Half-year Financial Report 2019

ABO WIND

ABO WIND AG group management report for the first half of 2019

Preliminary remark

This management report contains statements about the future. We would like to point out that actual events can deviate from the projections of expected trends.

1. SUMMARY FIRST HALF 2019

The ABO Wind group ("ABO Wind") finished the first half of 2019 with a net profit (after tax) of EUR 5.2 million (first half of 2018: EUR 5.5 million). The total operating performance (sales revenues plus changes in inventories) amounted to EUR 59.3 million (first half of 2018: EUR 61.7 million).

Including the Greek subsidiary in the consolidated figures for the first time, the consolidated half-year financial statements include now 15 companies from nine countries.

The solid net profit in the first half of the year was mainly generated by the construction of one German and one French project, the successful completion of the development of four projects and the sale of project rights in Finland, France and Spain. The half-year result is in line with expectations and strengthens the expectation of achieving a result of around ten million euros for the entire year.

2. Foundations of the group

ABO Wind plans and constructs wind and solar farms in Germany, France, Spain, Ireland, Argentina, Finland, Greece, Hungary, the UK and Northern Ireland. The company also works on individual biogas projects exclusively within Germany, especially on the basis of waste fermentation. Moreover, ABO Wind has acquired new wind and solar projects in Canada, Colombia, South Africa, Tanzania and Tunisia. These newly acquired markets will be summarized in the current report since they have historically played a financially subordinate role for the group.

ABO Wind initiates projects, acquires sites, carries out all technical and commercial planning work, organises financing from international banks and constructs turnkey facilities on its own account as well as in cooperation with energy suppliers. Up to now, ABO Wind has connected wind turbines with a nominal output of about 1,500 megawatts to the grid. In addition to turnkey turbines, project rights for wind parks totalling around 800 megawatts have also been sold. Among the initial successes within the solar group was the construction of four small projects offering a total of 3 megawatts output. Much larger solar projects are in an advanced state of development within numerous national markets. ABO Wind also develops repowering concepts to make more effective use of tried and tested sites.

The technical and commercial management of ABO Wind manages the operating phase of wind farms, biogas and solar plants from the commissioning stage onwards. It ensures that the facilities in Germany, Finland, France, Hungary and Greece produce the optimum amount of energy by means of modern monitoring systems and advanced services.

ABO Wind Service engineers provide maintenance, repairs, inspections, fault clearance services and replacement parts services throughout the entire operational phase.

ABO Wind is also working on special products for optimizing renewable energy plants. At present the access control system ABO Lock as well as Bat Link - a data interface for bat monitoring - are being marketed.

3. Economic report

3.1. Global development of renewable energies

Worldwide investment in the energy sector is addressed in the World Energy Outlook 2018 produced by the international Energy Agency (IEA). Since 2010, more than half of the funds spent on new energy generation plants went into renewable energies, according to the report. Reduced costs have made investment attractive particularly in solar energy. A market analysis by Commerzbank confirms an internationally robust increase in renewable energies with a simultaneous reduction of production costs. The number of countries that use tenders to determine remuneration for energy from renewable sources rose from 64 in 2015 to 84 in 2017. Within the European Union, tenders have been mandatory since 2017.

According to the assessment of the Global Wind Energy Council (GWEC), 2018 was a positive year for global wind energy, although the increase (51.3 gigawatts) was four per cent less than in the previous year. Worldwide, 591 gigawatts of wind energy are connected to the grid. Since 2014, more than 50 gigawatts of power have been added annually. The same figure is expected by the GWEC for the coming years. Growth will come from new wind markets in Africa, the Middle East, Latin America and Southeast Asia. In 2018, these markets contributed ten per cent to the global expansion of wind energy. The greatest rate of increase internationally was again in China with 21.2 gigawatts and the United States with 7.6 gigawatts.

The analysts of the Fitch Group anticipate marked growth in the photovoltaics market. Installed output will rise from around 400 gigawatts (as of the end of 2017) to 942 gigawatts by the end of 2027.

3.1.1 Europe

New power plants were connected to the grid in the European Union in 2018 with a nominal output of 20.7 gigawatts. As has been the case for many years, wind energy remained the most strongly expanding technology with 10.1 gigawatts (49 per cent). Solar grew by 8 gigawatts (39 per cent), and biomass by 1.1 gigawatts (5 per cent). 95 per cent of recently installed capacity uses renewable energies. Gas power plants (0.8 gigawatts) increased the most among fossil energy sources. 0.2 gigawatts of coal power were added to the grid.

The dominance of renewable energies remains uninterrupted. Nonetheless, the rate of increase of wind energy was significantly less than in recent years. In comparison to the record year of 2017, the amount of new wind energy connected to the grid fell by one third. With an overall output of 178.8 gigawatts throughout Europe by the end of 2018, wind energy remains the second most popular source of energy. Only the collective gas power plants linked to the grid deliver a higher nominal output.

The new installation of power plants within the EU is comfortably dominated by renewable energies. As in the past years, more fossil fuel power plants were disconnected from the grid than added. Existing power sources are therefore trending toward renewables. WindEurope believes that the more sluggish expansion of wind energy in 2018 is because many European countries are switching from a remuneration system to the tendering process. The new environment for permits and project development has led to delays in many locations. The United Kingdom has withdrawn its remuneration regulation for onshore wind energy. Countryside installations have therefore taken a significant nosedive.

Over the last year, wind energy covered 14 per cent of the energy demand of EU citizens. This was two per cent more than in the previous year. The percentage was particularly high in Denmark where wind energy covers 41 per cent of demand, followed by Ireland (28 per cent). In Germany, the share of wind energy was 21 per cent. Even though only half as much wind energy was fed to the grid in Germany in 2018 than in the previous year, Germany nonetheless maintained its position as the most important wind market. 29 per cent of new European wind capacity was generated in Germany in 2018 (as compared to 39 per cent last year). Given the extensive use of wind energy on the high seas, the United Kingdom represents the second most important market with a share of 16 per cent, outpacing France (13 per cent) and Sweden (6 per cent). These four countries together constitute about two thirds of the expansion of wind energy within the European Union.

Beyond the legally guaranteed feed-in tariffs for renewable energies, private contracts between plant operators and large-scale consumers are gaining in importance. Throughout Europe, power supply contracts for 1500 megawatts of wind energy were concluded in 2018. Most of these agreements were for wind parks in Scandinavia; however projects in countries such as Germany or Poland are increasingly taking advantage of this option to establish a financial basis for renewable energy plants beyond the state regulated tariffs. For example in February 2019, an energy supplier reported concluding a power purchase agreement for a solar park in Germany with an output of 85 megawatts.

The size and type of wind turbines installed in Europe over 2018 differed widely in the individual countries. In Norway, the most powerful wind turbines in the country with an average output of 3.6 megawatts were connected to the grid. In Lithuania and Greece, the average rated output of 2 megawatts was the lowest. The weighted average onshore turbine size was 2.7 megawatts.

3.1.1.1 Germany

The expansion of wind energy was more sluggish in 2018 than in recent years. 743 turbines with a nominal output of 2,402 megawatts were connected to the grid. This expansion was 55 per cent less than in 2017. In a joint press statement, the German Wind Energy Association (BWE) and German Engineering Federation (VDMA) complained that too few new wind parks had been approved, and that a “permit jam” exists in the federal states. The two organisations anticipated an even slower expansion of “around 2000 megawatts” for 2019. This reduction would endanger the leading position of the German wind industry among international competitors and pose major challenges for the sector. This is not obscured by the fact that Germany remains the largest market for landbased wind energy in Europe.

The lack of permits for building new wind parks is a dead weight on the resolution drafted in October 2018 by the CDU and SPD parliamentary parties to accelerate the expansion of renewable energies. Additional special tenders exist beyond the tenders provided in the Renewable Energy Act (EEG) for wind and solar facilities. Currently, the share of eco-power in Germany is about 36 per cent; the grand coalition envisions a share of 65 per cent in 2030. The associated permits to build new projects are needed for the approved special invitations to tender to yield further expansion. In early 2019, an innercoalition working group formed with the aim of increasing the acceptance of renewable energies expansion in Germany in order to reach the 65 per cent goal.

Within Germany, more than 2.8 gigawatts of new solar energy were installed overall in 2018. In comparison with 2017, this corresponds to growth of nearly 1.2 gigawatts and thus an increase in expansion by nearly 70 per cent. For the first time since the amendment of the Renewable Energy Act passed in 2014, the annual increase of at least 2.5 gigawatts specified in the act was reached.

3.1.1.2 France

France is the most attractive market for investing in renewable energies according to “Allianz Klima- und Energiemonitor 2018”. The monitor compares investment conditions in an emission-free energy infrastructure within the 19 most important industrial and emerging countries. Nonetheless, the expansion of wind energy was slightly less in France in 2018 than in the previous year. 1,565 megawatts went online following 1,692 megawatts in 2017. Since the decrease was stronger on a Europe-wide basis, France’s share in the European expansion of wind energy increased from 10 to 13 per cent. Overall, around 15,100 megawatts of wind energy was installed in France by the end of 2018.

France has therefore satisfied the expansion goal set forth in the multiyear program plan for energy (Programmation pluriannuelle de l’énergie, PPE) of achieving overall installed output for onshore wind energy of at least 15,000 megawatts by 2018. Power generation from wind energy reached 26.1 terawatt hours in 2018, corresponding to 5.5 per cent of overall power consumption. Approximately half of the wind energy installed in France is located in the Hauts-de-France region (4.0 gigawatts) and the Grand Est region (3.4 gigawatts).

The photovoltaic output installed in France equalled approximately 9,000 megawatts in 2018. Over the course of the year, facilities with an output of 862 megawatts were connected to the grid. In the previous year, a similarly high overall output (882 megawatts) was connected. 9.2 terawatt hours of power from solar energy (two per cent of overall French power consumption) was generated in 2018. The expansion of photovoltaics remained concentrated in the south of France.

3.1.1.3 United Kingdom

In the motherland of coal-based power, coal no longer plays a role. During the Victorian era, coal fuelled Great Britain’s ascent to becoming a leading industrial nation. The first coal power plant in the world went online on January 12, 1882 in London. 135 years later, the grid operator reported that, for the first time, not a single kilowatt hour of coal power was fed into the grid during a day. The reason behind this was the minimum price of carbon dioxide emissions introduced in 2013 which rendered the operation of coal power plants increasingly uneconomical. The most important source of power generation is currently natural gas which commands a share of 39 per cent. Wind energy at 17 per cent comes in third following nuclear

energy. Over the coming years, nuclear power will probably be overtaken. Coal plays a subordinate role at 5 per cent of energy production within the United Kingdom. By 2025, the last coal power plants are scheduled to be shut down. The United Kingdom is the world's leader of wind energy on the high seas with 7,000 megawatts of installed capacity. Government plans envision additional contracts awarded on the basis of competitive tariffs for offshore wind energy. The conditions for land-based wind energy are currently less favourable. These projects must generally rely on power purchase contracts under private law for refinancing.

3.1.1.4 Spain

For a great while, Spain was the forerunner in the use of wind and sun for climate-friendly power production. However, in a reaction to an economic crisis, the government in 2012 suddenly undercut the expansion of renewable energies. Years of stagnation ensued. Since 2017, the new government has been attempting a revitalization of the sector which is currently underway. In the past two years, Spain issued tariffs for new wind and solar projects comprising several thousand megawatts in numerous calls to tender.

Most projects launched since 2017 are however still not online and therefore do not contribute to power production. Especially thanks to the solar and wind energy projects implemented before 2012, the share of renewable energies in the primary energy consumption of Spain was 16 per cent by the end of 2017. The delayed upswing in the renewable energy market is a reflection of the new installations. Accordingly, only 49 megawatts of wind energy were connected to the grid in 2016; 96 megawatts were connected in 2017, and 392 megawatts were connected in 2018. Indeed, the rate of increase in the expansion is considerable. Nonetheless, Spain remains in the European midfield with its level reached in 2018. Italy, Sweden, Turkey or Norway connected more wind energy to the grid in 2018. In the projected development scenario over the coming years, the branch association WindEurope anticipates that Spain will play a similarly major role in renewables as before 2012. Between 2018 and 2022, the association believes that Spain will connect 7,200 megawatts of onshore wind energy to the grid. In Europe, the association feels that only Germany and France will experience a greater number of new installations.

The Spanish solar market is also reinvigorated and has favourable prospects. Photovoltaic facilities with a 262 megawatt output went online in 2018. This corresponds to an increase of 94 per cent as compared to 2017. By 2022, the association SolarPower Europe forecasts an additional expansion of photovoltaics of 8,800 megawatts in Spain.

The great importance that Spain currently ascribes to renewable energies was underscored by King Filipe VI in April 2019 at a wind energy conference in Bilbao. Spain has the greatest potential for exploiting renewable energies within Europe, the head of state asserted.

3.1.1.5 Republic of Ireland

The Irish nation no longer wishes to have anything to do with the financing of fossil energies. In July 2018, the Parliament in Dublin ratified a law that commits the 8 billion euros state fund (Irish Strategic Investment Fund) to abandon its investments in coal, oil and gas over the next five years. This affects the 318 million euros distributed to 150 companies throughout the world in June 2017.

In 2018, only 193 megawatts of wind energy went online in the Republic of Ireland. In the year before that, the expansion was more than twice as large. The goal of satisfying 32 per cent of the national power demand with wind energy by 2020 is considered achievable. The goal of covering 16 per cent of the overall Irish gross energy demand from renewable sources appears less feasible. In 2016, the contribution was only 10 per cent. The share of fossil fuels in the provision of overall primary energy even rose in light of the positive economy. Nonetheless, the conditions in Ireland are favourable for producing much more wind energy in the future given the outstanding wind conditions and numerous potentially suitable sites. The government will submit new calls to tender for remuneration in 2019.

The responsible authority, SEAI (Sustainable Energy Authority of Ireland), estimates that the overall potential capacity for wind energy in 2050 is 46 gigawatts in the Republic of Ireland. Of this, 16 gigawatts are onshore wind farms, and 30 gigawatts are offshore. By the end of 2018, around 3.6 gigawatts of onshore wind energy were online in Ireland.

3.1.1.6 Finland

Within a few years, Finland connected 2,000 megawatts of wind energy to the grid with a fixed feed-in tariff. The country plans to allocate additional tariffs for renewable energy facilities in open-technology calls to tender. The 2030 National Energy and Climate Strategy provides increasing the share of renewable energies in final energy consumption to more than 50 per cent by 2030.

Dynamics within the wind sector is increased by the growing demand of large electricity consumers such as Google or Facebook, who secure electricity from wind turbines through long-term contracts. This also provides a sound financial basis for projects without a national feed-in tariff. For example WindEurope anticipates that between 2018 and 2022, a total of 2.3 gigawatts of wind energy will come online in Finland, which would be more than double the previously installed wind energy output.

3.1.1.7 Greece

The natural conditions of Greece are ideal for the exploitation of renewable energies. The government seeks to put this potential to better use and published a draft of a national energy and climate plan in early 2019. The plan provides raising the share of renewable energy sources in power generation to 55 per cent by 2030. In 2017, it stood at 27 per cent. Coal and gas contribute 31 and 30 per cent. In 2018, Greece allocated tariffs for new wind and solar parks through calls to tender for the first time.

In 2018 in Greece, wind farms with a nominal output of 207 megawatts were connected to the grid. Overall, 2,844 megawatts were installed by the year's end. Over the period from 2018 to 2022, the sector association WindEurope anticipates a total increase of 1,500 megawatts of wind energy.

According to the plan of the Greek Energy Regulator, separate calls to tender will be awarded annually up to 2020 for photovoltaic and wind energy facilities as well as a joint call to tender for both technologies. A joint call to tender for 400 megawatts of wind energy with a nominal output of more than 50 megawatts and photovoltaic facilities with a nominal output of 20 megawatts which was planned for 2018 was postponed to 2019.

SolarPower Europe forecasts that around 1,600 megawatts will be added between 2018 and 2022 to the approximately 2,600 megawatts of photovoltaic output which were on the grid in Greece at the end of 2017.

3.1.1.8 Hungary

Hungary is among the smaller European markets for the renewable energy sector. Wind energy is not politically favoured and currently does not play any significant role. Only 329 megawatts are online. No new facility was erected in 2018. In the forecast for the European solar market by the sector association SolarPower Europe, Hungary was not cited as an independent market. The anticipated expansion is summarized in the category "Rest of Europe". Currently according to the estimation of the European Commission, the share of renewable energies in Hungary's power generation is approximately 10 per cent. To achieve the goal of reaching at least 15 per cent of power generation from renewable energy sources by 2020, the government is counting on biomass and solar energy. Developers are particularly interested in projects greater than one megawatt that were planned and approved according to the old support scheme (KÁT) valid up to end of 2016, although some of them are still pending. For projects that did not secure the old tariff, new rules have been in effect since 2017: Power will no longer be purchased at a fixed price. Solar energy will instead be sold to the market, a "green premium" will be paid, and the guaranteed term is now reduced to 13 years.

3.1.2 Argentina

Argentina possesses major, largely unexploited potential in renewable primary energy sources such as solar and wind energy. Petroleum and natural gas represent the largest share of Argentinian primary energy generation. Renewable energies currently cover about two per cent of power demand. It is the goal of the government to raise the share to 20 percent by 2025, especially by expanding solar and wind energy capacity. Since 2016, expansion has gained momentum. In 2018, 494 megawatts of wind energy were connected to the grid. Accordingly, Argentina is one of the largest wind energy markets in the American continents. The government announced additional contracts awarded on competitive rates for 2019. According to the global wind energy association GWEC, 63 wind parks with 3,700 megawatts of output went online over the past three years. US $5 billion were invested. The Global Wind Energy Council foresees additional stimulation of growth in Latin America from the expansion of production capacity by facility manufacturers. Investments by Vestas and Nordex in Argentina confirm the long-term potential of this market.

3.2 Business Performance

ABO Wind covers the entire value added chain in the development of wind farms and solar plants – from site acquisition to turnkey construction. The company's own specialists carry out the vast majority of planning and organisational work.

Besides financial performance indicators such as sales and annual profits, for measuring the economic success ABO Wind uses important milestones to be achieved during project preparation as well as inventories of projects and service contracts as non-financial output indicators.

The important non-financial performance indicators include primarily the number of new projects, the order book of projects in development and construction – the so-called project pipeline – as well as the successfully completed project developments and construction in the financial year.

Further information on business process can be taken from the volumes of agreed project financing and sales, the scope of service activities as well as growth of employee numbers. The indicators developed as follows in the financial year 2018 and the first quarter of 2019:

3.2.1 New projects

In last year's annual report, an annual new business unit allocation of 500 megawatts across Europe for all technologies was predicted for the period of 2018 to 2020. In addition, significant new business was forecast for markets outside of Europe. As a point of fact, ABO Wind

acquired new projects amounting to about 510 megawatts in financial year 2018 in Europe. Outside of Europe, projects totalling 2,200 megawatts were secured, of which about two thirds were wind projects and one third were solar.

New projects with a potential of almost 3,500 megawatts - of which 970 megawatts in Europe - were secured group-wide and across technologies in the first half of 2019. During the past months, large projects in Argentina, Finland, South Africa and other markets have shaped new business and have resulted in figures well above plan.

3.2.2 Project pipeline

The risk-adjusted project pipeline for wind energy projects under development comprises around 5,500 megawatts as of June 30, 2019, of which around 1,000 megawatts in Germany, France and Finland each, 500 megawatts in Spain and a total of 300 megawatts in Ireland, Northern Ireland and Scotland. Outside Europe, there will be worked on 1,000 megawatts in Argentina by the turn of the year and a on total of around 700 megawatts in other national markets.

As of the reporting date, solar projects with a total capacity of around 2,000 megawatts are also under development. These projects are mainly located in Argentina, Greece, Colombia, Spain and South Africa.

As of June 30, 2019, the volume of projects under construction amounted to 28 megawatts of wind energy projects in Germany and Ireland as well as 12 megawatts of solar projects in Greece and Hungary.

3.2.3 Project implementations

The period allocation of project implementations is based on the transfer of risk of the services rendered in accordance with the realisation principle under commercial law. Planning or technical milestones such as the infeed of the first kilowatt hour (technical commissioning) can differ from the scheduled project timeline.

3.2.3.1 Sale of portfolios and individual project rights

In financial year 2018, the rights to 14 projects in different development stages were sold. Some of the projects were bundled together in one portfolio and sold to one investor.

The 14 projects are 10 German projects comprising 182 megawatts, three Spanish projects totalling 113 megawatts and a Finnish project of 50 megawatts. Typically, the agreements with buyers provide for continued collaboration with ABO Wind in order to see the projects through to the construction phase and for actual installation and commissioning.

In the first half of 2019, project rights for a Finnish project, two Spanish and eight French projects with a total of 317 megawatts were sold.

3.2.3.2 Completed project developments

In the 2017 annual report, concluded project developments were forecast for 2018 to 2020 for an average of 250 megawatts.

The German market made the biggest contribution to the successful completion of project developments in financial year 2018 with six wind energy projects totalling 64 megawatts. An Irish project in development for 11 megawatts was also successfully concluded in 2018. In the solar sector, development of four smaller German projects that jointly total three megawatts were completed in 2018.

The total from project developments (around 80 megawatts) and sales of individual project rights and portfolios (about 350 megawatts) clearly exceeded the projection of finalizing projects totalling a yearly average of 250 megawatts. Since an unfinished project that is sold naturally yields less profit per megawatt than a wind or solar farm that is fully developed, the overall business for this segment can be considered on target.

In the first half of 2019, the project development for three wind energy projects with 23 megawatts and one solar project with seven megawatts was successfully completed.

3.2.3.3 Completed project construction

In the 2017 annual report, completed projects were forecast for 2018 to 2020 for an average of 160 megawatts.

In fact, wind turbines with a nominal output of 104 megawatts were invoiced in financial year 2018. The constructed wind farms were located in four countries: 49 megawatts in Germany, 27 megawatts in Finland and 14 megawatts in France and Ireland each. Financially, the constructed projects were more successful than anticipated at the beginning of the financial year.

In the solar sector, plants with two megawatts were constructed in the financial year 2018.

In the first half of 2019, the construction of two wind farms with a combined output of 23 megawatts were invoiced.

3.2.4 Project financing and turnkey sales

In 2018, long-term credit agreements totalling around EUR 45 million were arranged for approximately 29 megawatts. Of this, around 18 megawatts are German projects with a total credit volume of EUR 26 million. Parallel to obtaining project financing, turnkey projects of 92 megawatts were sold to investors in 2018.

In the first half of 2019, project financing for seven megawatts with a credit volume of EUR 12 million was concluded. Two projects with a total capacity of 18 megawatts were sold.

3.2.5 Service activities

3.2.5.1 Operations management and service

As of September 30, 2019 ABO Wind is managing 118 wind energy projects with 497 wind turbines and totalling 1,230 megawatts distributed among Germany (878 megawatts), France (172 megawatts), Finland (97 megawatts) and Ireland (83 megawatts). In addition, the new solar business segment manages seven plants, five of them in Germany, one in Greece and one in Hungary. About 160 wind turbines are serviced with different scope of performance, from basic servicing to full maintenance contracts.

3.2.5.2 Portfolio and project rights management

For sold projects totalling 698 megawatts – of which around 401 megawatts from portfolio sales – ABO Wind per June 30, 2019, is working on behalf of the purchasers as a service provider to obtain outstanding rights and contracts or in connection with the construction of the projects.

3.2.6 Personnel development

The number of employees (including temporary staff) increased to an average of 637 in the first half of 2019. The average for the 2018 financial year was 573.

3.3 Turnover and Profit

Of the total performance of EUR 59.3 million for the first half of 2019 mentioned above, EUR 56.6 million was attributable to sales revenues and EUR 2.7 million to increases in inventories of finished goods and work in progress. Revenues comprise EUR 38.5 million from planning services and EUR 13.7 million from the construction of projects. With the operational management and service activities combined, ABO Wind generated a sales revenue of EUR 4.3 million. Other revenues of EUR 0.1 million were generated from portfolio and project rights management, management activities and other services.

French wind farms made the largest contribution to revenues in the first half of 2019, with the German and Finnish wind business following slightly behind. The strong contribution made by the Spanish solar business is very pleasing. The early and courageous involvement in the re-strengthened market is therefore already paying off.

The relatively low materials expense ratio of 38 per cent (half-year 2018: 47 per cent) is mainly attributable to the comparatively high share of planning activities - which are not very material-intensive - and the sale of rights in the total operating performance.

The result of EUR 5.2 million is approximately at the previous year's level (EUR 5.5 million) and is in line with the expectations for the half-year net profit.

3.4 Financial and assets situation

Of the EUR 80.4 million of work in progress carried on the balance sheet, around EUR 10.0 million were attributable to projects under construction as on the balance sheet date of June 30, 2019.

Received payments for orders in the amount of 10.9 million EUR, which were deducted from inventories, relate exclusively to installment payments for which services have been rendered or deliveries made and for which no repayment obligation exists or is probable.

Of the receivables from affiliated companies totalling EUR 69.9 million (December 31, 2018: EUR 58.4 million), EUR 40.8 million relate to a German project not yet sold as of June 30, 2019. In the meantime, the project financing for this project has been completed and a significant portion of the outstanding receivables has been settled. The sale of the project and the repayment of the remaining receivables are expected by the end of the year. The remainder of the receivables from affiliated companies relates to further projects not yet sold and to non-consolidated foreign subsidiaries of ABO Wind AG, which used these funds to finance project costs on an interim basis.

The equity ratio including mezzanine resources was at its usual solid level of 54 percent as of June 30, 2019 (December 31, 2018: 53 percent).

As of June 30, 2019 liabilities to banks in the amount of 54.9 million EUR consisted of 44.4 million EUR from low-interest amortizing loans and 10.5 million EUR from the short-term use of overdraft facilities. The unused credit lines and guarantees as of June 30, 2019 totalled EUR 37.2 million.

The limits agreed with credit institutions, which relate to selected key financial indicators – so-called covenants – were all complied with in the reporting period.

4 Opportunities and risks

4.1 Liquidity risks

The project development of renewable energies is characterised by high lead costs for small unit numbers. Inflows from project financing and project sales need to be very carefully balanced with the outflows for planning and construction. Short and medium-term liquidity is constantly managed across the entire group. Incoming payments are pooled and outgoing payments approved across the group via a manual cash pooling system at ABO Wind AG. The longterm demand is regularly reviewed by means of a multi-year business plan. Suitable capital measures are initiated and seen through centrally by ABO Wind AG where necessary.

4.2 Currency risks

ABO Wind AG is exposed to foreign exchange risks through its international operations in South America, the United Kingdom and other countries. Currently, foreign exchange risks are of minor importance. ABO Wind's primary field of business is within the European region.

4.3 Interest rate risk

Rising interest rates represent a risk to the profitability of projects. Interest rate hedges may counteract these risks in the short to medium term. In the medium-to-long term, rising interest rates may need to be offset by lower investment and operating costs, as well as adjusted compensation rates. At this moment in time, no interest rate hedges have been agreed to any substantial extent.

4.4 Regulatory risks

Wind and solar energy facilities are, by nature, unable to generate revenue at call whilst in operation. On the other hand, the most substantial parts of ongoing fixed costs are determined by the original investment costs and from long-term credit and lease agreements. As a result of volatile electricity yields – due to the dependence on the weather – and long-term fixed costs, the economic viability of projects depends heavily on the framework conditions underpinning the sale of the energy produced. It is critical that the rules governing remuneration are clear and reliable. This applies in line with the protection of legitimate expectations for the investment period and in line with grandfathering for the economic lifespan.

Additional risks to renewable energy projects exist in the approval process, and in the conditions for connection to the grid and the feeding-in of electricity. Time delays and regulatory requirements for operating facilities and connecting them to the grid can have a significant impact on economic viability.

Overall, the greatest risk for planning of plants for using renewable energies lies in the political and administrative design and implementation of the framework conditions.

4.5 Opportunities and strategy

In general, policy makers at European level agree that it is desirable and necessary for the use of renewable energies to be increased. It is indisputable that onshore wind energy and solar energy are by far the most cost-effective way to generate environmentally-friendly electricity. Any reform of energy policy, which leads to a cost-sensitive increase in the use of renewable energies, should boost these technologies.

Project developers play a key role in carrying out the energy transition. Only by harnessing their expertise and their abilities during the planning and construction phases is it possible to implement projects to the extent intended.

This means working solidly, like in any industry. Our business philosophy to ensure long-term success has been to treat our partners fairly and openly – from landowners and suppliers to banks and investors.

Consistent diversification cushions the typical sectoral risks: The cooperation with different manufacturers for wind and solar plants as well as a regional distribution of projects reduce the importance of individual risk factors.

With this in mind, ABO Wind will continue to expand and develop in areas such as the servicing and maintenance of wind and solar energy facilities and by providing additional services. These business sectors, which are independent of our core business area of project development, will generate a solid contribution to our total earnings.

5 Forecast

For 2019 to 2021, annual new business to the amount of one to two gigawatts per year is assumed for the entire group and for all technologies. This forecast is based on further developments of new business in non-European markets and the influence of individual major projects. For example, the figures from the first quarter of 2019 include individual projects of 100 megawatts and more.

With regard to the concluded project developments from the existing pipeline, it is anticipated that ABO Wind will achieve a group-wide volume of 150 to 250 megawatts per year in 2019 to 2021 for all technologies. Measured in megawatts, the sale of project rights and portfolios will gain in importance over the same period and enable new profitable business in new national markets as well. For the completed construction output, we expect 160 megawatts annually across the group and including all technologies for the years 2019 to 2021 predominantly distributed over projects within Europe.

Financial year 2019 is developing well. The construction work planned for this period was completed in the first half of the year and the revenues planned for the rest of the year are also on schedule.

Taking all of the factors into consideration, the management expects to achieve a net profit of around ten million euros for the financial year 2019.

Wiesbaden, September, 27 2019

ABO Wind AG

The Managing Board

Consolidated balance sheet

Assets

	in kEUR	30.6.2019	31.12.2018
A.	**Fixed assets**	**10,099**	9,952
I.	Intangible assets	1,092	894
II.	Tangible assets	4,524	4,553
1.	Land, similar rights and buildings	322	321
2.	Technical equipment and machinery	192	200
3.	Other equipment, factory and office equipment	4,009	4,032
III.	Financial assets	4,483	4,505
1.	Shares in group undertakings	325	347
2.	Loans to affiliated companies	2,828	2,828
3.	Participating interests	585	585
4.	Loans to companies in which the company has a participating interest	745	745
B.	**Current assets**	**190,629**	**182,545**
I.	Stocks	73,318	71,451
1.	Work in progress	80,421	81,941
2.	Finished goods and goods for resale	675	915
3.	Payments on account	3,156	2,703
4.	Received payments for orders	-10,934	-14,108
II.	Debtors and other assets	96,874	87,830
1.	Trade debtors	13,673	20,231
2.	Amounts owed by group undertakings	69,867	58,369

3.	Amounts owed by undertakings in which the company has a participating interest	15	164
4.	Other assets	13,319	9,066
III.	Securities	18,918	18,747
1.	Shares in group undertakings	16,125	14,067
2.	Other securities	2,793	4,680
IV.	Cash in hand and bank balances	1,520	4,517
C.	**Prepaid expenses**	**530**	**128**
D.	**Deferred taxes**	**1,613**	**1,417**
	Total assets	**202,872**	**194,042**

Equity and liabilities

	in kEUR	30.06.2019	31.12.2018
A.	**Equity**	**94,254**	**88,976**
I.	Subscribed capital	7,646	7,646
II.	Capital reserves	13,542	13,542
III.	Revenue reserves	67,996	55,271
1.	Statutory reserve	490	490
2.	Other revenue reserves	67,506	54,781
IV.	Foreign currency translation differences	-205	-266
V.	Profit for the year	5,232	12,745
VI.	Non-controlling interests	44	39
B.	**Mezzanine Capital**	14,491	14,379
C.	**Provisions**	17,778	21,014
1.	Tax provisions	1,234	3,568
2.	Other provisions	16,543	17,446
D.	**Creditors**	76,349	69,672
1.	Bonds	11,521	8,757
2.	Bank loans and overdrafts	54,896	38,924
3.	Trade creditors	4,353	10,983
4.	Liabilities towards affiliated companies	1,756	1,563
5.	Liabilities towards companies in which the company has a participating interest	0	0
6.	Other creditors	3,824	9,444
E.	**Passive deferrals**	0	1
	Total liabilities and equity	**202,872**	**194,042**

Consolidated income statement

	From 1.1. to 30.06. / in kEUR	2019	2018
1.	Turnover	56,612	56,421
2.	Change in finished goods and work in progress	2,629	5,291
3.	Other own work capitalised	31	0
4.	**Total output**	**59,272**	**61,712**
5.	Other operating income	1,996	846
6.	Cost of materials	-22,336	-28,776
a)	Cost of raw materials, consumables and goods for resale	-872	-638
b)	Cost of purchased services	-21,464	-28,138
7.	Staff cost	-17,890	-14,869
a)	Wages and salaries	-14,586	-12,266
b)	Social security, pension and other benefits	-3,305	-2,603
8.	Depreciation and amortisation	-5,622	-5,216
a)	of fixed intangibles and tangible assets	-1,122	-716
b)	Exceptional amounts written off current assets	-4,500	-4,500
9.	Other operating expenses	-6,714	-5,395
10.	Other interest receivables and similar income	34	60
11.	Depreciation on financial assets and securities reported under current assets	0	-320
12.	Interest payable and other similar charges	-804	-752
13.	**Profit on ordinary activities**	**7,935**	**7,289**
14.	Tax on profit	-2,551	-1,708

15.	Other taxes	-152	-113
16.	**Net profit**	**5,232**	**5,469**
17.	Non-controlling interests	0	-10
18.	**Consolidated balance sheet profit**	**5,232**	**5,459**

Group annex ABO Wind AG, Wiesbaden as of 30.06.2019

I. General information

The consolidated financial statements of ABO Wind AG are prepared in accordance with the accounting regulations applicable for corporations of the German Commercial Code (Handelsgesetzbuch; HGB), with due consideration being given to the law relating to corporations (Aktiengesetz; AktG).

The profit and loss account has been prepared in accordance with the cost summary method set out in § 275 para. 2 of the HGB.

The financial year corresponds to the calendar year.

Due to the provisions of §§ 290 et seq. of the HGB, as the parent company ABO Wind AG is obliged to prepare consolidated financial statements.

The financial statements comply with § 246 para. 3 of the HGB and § 252 para. 1 no. 6 of the HGB.

In the interests of better clarity and transparency, the information to be provided in accordance with the legal regulations for the items of the balance sheet and profit and loss account and also the information to be provided either in the balance sheet or in the profit and loss account or in the notes is to a large extent set out in the notes to the consolidated financial statements.

II. Scope of consolidation

Aside from the parent company ABO Wind AG, 13 (previous year: 13) subsidiaries are included in the consolidated financial statements over which ABO Wind AG can exercise a direct, indirect or majority influence as defined by § 290 of the German Commercial Code (HGB).

The following companies were **fully consolidated** in the reporting year:

Company	**Capital Share**
ABO Wind Betriebs GmbH, Wiesbaden, Germany	100%
ABO Wind Biogas GmbH, Heidesheim, Germany	100%
ABO Wind Biogas-Mezzanine GmbH & Co. KG, Wiesbaden, Germany	100%
ABO Wind Energias Renovables S.A., Buenos Aires, Argentina	94%
ABO Wind España S.A.U., Valencia, Spain	100%

ABO Wind Hellas Energy SA, Athens, Greece	99%
ABO Wind Ireland Ltd., Dublin, Ireland	100%
ABO Wind Mezzanine GmbH & Co. KG, Wiesbaden, Germany	100%
ABO Wind Mezzanine II GmbH & Co. KG, Wiesbaden, Germany	100%
ABO Wind N.I. Limited, Belfast, UK	100%
ABO Wind Oy, Helsinki, Finland	100%
ABO Wind SARL, Toulouse, France	100%
ABO Wind Service GmbH, Heidesheim, Germany	100%
ABO Wind UK Ltd., Bellshill, UK	100%

Not included within the consolidation scope were shares in group undertakings which are being held with the sole purpose of resale (§ 296 para. 1 no. 3 of the HGB) along with group undertakings which are of minor importance regarding the appropriate presentation of a true and fair view of the net assets, financial position and results of operations of the group (§ 296 para. 2 of the HGB).

III. Consolidation principles

General information

Financial statements included in the consolidation are prepared in accordance with accounting policies. The conversion of financial statements in foreign currency is carried out following the modified closing rate method.

Capital consolidation

Capital consolidation for those entities already fully consolidated in the previous year, continues to follow the book value method, according to § 66 para. 3 p. 4 of the Introductory Act to the German Commercial Code (EGHGB), through offsetting acquisition costs of investment with the (prorated) equity of the group undertaking.

The revaluation method is applied for companies newly entering the consolidation scope for the reporting year. In the process, acquisition costs of shares in subsidiaries are offset by equity, valued for the present value at the moment of first consolidation, allotted to the particular group undertaking. Active balances stemming from capital consolidation are in principle – after consideration of disclosed hidden reserves/ hidden liabilities as well as

deferred taxes apportioned to each – capitalised as goodwill. For the ABO Wind group, such differences in calculation do not occur.

Debt consolidation

In the scope of debt consolidation, all amounts owed by and owed to group undertakings that are included in the consolidated financial statement are offset in accordance with § 303 para. 1 of the HGB.

Cost and income consolidation

Within the scope of cost and income consolidation in accordance with § 305 para. 1 of the HGB, income from services rendered and other income between the consolidated companies were consolidated with the corresponding costs. The same principle applies for other interests and similar income, which were offset with the corresponding expenditures.

Intercompany profit elimination

In accordance with § 304 para. 1 of the HGB, unrealised gains on transactions between group undertakings are eliminated.

IV. Balancing and evaluation methods

1. Balancing and evaluation of assets

Self-created industrial property rights and similar rights and assets are capitalized at costs of production (development costs), if there is at least a high probability that an asset will actually be created as of the reporting date. Production costs include the costs individually attributable to the consumption of goods and services as well as adequate parts of material and production overheads and depreciation of fixed assets as a result of the development process. Self-created industrial property rights and similar rights and assets are depreciated on a straight-line basis pro rata temporis over their expected useful lives.

Intangible assets acquired from third parties for a monetary consideration are capitalised at cost of purchase, and are depreciated using the straight-line method over their probable useful life; depreciation is recognised on a pro rata basis in the year of acquisition. EDP programs acquired for a monetary consideration are written down over a standard useful life of three years. One exception in this respect are EDP programs with costs of purchase of less than EUR 800; these are recognised immediately and in full in the profit and loss account. If the fair values of individual intangible assets are lower than their corresponding carrying amounts, additional unplanned depreciations are carried out if the reduction in value is probably of permanent nature.

Tangible assets are measured with cost of purchase or cost of production less straight-line depreciation over a period of 3 – 15 years. Depreciation in relation to additions to tangible assets are recognized on a pro rata basis. If the fair values of individual assets are lower than their corresponding carrying amounts, additional unplanned depreciations are carried out if the reduction in value is probably of permanent nature.

With regard to the recognition of **minor-value assets**, § 6 para. 2 of the German Income Tax Act (EstG) has been used. The costs of purchase or production of depreciable moveable fixed assets which are capable of being used independently are recognised in full as business expenses in the financial year in which the assets are purchased, produced or contributed if the costs of purchase or production, less any amount of VAT included in the amount, of the individual asset do not exceed EUR 800.

Under **financial assets**, the shares in group undertakings and the equity participations are measured at cost of purchase. Insofar as the fair values of individual financial assets are lower than their corresponding carrying amounts, additional unplanned depreciations are carried out if the reduction in value is probably of permanent nature.

Loans are always recognized at their nominal value.

Work in progress and unfinished goods are measured at cost of production. The costs of production contain the components of § 255 para.2 of the HGB which have to be capitalised. Furthermore, reasonable amounts of administrative costs as well as reasonable costs of social facilities of the company and for voluntary social services are also included in the costs of production if they are attributable to the period of production. Moreover, in accordance with § 255 para. 3 of the HGB, interest on borrowed capital was capitalised - insofar as it relates to the production of assets and to the period of production. In all cases, inventories are measured at the lower of cost or market value, i.e. if the probable selling prices minus the costs incurred up to the point at which the inventories are sold result in a lower fair value, corresponding impairments have been recognised.

Payments in advance for inventories are stated at nominal value.

Payments received are stated at nominal value, in accordance with § 268 para. 5 of the HGB openly set off against inventories and reduced by the included value added tax (so-called net method).

Debtors and other assets are shown at the lower of nominal value or fair value as of the balance sheet date. Reasonable impairments are recognised in the case of receivables if a recognisable level of risk is associated with the recoverability of such receivables; irrecoverable receivables are written off.

The **marketable securities** are shown with the costs of purchase or the lower fair value.

Liquid assets are shown with their nominal value on the balance sheet date.

Prepaid expenses show expenditure incurred before the reporting date if such expenditure relates to a period after that date.

2. Recognition and valuation of liabilities and equity

Subscribed capital is shown with its nominal value.

The group recognized **Mezzanine capital** as an item between equity and loans, exercising its option from § 265 para. 5 of the HGB. Mezzanine capital is shown with its nominal value.

The **provisions** were recognised with the settlement amount necessary in the opinion of a prudent businessman. Provisions with a remaining term of more than one year are

discounted using the average market interest rate of the past seven years corresponding to the remaining term of the provisions.

Liabilities are recognised with their settlement amount.

Conversion of foreign currency

Foreign currency transaction are in principle translated into the group currency using the exchange rates prevailing at the dates of transactions. Balances from such transactions at the balance sheet date are recognized as follows:

Short-term foreign currency debtors (with a remaining term of one year or less) as well as liquid assets or other short-term assets in foreign currency are converted using the spot midrate applicable on the balance sheet date. Short-term foreign currency liabilities (with a remaining term of one year or less) are translated using the spot mid-rate on the balance sheet date.

For group undertakings included in the consolidated financial statements and whose currency is not equal to that of the group, the following applies:

Assets and **liabilities** for each balance sheet presented are translated at the spot mid-rate at the date of the balance sheet, costs and income are converted at average exchange rates and equity using the historic exchange rate. A resulting currency gap from the conversion is recognised in equity as the item “foreign currency translation differences”.

Deferred taxes

Deferred taxes are recognised in relation to the differences between the figures shown in the commercial accounts and the tax accounts if such differences will probably be reversed in subsequent financial years. In addition, deferred taxes are recognised on loss carryforwards and consolidation measures.

Expenses and income of movements in recognised deferred income taxes is designated in the item “Tax on profit” in the profit and loss account and explained separately in the annex.

The deferred taxes are calculated using an effective tax rate, which will probably be applicable at the point at which the differences are reversed.

V. Information on balance sheet

Unless otherwise mentioned, the previous year‘s figures relate to the balance sheet as at December 31, 2018.

Fixed assets

The development of the individual items of fixed assets is shown in the schedule of assets, with details of depreciation recognised in the financial year. The schedule of assets is enclosed as an exhibit to the notes.

Shares in group undertakings and equity participations shown under financial assets – meaning companies of which ABO Wind directly or indirectly owns at least 20 percent of the shares – are further considered in the list of shareholdings in the appendix.

Debtors and other assets

Information on debtors and other assets can be obtained from the following claims analysis:

	30.6.2019	Residual maturity	
	In kEUR	< 1 year	1-5 years
Trade debtors	13,673	13,573	100
(previous year)	(20,231)	(20,231)	(0)
Amounts owned by group undertakings	69,867	69,867	0
(previous year)	(58,369)	(58,369)	(0)
Amounts owed by undertakings in which the company has a participating interest	15	15	0
(previous year)	(164)	(164)	(0)
Other assets	13,319	13,170	149
(previous year)	(9,066)	(9,033)	(33)
Total	96,874	96,625	249
(previous year)	(87,830)	(87,697)	(133)

Amounts owed by group undertakings are mainly the result of deliveries and services exchanged.

Deferred tax assets

The item “Deferred taxes” shown separately in the balance sheet results from interim profits and/or tax loss carryforwards.

The evaluation of deferred tax assets and liabilities is carried out using the following, company individual tax rates:

• Argentina 35%

• Germany 30%

• Spain 25%

• Ireland 12.5%

• UK 20%

• France 33%

• Finland 20%

• Greece 29%

Shareholders‘ capital

The subscribed capital for ABO Wind AG is divided into 7,645,700 shares valued at one euro per share and with a corresponding share of the capital stock.

The basic capital of the company has increased by up to kEUR 1,000 through the release of up to 1,000,000 new, no-par bearer shares (Conditional Capital 2017). The conditional capital increase serves to grant shares to the holder of convertible and/or warrant bonds that will be issued on the basis of authorisation by the annual general meeting on December 20, 2017 by the company until December 19, 2022.

ABO Wind AG capitalizes internally generated intangible assets as fixed assets. This includes kEUR 272, for which a payout block exists in accordance with § 268 para. 8 of the HGB.

Mezzanine capital

Participation certificates in the amount of kEUR 14,416 (previous year: kEUR 14,379) were issued as at the balance sheet date. Each of the emitted participation certificates represents a theoretical share of EUR 1. Of this amount, kEUR 7,666 (previous year: kEUR 7,666) is attributable to ABO Wind Mezzanine GmbH & Co. KG, kEUR 5,213 (previous year: kEUR 5,213) to ABO Wind Mezzanine II GmbH & Co. KG and kEUR 1,613 (previous year: kEUR 1,501) to ABO Wind Biogas-Mezzanine GmbH & Co. KG.

Provisions

Tax provision are comprised as follows:

Tax provisions	30.06.19 in kEUR	31.12.18 in kEUR
Corporate tax provisions	1,234	3,153
Trade tax provisions	0	415
Total	**1,234**	**3,568**

Other provisions are comprised as follows:

Other provisions	30.06.19 in kEUR	31.12.18 in kEUR
Provisions for production costs without final invoices	9,823	8,055
Provisions for various project risks	2,003	1,538
Provisions for financial statements and auditing costs	23	145
Provisions for warranties	33	56
Provisions for the storage of business documents	25	25
Other provisions	4,636	7,627
Total	**16,543**	**17,446**

Creditors

ABO Wind AG has publicly offered convertible bonds on the basis of a securities prospectus approved by the Federal Financial Supervisory Authority (BaFin). The subscribers of the convertible bond secure the possibility to acquire shares of ABO Wind AG by converting the bond in October 2019 at a price of EUR 15.

The convertible bond is subject to the following conditions:

• Maturity: May 1, 2018 to April 30, 2020

• Interest rate: 3 percent annually

• Issue price: EUR 15

• Conversion periods: October 2018 and October 2019

• Conversion ratio: 1:1

• Issue volume: one million bonds, EUR 15 million

As of the reporting date, 768,053 convertible bonds with a total nominal value of kEUR 11,521 were subscribed.

The breakdown of creditors according to their remaining terms can be taken from the following creditors analysis:

As at 30.06.19 in kEUR	Total	Residual maturity	
		< 1 year	1 - 5 years
Bonds (convertible)	11,521	0	11,521
(previous year)	(8,757)	(0)	(8,757)
Bank loans and overdrafts	54,896	10,818	44,078
(previous year)	(38,924)	(844)	(38,080)
Trade creditors	4,353	4,353	0
(previous year)	(10,983)	(10,983)	(0)
Liabilities towards affiliated companies	1,756	1,756	0
(previous year)	(1,563)	(1,560)	(3)

Other creditors	3,824	3,824	0
(previous year)	(9,444)	(9,444)	(0)
- of which taxes	2,584	2,584	0
(previous year)	(7,591)	(7,591)	(0)
- of which relating to social security	419	419	0
(previous year)	(399)	(399)	(0)
Total	**76,350**	**20,751**	**55,599**
(previous year)	(69,672)	(22,831)	(46,841)

Amounts owed to group undertakings mainly include deliveries and services exchanged.

VI. Information on the profit and loss calculation

Turnover

Turnover is broken down as follows by areas of activities:

	30.06.2019		30.06.2018	
	kEUR	%	kEUR	%
Planning and sale of rights	38,456	67.9	11,478	20.3
Construction	13,689	24.2	39,583	70.2
Services	4,467	7.9	5,360	9.5
	56,612	**100.0**	**56,421**	**100.0**

Structuring according to specific regional markets results follow below:

	30.06.2019		30.06.2018	
	kEUR	%	kEUR	%
France	26,044	46	997	1.8
Germany	14,230	25.1	26,292	46.6
Finland	9,010	15.9	28,306	50.2
Spain	6,333	11.2	262	0.5
Greece	490	0.9	0	0
UK	465	0.8	220	0.1
Ireland	22	0	42	0.1
Argentina	18	0	318	0.6
	56,612	**100.0**	**56,421**	**100,0**

Depreciation

The depreciations include unplanned depreciations from non-feasible projects amounting to kEUR 4,500 (previous year kEUR 4,500).

Tax on profit

Taxes on profits include amounts from the recognition of deferred tax income of kEUR 196 (previous year: kEUR 159) and deferred tax expenses of kEUR 0 (previous year: kEUR 467).

VII. Other disclosures

Guarantees and commitments

ABO Wind AG has given a capped guarantee of payment to holders of profit-share certificates in Eurowind AG for interest and repayment claims in the amount of up to EUR 125.00 respectively. This guarantee of a total of kEUR 1,300 enables the profit-share certificate holders to make a direct claim to the guarantor in the event that Eurowind AG is at least 60 days in arrears with its payments. Interest on participation certificates have already been distributed for 2017.

Associated with the project rights, purchased by the French subsidiary, ABO Wind AG accepts liability for the French subsidiary in relation to the agreed profit participation in case of the realisation of the acquired projects in a maximum compensation of kEUR 1,550 until December 31, 2019 plus a maximum compensation of kEUR 511 until December 31, 2020.

Furthermore ABO Wind AG has issued a guarantee in connection with the purchase of project rights on the part of an Irish project corporation in the amount of kEUR 7,200 until December 31,2020.

Furthermore, ABO Wind AG has issued a guarantee in favour of LBBW bank in connection with the financing of a Finnish wind farm. The payment guarantee is limited to the maximum amount of kEUR 1,000.

Moreover ABO Wind AG paid kEUR 32,117 to secure the payment claims which resulted from the contracts for delivery, mounting and commissioning of wind turbines for several project guarantees towards suppliers.

ABO Wind AG has also issued a guarantee in the context of the acquisition of project rights and the development of solar parks by the South African subsidiary for a maximum amount of around kEUR 500.

In addition, ABO Wind AG issued a guarantee in the amount of kEUR 59 relating to a land lease agreement for a Finnish project

Moreover guarantees and sureties in the amount of kEUR 44,386 exist on the balance sheet date.

For the shown, to nominal values estimated contingent liabilities, no other reserves were made. This is because the company does not anticipate that the guarantees will be utilised.

Other financial obligations and off-balance sheet transactions

The group continues to have obligations arising out of fixed- term rental and lease agreements amounting to kEUR 6,491 (previous year: kEUR 6,988). These obligations relate primarily to the rental of office space and car leasing contracts.

Employees

As of June 30, 2019, an average of 636 employees (previous year: 573) were employed, broken down into the following groups:

Employee group	30.06.19	31.12.18
Executives	14	14
Fulltime employees	437	385

Parttime employees	185	174
Total	**636**	**573**

Managing Board

During the first half of the 2019 financial year, the following persons were members of the Managing Board:

Dr. Jochen Ahn, Dipl. chemist, Wiesbaden, responsible for project acquisition and administration

Dipl. Ing. Matthias Bockholt, Dipl. Ing. for electrical engineering, Heidesheim, responsible for technology and operational management

Andreas Höllinger, Dipl. Kaufmann, Dipl. ESC Lyon, Frankfurt am Main, responsible for financing and sales

Dr. Karsten Schlageter, Dipl. Ing. for industrial engineering, Taunusstein, responsible for international business development

Supervisory Board

In the first half of the 2019 financial year the following persons were members of the Supervisory Board:

Chairman

Attorney Jörg Lukowsky, specialised lawyer for tax and employment law, employed by the chambers of FUHRMANN WALLENFELS Wiesbaden attorney partnership, Wiesbaden

Other members

Eveline Lemke, Managing Director of Eveline Lemke Consulting, Volkesfeld

Prof. Dr. Uwe Leprich, Professor for Energy Economics at the Saarland University of Applied Sciences for Economics, Saarbrücken

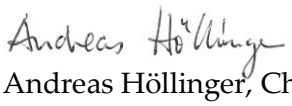
Josef Werum, director of In.Power GmbH, Mainz

Norbert Breidenbach, board member of Mainova AG, Frankfurt

VIII. Supplementary report

After June 30, 2019 no events occurred that are of considerable importance for ABO Wind AG's business performance as well as for the asset-, financial-, or profit situation and could lead to a different assessment of the situation.

Wiesbaden, September 27, 2019



Andreas Höllinger, Chairman of the Managing Board

Dr. Jochen Ahn, Managing Director

Matthias Bockholt, Managing Director

Dr. Karsten Schlageter, Managing Director