhaven ⁵	88.52 %	355	-1,587
Energiekontor Ökofonds GmbH&Co. WP Nordergründe KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Ökowind GmbH, Bremerhaven ⁴	100.00 %	-2	-1
Energiekontor Ökowind 8 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Ökowind 9 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Penedo Ruivo GmbH, Bremerhaven ⁴	100.00 %	2	44
Energiekontor Penedo Ruivo GmbH&Co. WP PR KG, Bremerhaven ⁵	100.00 %	553	-3,976
Energiekontor Portugal - Energia Eólica Lda., Lissabon, Portugal	99.00 %	-275	1,004
Energiekontor Portugal Marao GmbH, Bremerhaven ⁴	100.00 %	1	37
Energiekontor Portugal Marao GmbH&Co. WP MA KG, Bremerhaven ⁵	100.00 %	-2,042	-5,572
Energiekontor Portugal Trandeiras GmbH, Bremerhaven ⁴	100.00 %	1	47
Energiekontor Schönberg GmbH, Bremerhaven ⁴	100.00 %	0	-9
Energiekontor Seewind GmbH, Bremerhaven ⁴	100.00 %	-2	2
Energiekontor Sobrado GmbH, Bremerhaven ⁴	100.00 %	0	25
Energiekontor Solar 2 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	-14	-14
Energiekontor Solar 3 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	-18	-17
Energiekontor Solar 4 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	-5	-5
Energiekontor Solar 5 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Solar 6 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	-1	0
Energiekontor Solar 7 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	-1	0
Energiekontor Solar 8 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Solar 9 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Solar 10 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Solar 12 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Solar 13 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Solar 14 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Solar 15 GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Solar Bau GmbH, Bremerhaven ⁴	100.00 %	0	1
Energiekontor Solar Bau I GmbH, Bremerhaven ⁴	100.00 %	-2	10
Energiekontor Solar Bau II GmbH, Bremerhaven ⁴	100.00 %	-2	10
Energiekontor Solar Bau III GmbH, Bremerhaven ⁴	100.00 %	-2	10

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6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor Solar Bau IV GmbH, Bremerhaven ⁴	100.00 %	-2	10
Energiekontor Solar Bau V GmbH, Bremerhaven ⁴	100.00 %	-2	10
Energiekontor Solar GmbH, Bremerhaven ⁴	100.00 %	-2	-9
Energiekontor Stromvermarktung GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor UK BU GmbH, Bremerhaven ⁴	100.00 %	-2	-3
Energiekontor UK CO GmbH, Bremerhaven ⁴	100.00 %	-2	7
Energiekontor UK Construction Ltd., Leeds, Großbritannien	100.00 %	509	5,136
Energiekontor UK FM GmbH, Bremerhaven ⁴	100.00 %	4	60
Energiekontor UK GL GmbH, Bremerhaven ⁴	100.00 %	-2	7
Energiekontor UK GmbH, Bremerhaven ⁴	100.00 %	1	46
Energiekontor UK Hold Limited, Leeds, Großbritannien	100.00 %	0	0
Energiekontor UK HY 2 GmbH, Bremerhaven ⁴	100.00 %	-2	-3
Energiekontor UK HY GmbH&Co. WP Hyndburn KG, Bremerhaven ⁵	100.00 %	5,186	3,455
Energiekontor UK HY GmbH, Bremerhaven ⁴	100.00 %	-2	-12
Energiekontor UK LI GmbH, Bremerhaven ⁴	100.00 %	-2	-7
Energiekontor UK LO GmbH, Bremerhaven ⁴	100.00 %	-3	7
Energiekontor UK Ltd., Leeds, Großbritannien	100.00 %	152	15,609
Energiekontor UK Man Limited, Leeds, Großbritannien	100.00 %	-130	-130
Energiekontor UK NR GmbH, Bremerhaven ⁴	100.00 %	-2	0
Energiekontor UK PE GmbH, Bremerhaven ⁴	100.00 %	-2	3
Energiekontor UK PI GmbH, Bremerhaven ⁴	100.00 %	-3	7
Energiekontor UK WI GmbH, Bremerhaven ⁴	100.00 %	-2	-12
Energiekontor UK WI EXT GmbH, Bremerhaven ⁴	100.00 %	-2	4
Energiekontor UK WI GmbH&Co. Withernwick KG, Bremerhaven ⁵	100.00 %	1,832	887
Energiekontor Umwelt GmbH, Bremerhaven ⁴	100.00 %	3	18
Energiekontor Umwelt GmbH&Co. WP BRI KG, Bremerhaven ⁵	100.00 %	165	-557
Energiekontor Umwelt GmbH&Co. WP DE KG, Bremerhaven ⁵	100.00 %	165	-1,142
Energiekontor Umwelt GmbH&Co. WP GRE II KG, Bremerhaven ⁵	96.19 %	-7	543
Energiekontor Umwelt GmbH&Co. WP SCHLO KG, Hagen ⁵	100.00 %	-2	-621
Energiekontor Umwelt GmbH&Co. WP SIE X KG, Bremerhaven ⁵	100.00 %	43	-701
Energiekontor US Dakota WP 1 LLC, Dakota, USA	100.00 %	-3	-65
Energiekontor US Dakota WP 2 LLC, Dakota, USA	100.00 %	-1	-1
Energiekontor US Dakota WP 3 LLC, Dakota, USA	100.00 %	-1	-1
Energiekontor US Dakota WP 4 LLC, Dakota, USA	100.00 %	-16	-16
Energiekontor US Dakota WP 5 LLC, Dakota, USA	100.00 %	-1	-1
Energiekontor US Dakota WP 6 LLC, Dakota, USA	100.00 %	-1	-1
Energiekontor US Holding Inc., Chicago, USA	100.00 %	-36	-55

1) Equity under commercial law

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5) Subsidiary in the legal form of a GmbH&Co. KG or UG&Co. KG, which is exempt from the publication obligation

6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor US Inc., Chicago, USA	100.00 %	-316	-375
Energiekontor US Texas SP 1 LLC, Texas, USA	100.00 %	-17	-19
Energiekontor US Texas SP 10 LLC, Texas, USA	100.00 %	-358	-358
Energiekontor US Texas SP 2 LLC, Texas, USA	100.00 %	-315	-317
Energiekontor US Texas SP 3 LLC, Texas, USA	100.00 %	-15	-191
Energiekontor US Texas SP 4 LLC, Texas, USA	100.00 %	-16	-193
Energiekontor US Texas SP 5 LLC, Texas, USA	100.00 %	-14	-212
Energiekontor US Texas SP 6 LLC, Texas, USA	100.00 %	-12	-189
Energiekontor US Texas SP 7 LLC, Texas, USA	100.00 %	-13	-13
Energiekontor US Texas SP 8 LLC, Texas, USA	100.00 %	-12	-189
Energiekontor US Texas SP 9 LLC, Texas, USA	100.00 %	-1	-1
Energiekontor US Texas SP 11 LLC, Texas, USA	100.00 %	-212	-212
Energiekontor US Texas SP 12 LLC, Texas, USA	100.00 %	-1	-1
Energiekontor US Texas SP 13 LLC, Texas, USA	100.00 %	-173	-173
Energiekontor US Texas SP 14 LLC, Texas, USA	100.00 %	-1	-1
Energiekontor US Texas SP 15 LLC, Texas, USA	100.00 %	-1	-1
Energiekontor Windfarm GmbH&Co. WP 1 KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Windfarm GmbH&Co. WP 2 KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Windfarm GmbH, Bremerhaven ⁴	100.00 %	-2	-5
Energiekontor Windfarm ÜWP ALU GmbH&Co. KG, Hagen ⁵	100.00 %	-236	-1,556
Energiekontor Windfarm ÜWP SCHLUE GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Windfarm ZWP THÜ GmbH&Co. KG, Hagen ⁵	100.00 %	-831	-6,085
Energiekontor Windinvest GmbH&Co. ÜWP KRE KG, Hagen ⁵	100.00 %	194	1,222
Energiekontor Windinvest GmbH&Co. ÜWP LE KG, Hagen ⁵	100.00 %	-238	-1,523
Energiekontor Windinvest GmbH&Co. ZWP BE KG, Hagen ⁵	100.00 %	3	288
Energiekontor Windinvest GmbH&Co. ZWP Langendorf KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Windinvest GmbH, Bremerhaven ⁴	100.00 %	-2	-8
Energiekontor Windkraft GmbH&Co. WP NL KG, Bremerhaven ⁵	51.32 %	403	161
Energiekontor Windkraft GmbH, Bremerhaven ⁴	100.00 %	0	220
Energiekontor Windpark BRW 1 GmbH&Co. WP I KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Windpark GmbH&Co. Giersleben KG, Hagen ⁵	100.00 %	-311	-5,461
Energiekontor Windpower GmbH&Co. ÜWP 5 KG, Bremerhaven ⁵	100.00 %	168	849
Energiekontor Windpower GmbH&Co. ÜWP B KG, Bremerhaven ⁵	100.00 %	0	12
Energiekontor Windpower GmbH&Co. ÜWP ENG KG, Hagen ⁵	100.00 %	52	784
Energiekontor Windpower GmbH&Co. ÜWP GRE II KG, Bremerhaven ⁵	100.00 %	-1	-147
Energiekontor Windpower GmbH&Co. ÜWP HN II KG, Hagen ⁵	100.00 %	112	-648
Energiekontor Windpower GmbH&Co. ÜWP HN KG, Hagen ⁵	100.00 %	288	-1,609

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6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiekontor Windpower GmbH & Co. ÜWP OE-Osterende KG, Hagen ⁵	100.00 %	-9	-283
Energiekontor Windpower GmbH & Co. WP 5 KG, Bremerhaven ⁵	100.00 %	0	8
Energiekontor Windpower GmbH & Co. WP 20 KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Windpower GmbH & Co. WP BRIEST II KG, Bremerhaven ⁵	100.00 %	-17	-694
Energiekontor Windpower GmbH & Co. WP KJ KG, Hagen ⁵	100.00 %	-11	-180
Energiekontor Windpower GmbH, Bremerhaven ⁴	100.00 %	-3	-14
Energiekontor Windpower Improvement GmbH & Co. KG, Bremerhaven ⁵	100.00 %	-26	297
Energiekontor Windregion GmbH, Hagen ⁴	100.00 %	-2	-3
Energiekontor Windstrom GmbH & Co. UW Uthlede-Süd KG, Bremerhaven ⁵	100.00 %	-33	-138
Energiekontor Windstrom GmbH & Co. ÜWP HW KG, Hagen ⁵	100.00 %	-131	-6,164
Energiekontor Windstrom GmbH & Co. ÜWP KRE II KG, Hagen ⁵	100.00 %	-194	-1,962
Energiekontor Windstrom GmbH & Co. WP 5 KG, Bremerhaven ⁵	100.00 %	-34	-139
Energiekontor Windstrom GmbH & Co. WP 15 KG, Bremerhaven ⁵	100.00 %	0	0
Energiekontor Windstrom GmbH & Co. ZWP HÖ KG, Hagen ⁵	100.00 %	-409	-2,147
Energiekontor Windstrom GmbH, Bremerhaven ⁴	100.00 %	-2	-5
Energiekontor Windstrom ÜWP SCHWA GmbH & Co. KG, Hagen ⁵	100.00 %	-18	-152
Energiekontor Windstrom ZWP PR GmbH & Co. KG, Hagen ⁵	100.00 %	72	-784
Energiekontor WP Booßen GmbH, Bremerhaven ⁴	100.00 %	-2	7
Energiekontor WPI GmbH, Bremerhaven ⁴	100.00 %	-3	-2
Energiekontor WSB 1 GmbH, Bremerhaven ⁴	100.00 %	-3	7
Energiekontor III Energias Alternativas, Unipessoal Lda., Lissabon, Portugal	100.00 %	-3	-28
Energiepark Nienwohlde WP NIEN GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Alfstedt WP ALF GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Alfstedt WP IG ALF GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Alfstedt WP UW GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Beckum-Repowering WP BE 1 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	-107	-107
Energiepark Beckum-Repowering WP BE 2 GmbH & Co. KG, Bremerhaven ⁵	100.00 %	-108	-107
Energiepark Beerfelde GmbH & Co. WP BF II KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Beiersdorf-Freudenberg WP BF GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Boddin WP KW GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Bramstedt GmbH & Co. WP BRA KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Bultensee WP BULT GmbH & Co. KG, Bremerhaven ⁵	100.00 %	-139	-148
Energiepark Eggersdorf GmbH & Co. WP EGG KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Elstorf NDS WP ELS GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Erfstadt-Erp I GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Erfstadt-Erp II GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Flögel Stüh GmbH & Co. WP FLÖ KG, Bremerhaven ⁵	100.00 %	133	737

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6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiepark Garzau-Garzin SP GG GmbH & Co. KG, Hagen ⁵	100.00 %	34	1,325
Energiepark Hanstedt WP UW GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Hanstedt-Erweiterung WP HEW GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Heringen-Philippsthal WP HP GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Jacobsdorf UW Petersdorf GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Jacobsdorf WP Jaco GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	-10
Energiepark Jülich-Barmen-Merzenhausen WP JBM GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Jülich-Ost WP JO GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Jülich-Ost WP JO II GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Krempel GmbH & Co. RE WP KRE KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Kreuzau WP ST GmbH & Co. KG, Hagen ⁵	100.00 %	-62	1,665
Energiepark Nartum BGWP NART GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Nartum WP NART GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Naumburg WP Naumburg-Prießnitz GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Niederzier WP ST I GmbH & Co. KG, Hagen ⁵	100.00 %	-89	2,031
Energiepark Oerel BGWP OER GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Oerel WP OER GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Oerel WP UW GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Solar GmbH & Co. SP Berlin KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Solar GmbH & Co. SP Worms KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark SP Theilenhofen GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Stinstedt WP STIN GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark UK CO GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark UK GA GmbH, Bremerhaven ⁴	100.00 %	-2	-6
Energiepark UK GL GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark UK NR GmbH & Co. KG, Hagen ⁵	100.00 %	-812	-1,191
Energiepark UK OV GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark UK PE GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark UK WI EXT GmbH & Co. KG i. L., Bremerhaven ⁵	100.00 %	0	0
Energiepark UK WP HY II GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark Waldenrath WP HE GmbH & Co. KG, Hagen ⁵	100.00 %	-118	2,579
Energiepark Waldfeucht WP SeBo GmbH & Co. KG, Bremerhaven ⁵	100.00 %	-401	-400
Energiepark Winterberg-Altenfeld WP WA GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark WP Bützfleth GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energiepark WP Völkersen GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0

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6) (6) Joint venture (joint operation)

7) Associated company, accounted for using the equity method

Company name	Share in %	Earnings 2019 in TEUR ²	Equity capital 31 Dec. 2019 in TEUR ¹
Energiepark Zülpich WP FÜ GmbH&Co. KG, Bremerhaven ⁵	100.00 %	0	0
Energyfarm UK BA I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK BA II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Baldoon LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK CO I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK CO II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Cornharrow LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK DU I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK DU Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK FE I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK FE II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Fell LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK GA I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK GA II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Garbet LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK GL I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK GL II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Glenshimmeroch LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK HA I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK HA II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Hare Craig LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK LA I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK LA II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Lairg LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK LI I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK LI II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Little Hartfell LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK LO I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK LO II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Longhill Burn LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK NA I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK NA II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Narachan LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK OV I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK OV II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Overhill LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK PE I Ltd., Leeds, Großbritannien	100.00 %	0	0

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Energyfarm UK PE II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Pencarreg LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK PI I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK PI II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Pines Burn LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK SO I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK SO II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK WE I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK WE II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Windy Edge LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK WU I Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK WU II Ltd., Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Wull Muir LLP, Leeds, Großbritannien	100.00 %	0	0
Energyfarm UK Dunbeath LLP, Leeds, Großbritannien	100.00 %	0	0
Hafen Wind Hamburg GmbH & Co. KG, Bremerhaven ⁵	100.00 %	0	0
Infrastrukturgemeinschaft Flögeln GbR, Bremerhaven ⁶	50.00 %	-34	-34
Infrastrukturgesellschaft Energiepark Beckum GbR, Bremerhaven	100.00 %	0	0
Netzanschluss Badingen GbR, Bremerhaven ⁶	37.29 %	-27	150
Netzanschluss Mürow Oberdorf GbR, Bremerhaven ⁶	28.60 %	-5	-200
Netzanschluss Stadorf GbR, Hagen	100.00 %	0	19
Nordergründe Treuhand GmbH, Bremerhaven ⁴	100.00 %	-1	3
Windpark Booßen GmbH & Co. KG, Bremerhaven ⁶	37.50 %	-6	-5
Windpark Flögeln GmbH, Bremerhaven ⁴	100.00 %	-2	-10
WPS-Windkraft GmbH, Bremerhaven ⁴	100.00 %	-1	-2

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7) Associated company, accounted for using the equity method

Bremen, 2 April 2020



Peter Szabo
Chairman of the Board



Günter Eschen
Management Board
Member



Torben Möller
Management Board
Member

Please note that the auditor's opinion is only binding
in the German version

INDEPENDENT AUDITOR'S REPORT

To Energiekontor AG, Bremen

Note on the Audit of the Annual Financial Statements and the Management Report

Audit opinions

We have audited the annual financial statements of Energiekontor AG, Bremen, consisting of the balance sheet as at 31 December 2019 and the income statement for the financial year from 1 January 2019 to 31 December 2019, as well as the notes to the financial statements, including the presentation of the accounting and valuation methods. We have also audited the management report of Energiekontor AG for the financial year from 1 January 2019 to 31 December 2019, which is combined with the group management report of Energiekontor AG.

In accordance with German legal requirements, we have not audited the content of the information provided in the "Other information" Section of our audit opinion.

In our opinion, based on the findings of our audit

- the attached annual financial statements comply in all material respects with the provisions of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as at 31 December 2019 and of its results of operations for the financial year from 1 January 2019 to 31 December 2019 in accordance with German principles of proper accounting, and
- On the whole the attached combined management report provides a suitable understanding of the Company's position. In all material respects this combined management report is consistent with the annual financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Our audit opinion on the management report does not extend to the content of the corporate governance statement mentioned in the Section "Other information".

In accordance with § 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the correctness of the annual financial statements and the combined management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the combined management report in accordance with § 317 HGB and the EU Auditor Regulation (No. 537/2014; hereinafter "EU-APrVO") and in compliance with the German generally accepted auditing principles established by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these rules and principles is described in more detail in the Section "Responsibility of the auditor for the audit of the annual financial statements and the combined management report" of our audit opinion. We are independent of the Company in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional duties in accordance with these requirements. In addition, we declare in accordance with Article 10 (2) (f) EU-APrVO that we have not performed any prohibited non-audit services pursuant to Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements and the combined management report.

Particularly important audit issues in the audit of the financial statements

Matters of particular importance are those matters which, in our opinion, are most relevant to our audit of the financial statements for the financial year from 1 January 2019 to 31 December 2019. These matters have been considered in the context of our audit of the financial statements as a whole and in forming our opinion thereon; we do not express a separate opinion on these matters.

1. Revenue recognition and accrual

Sales revenues of EUR 20.0 million are reported in the income statement. These are primarily fees for planning services, proceeds from the sale of shares in wind/solar park operating companies as well as intra-group proceeds for administrative activities and personnel provision.

The risk for the annual financial statements

In the area of planning services for foundation, distribution and capital procurement, economic and legal planning, we see the risk of a material misstatement, including the possible risk that executives circumvent controls, and thus a particularly important audit issue, as the planning fees to the project companies (wind or solar park operating companies) can only be invoiced once certain conditions have been met and the planning services have been provided in accordance with the contract. Due to the size of the projects, incorrect period allocation of even a service package invoiced too early or too late would have a significant impact on sales revenues and earnings.

Our approach to the audit

Based on our knowledge of the economic and legal environment of the Company, we examined the methods, procedures and control mechanisms established within the Company at the various stages of project management. In the case of major projects, we examined whether the conditions for revenue recognition were met, particularly in the last quarter before and the first quarter after the balance sheet date. In the process, project planning and financing agreements and, if necessary, other evidence were inspected to ensure that the date of performance and thus the criteria for revenue recognition were met.

Reference to further information

The company's information on inventories is set out in Section III, point 2.1 of the notes. In addition, the risks relating to the realization of projects are listed in the "Opportunities and Risks Report" of the combined management report.

2. Valuation of shares in affiliated companies

In the annual financial statements of Energiekontor AG, the item "Financial assets" includes investments in more than 250 affiliated companies in the amount of €67.0 million (corresponds to 36.9% of the balance sheet total). The main book values relate to operating companies whose main assets consist of wind power and solar plants.

The risk for the annual financial statements

Shares in affiliated companies are generally carried at cost, reduced by write-downs to the lower fair value if necessary, in accordance with the valuation rules under German commercial law. The fair values are reviewed within the framework of annual impairment tests, which are based on various value-determining factors, such as the term of the lease agreements including subsequent continued use, the income statement including changes in electricity prices and wind and solar radiation, and financing costs.

The determination of these value-determining factors depends to a large extent on the assessment of the legal representatives of the future cash flows and the discount rates used. The valuation therefore involves a high degree of discretionary decisions and uncertainties. For the financial statements, there is a risk that the future cash flows or other parameters will not be estimated correctly and/or that the value is determined incorrectly and therefore the value adjustments are not taken into account or not taken into account to a sufficient extent. Against this background, and in particular due to the high complexity of the valuation and the material significance for the net assets and financial position of the Company, this matter was of particular importance within the scope of our audit.

Our approach to the audit

We have checked the sales volumes from the plans submitted for plausibility on the basis of past experience. We have examined the planned expenses analytically and on a random basis. The discount rate, a company-specific weighted composite rate of equity and debt financing (WACC), was determined in detail, taking into account the peer group. We have checked the mathematical calculation model and recalculated it on a sample basis. In doing so, we relied, among other things, on a comparison with general and sector-specific market expectations and on explanations provided by the legal representatives on the key value drivers underlying the expected cash flows. We discussed our queries with the commercial management.

Reference to further information

Please refer to the Notes, Section III, point 1.3 "Financial assets".

3. Valuation of inventories

balance sheet total). These are capitalized planning services for wind and solar park projects to be realized. Once the planning services have been rendered and the planning fees have been realised, the corresponding inventories are used to reduce inventories.

The recoverability of inventories is generally dependent on the future realisation of these projects. If the degree of probability with regard to the realization of capitalized projects decreases, write-downs are made on the planning services allocated to these projects if necessary.

The risk for the annual financial statements

We see a risk of material misstatement in the valuation of inventories due to insufficient or excessive allocation of costs to the relevant projects. Furthermore, there is a risk that a project cannot be realized and necessary write-downs have not been made. Against the background of frequent regulatory changes, the assessment of recoverability is subject to discretion and therefore entails risks.

Against the background of the significance of the work in progress in terms of amount and the highly discretionary assessments of the recoverability by the legal representatives, this matter was of particular importance in our opinion within the scope of our audit.

Our approach to the audit

Within the scope of our audit, we have built on our knowledge and audit results from previous years. We looked at the process of recording times on the projects and their evaluation as well as the recording of other internal and external costs. We examined the individual projects by inspecting project cost sheets, minutes of meetings and other documents to determine whether realization is planned and realistic or whether write-downs were made on the planning services allocated to these projects. In addition, we discussed the recoverability of unfinished services for individual projects with the commercial management of Energiekontor AG.

We have also inspected all minutes of meetings of the legal representatives and the Supervisory Board with regard to possible indications of a need for value adjustment. In addition, attorney confirmations were requested and reviewed to determine whether impairment losses were required due to pending legal cases.

Reference to further information

The company's information on inventories is set out in Section III, point 2.1 of the notes.

Other information

The legal representatives are responsible for other information. The other information includes:

- the corporate governance statement contained in the combined management report and the balance sheet oath of the legal representatives, and
- the remaining parts of the annual report, with the exception of the audited annual financial statements and the combined management report and our audit opinion.

In connection with our audit, we have a responsibility to read the other information and assess whether the other information

- contain material inconsistencies with the annual financial statements, the combined management report or the knowledge gained from our audit, or
- appear to be substantially misrepresented elsewhere.

Responsibility of the legal representatives and the Supervisory Board for the financial statements and the combined management report

The legal representatives are responsible for the preparation of the annual financial statements, which comply in all material respects with German commercial law applicable to corporations, and for ensuring that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. Furthermore, the legal representatives are responsible for the internal controls which they have determined, in accordance with German generally accepted accounting principles, to be necessary to enable the preparation of annual financial statements which are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They are also responsible for disclosing, where relevant, information about the going concern status of the company. Furthermore, they are responsible for preparing the financial statements in accordance with the going concern principle, unless this conflicts with actual or legal requirements.

In addition, the legal representatives are responsible for the preparation of the combined management report, which as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) which they have deemed necessary to enable the preparation of a combined management report in accordance with the applicable German legal provisions and to provide sufficient suitable evidence for the statements made in the combined management report.

The Supervisory Board is responsible for monitoring the company's accounting process for preparing the annual financial statements and the combined management report.

Auditor's responsibility for the audit of the financial statements and the combined management report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, whether the combined management report as a whole provides a suitable understanding of the Company's position and suitably presents the opportunities and risks of future development in all material respects in accordance with the annual financial statements and the findings of our audit, as well as to express an opinion containing our audit opinion on the annual financial statements and the combined management report.

Adequate assurance is a high degree of certainty, but does not guarantee that an audit conducted in accordance with §317 HGB and the EU-APrVO and in compliance with the generally accepted German auditing standards established by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misrepresentations can result from violations or inaccuracies and are considered material if it could reasonably be expected that, individually or collectively, they would influence the economic decisions of addressees made on the basis of these annual financial statements and the combined management report.

During the audit we exercise due discretion and maintain a critical attitude. Beyond that

- we identify and assess the risks of material misstatement of the financial statements and the combined management report, whether due to fraud or error, plan and perform the audit procedures in response to these risks and obtain audit evidence sufficient and appropriate to provide a basis for our audit opinion. The risk that material misstatements will not be detected is greater for violations than for misstatements because violations may involve fraudulent interactions, falsification, intentional omissions, misrepresentations, or the disabling of internal controls.
- we obtain an understanding of the internal control system relevant to the audit of the financial statements and the procedures and measures relevant to the audit of the combined management report in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system.
- we evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- we draw conclusions on the appropriateness of the accounting policies adopted by the Company's legal representatives as a going concern and, based on the audit evidence obtained, whether there is any material uncertainty related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit opinion to the related disclosures in the financial statements and the combined management report or, if such disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. However, future events or circumstances may result in the Company being unable to continue its operations.
- we assess the overall presentation, structure and content of the annual financial statements, including the disclosures and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.
- we assess the consistency of the combined management report with the annual financial statements, its compliance with the law and the picture of the company's situation conveyed by it.

- we perform audit procedures on the forward-looking statements presented by the legal representatives in the combined management report. On the basis of sufficient suitable audit evidence, we verify in particular the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not express an independent audit opinion on the future-oriented statements and the underlying assumptions. There is a significant unavoidable risk that future events could differ materially from the forward-looking statements.

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

We make a declaration to those responsible for monitoring that we have complied with the relevant independence requirements and discuss with them any relationships or other matters that could reasonably be expected to affect our independence and the safeguards put in place to protect it.

Of the matters that we have discussed with those responsible for supervision, we have identified those matters that were most significant in the audit of the financial statements for the current reporting period and are therefore the most significant audit matters. We describe these matters in our audit opinion, unless laws or regulations preclude public disclosure of the matters.

Other legal and regulatory requirements

Other information required under Article 10 EU-APrVO

We were elected as auditors by the Annual General Meeting on 22 May 2019. We were commissioned by the Supervisory Board on 14 November 2019. We have acted as auditors of Energiekontor AG without interruption since the 2014 financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Audit Committee pursuant to Article 11 EU-APrVO (audit report).

Responsible auditor

The auditor responsible for the audit is Julian Wenninger.

Stuttgart, 2 April 2020

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Auditing company

Christoph Kalmbach
Auditor

Julian Wenninger
Auditor

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Note on pro forma key figures (EBIT, EBITDA, cash flow)

The earnings figures EBIT and EBITDA and the cash flow figure used in this report are examples of so-called pro forma figures. Pro forma figures are not part of the national accounting standards, the German Commercial Code (HGB) or the international accounting standards according to the International Financial Reporting Standards (IFRS). Since other companies may not calculate the pro forma figures presented by Energiekontor Group in the same way due to the lack of legal definitions of these terms, the pro forma figures of Energiekontor Group are only comparable with such or similarly named figures of other companies to a limited extent. The pro forma figures mentioned in this annual report should therefore not be considered in isolation as an alternative to the operating result, net income, consolidated net income or other reported key figures of Energiekontor Group.

Disclaimer

This report contains forward-looking statements. These are statements that do not represent historical facts, including statements about the expectations and opinions of the management of Energiekontor AG. These statements are based on current plans, estimates and forecasts of the management of the Company. Investors should not rely on these statements without reservation. Forward-looking statements are made in the context of their time of origin and the environment in which they were made. The Company assumes no obligation to update the forward-looking statements contained in this report as a result of new information or future events. This does not affect the Company's obligation to comply with its statutory information and reporting obligations. Forward-looking statements always involve risks and uncertainties. A large number of factors can lead to the fact that the events that have actually occurred and will occur in the future deviate considerably from the future-oriented statements contained in the report.

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