



## ABO Wind at a glance



Employees (without temporary staff)	<b>356</b>
International orientation	Project development in <b>8 countries</b>
So far built or converted	<b>550 wind</b> and <b>9 biogas</b> plants with a rated output of <b>around 1,120 Megawatt</b>
Climate protection	The plants avoid the emission of around <b>1.6 million tons of carbon dioxide</b> every year
Energy supply	The plants produce over <b>2.2 million megawatt hours</b> a year – that is what <b>1.9 million people</b> need in their houses and flats
Portfolio of future projects	Over <b>2,000 megawatt</b> – of which the half in the final planning state
Annual project volume	More than <b>250 million Euro</b>
Overall performance of the ABO Wind Group 2015	Around <b>100 million Euro</b>
Annual net profit of the ABO Wind Group 2015	Around <b>7.8 million Euro</b>

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# Foreword by the Management Board

Wiesbaden, May 2016

## Dear shareholders,

There is good reason as to why we refer to a twenty-year-old as a “young” person. However, in terms of a business which has been managing wind farm projects for twenty years, the situation is very different indeed. Such a business is considered “experienced” - and there is also good reason for that too. The main reason for this is down to the fact that in our industry it is anything but a given to enjoy a successful market presence for a period of two decades.

ABO Wind was born in 1996. Whilst a twenty-year-old would now find themselves in the very early stages of their studies or working life, our business has already planned and constructed an impressive 550 plants to date - in Germany, France, Ireland, Spain, Bulgaria, Scotland and Finland. The wind farms we have constructed thus far are producing as much clean energy as is consumed by around two million people in their apartments and homes. A sum of more than two billion euros has been invested for this very purpose.

These are figures definitely worth mentioning in addition to the financial data in the Annual Report. But yet there is no real reason to divert any attention away from the 2015 financial year; we have, after all, achieved the highest year-end result in the history of the business by quite some distance and we are exceptionally delighted to have done so.

## Long-term vision of a project developer

Yet, at the same time we are not just limiting our vision to one single year; this is really what sets an experienced company such as ours apart from the crowd. It takes several years from the very beginnings of project planning to the final construction of a wind farm - two to five years is a normal period depending on the country. There are, of course, a few projects which keep us busy for a little while longer. In this respect, long-term prospects are just as vital to us as the economic success achieved in 2015.

Towards the end of 2015, the climate conference in Paris made it very clear that the politicians in power have recognised the signs of the times. Even if many are still not acting accordingly, the majority are now very aware that radical changes in the way we produce and supply our energy are essential in order to restrict the impact of climate change to a tolerable level.

To achieve this goal there is still a lot of work to be done (and this applies to ABO Wind too). One thing is certain: the share of 33 per cent, which renewable energy sources had in terms of power consumption in Germany for 2015, is impressive. The ongoing expansion of wind energy utilisation in particular is making it possible to withdraw from nuclear power, which is something that Germany hopes to complete by 2022. When German Parliament ruled to shut down its 17 nuclear power stations in June 2011, sceptics warned of impending power blackouts. Since then, nine of the power stations have been removed from the network and the energy supply has continued to be as reliable as ever. Germany has even exported more power than it has imported in the past year.

## Dreams and reality

Challenges play an even greater role than the successes: the excessively high proportion of coal-fired power stations in the electricity mix is having a negative impact on the national carbon footprint. If we also take into account mobility and heating, the energy revolution is still much more of a dream than reality, even in Germany.

The pusillanimity of the German grand coalition is all the more frustrating: instead of making every possible effort to make a great contribution towards limiting climate change, CDU and SPD are about to place restrictions on wind energy. It seems that the German Federal Government intends to generously grant RWE, EON & Co. a period of grace. Having watched these companies sleep through the initial stages of the energy revolution, the remaining remnants of their old business models are now to be artificially kept alive until the stumbling energy giants finally arrive in the present age which is dominated by renewable energy. The reason behind this is that there seems to be great concern that a collapse of the major energy giants in particular would pose an even greater problem for the already financially strapped municipalities in the Ruhr district.

## Extraneous deliberations put the brakes on

There is a similar situation in France. At 75 per cent, politicians in France want to considerably reduce the world's highest proportion of nuclear power on the energy market by using renewable energy sources. However, out of consideration for Electricité de France (EDF), the crisis stricken state-owned enterprise, which is heavily dependent on its nuclear business, there is little evidence of the French Government following up on its words and promises with any action.

Such extraneous deliberations may well slow the energy revolution, but they will not stop it. Renewable energy sources provide the opportunity to develop a supply of energy which

is safe, ecologically justifiable and environmentally friendly whilst also offering good value in the longer term. More and more people are starting to recognise this and it is because of this that the old energy industry is doomed to failure.

### **Economic success in 2015**

Low interest rates have been a driver for the economic success of our business in 2015. Admittedly, we haven't been able to bring as much wind power capacity to the network as we managed in the previous year. One of the reasons for this was due to the excessive restrictions imposed by nature conservation authorities. However, further growth in interest from investors and the favourable financing conditions have improved the profitability of our projects. As a result, we have been able to increase our annual net income after tax to 7.8 million euros (previous year: 5.3 million euros).

Prior to the new compensation scheme coming into force in Germany for wind energy in 2017, ABO Wind has never been so financially strong. In the future, a tendering system will decide how much power generated from wind will be worth. This new mechanism harbours additional risks for the industry. This is because it is only possible to determine whether a project can actually be operated economically after several years of work and money being pumped into the development of a wind farm.

### **Solid foundation for future success**

Our experience from other countries shows that large and financially strong companies are able to better combat these uncertainties than smaller market players. In terms of its structure, personnel and financial situation, ABO Wind is perfectly equipped to operate with great success, even under these new conditions.

Simultaneously, we have also laid a solid foundation so that we can expand our operations to more countries in the coming years. ABO Wind is already considered as an established market force in France, Finland and Ireland. We have already achieved excellent results in these countries and continue to envisage good conditions there. ABO Wind is also working on numerous projects in the United Kingdom, Spain and Argentina which, depending on developments with regulatory and economic conditions, offer great potential. In Argentina, for example, the prospects for wind energy projects were extremely vague for a very long time due to the lack of financing options. However, the government recently elected in 2015 has succeeded in reaching an agreement with creditors. This has enabled the country to make a comeback on the international financial markets. The effect that this is having on wind energy can already be clearly felt in the spring



of 2016. The amount of interest in projects has seen a massive jump whilst the chance of realising projects has considerably increased.

### **Strengthen services**

In addition to project development, we enlarge the technical service for ongoing wind farms as an important business field. ABO Wind generated 5.6 Million euros in sales with operational management and service in 2015 – a Million euros more than last year. There is still a lot of potential in this field for us.

With the security audit „DGUV-V3“ we are already among the market leaders. We also want to present another promising product in late summer on the WindEnergy fair in Hamburg.

The business „energy contracting“, which means the supply of buildings with heat and electricity through cogeneration, and the renovation and upgrading of biogas plants enrich our services.

These tasks we perform on behalf of the ABO Kraft & Wärme AG, which occurs as a contractor and operator of biogas.

### **Venturing into new markets**

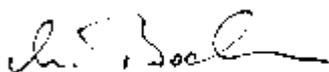
The activities of the “International Business Development” department which was founded in 2015 at ABO Wind have yielded their first successes. A team made up of experienced wind energy specialists is sounding out opportunities across the globe for us to apply our expertise. They are currently examining a number of possible approaches for future operations. One specific example of this are the activities in Iran where three ABO Wind employees have been working for several months in an office in Tehran to help play a part in developing renewable energy sources which is being targeted by politicians. We have concluded several cooperation agreements with well-known local partners. Following the economic sanctions being lifted, ABO Wind is one of the first western companies to help support Iran in reducing its dependency on crude oil. It is a well-recognised fact that in order to restrict climate change from worsening, a large proportion of fossil raw materials which have not yet been extracted must remain in the ground.

Overall, our business is on a very good path. Some individual setbacks, which are an unavoidable part of the number of activities and risks which we undertake, will not change this. We would like to thank our employees, business partners and shareholders and look forward to yet another successful year.

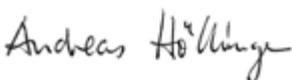
Kind regards,



Dr. Jochen Ahn



Matthias Bockholt



Andreas Höllinger

The Executive Board of ABO Wind AG



## Preliminary notes

This management report contains statements about the future. We would like to point out that actual events can deviate from the expectations of forward-looking statements.

## 1. Summary 2015

The ABO Wind Group (“ABO Wind”) finished the 2015 financial year with a net profit for the year of 7.8 million euros (previous year: 5.3 million euros). The overall performance (turnover plus changes in stock) amounted to 101.1 million euros (previous year: 107.6 million euros).

For the first time, the consolidated figures include the business operations of German subsidiaries ABO Wind Service GmbH and ABO Wind Biogas GmbH. In other respects, Bulgarian subsidiary ABO Wind Bulgaria EOOD has been deconsolidated since 1 January 2015 - this is a formal consequence of writing off the operational business activities in Bulgaria from the previous years.

The total turnover generated by ABO Wind is mainly distributed across project implementations in Germany, Finland and France.

In Germany, business operations returned to normal in 2015. In the year prior to that the introduction of a new compensation system (“Renewable Energy Act - EEG 2014”) on 1 August 2014 brought about a considerable degree of uncertainty. For all the parties involved - that includes property owners to turbine manufacturers and banks to investors - this has meant that they have been making the most of the time window since then until the next amendment of the Renewable Energy Act (EEG) enters into force in 2017.

The undeterred demand for the construction of turnkey wind farms as well as favourable financing conditions have been a considerable contributing factor in ensuring that the implemented projects have generated sound contribution margins and very pleasing year-end accounts on the whole in 2015 despite having to endure lengthier planning procedures.

The specialist departments have bolstered their numbers with a greater than expected rise in new employees in the 2015 financial year. A growing number of requirements and conditions have increased the complexity of the planning processes for wind farms. This has made it an absolute necessity to develop resources in additional specialist fields. Ornithologists, geoinformatics specialists or electrical engineers have now become just as important for the success of our company as the more conventional professions found in the industry such as planners, structural engineers and sales teams.

The 2015 financial year focussed on building approved wind farms as well as continuing to plan and develop projects acquired in previous years. Project developers concluded fewer lease agreements than in the previous year. There are many indications that the upcoming amendments to the Renewable Energy Act will bring about changes to the manner of the competition for areas to be used for wind energy plants. All of the affected departments are already making intensive arrangements in preparation of the allocation of funding entitlements by means of a tendering procedure commencing in 2017.

## 2. Foundations of the group

ABO Wind plans and constructs wind farms in Germany, France, Spain, Ireland, Argentina, Finland, the UK and Northern Ireland.

ABO Wind initiates projects, acquires sites, carries out all technical and commercial planning work, prepares financing from international banks and constructs turnkey facilities on its own account as well as in cooperation with regional energy suppliers. Up to now, ABO Wind has brought wind farms online with a nominal output of around 1,100 megawatts. ABO Wind also develops repowering concepts to make more effective use of tried-and-tested sites.

The technical and commercial management of ABO Wind takes control when the operating phase of wind farms and biogas plants begins. It ensures that the facilities produce the optimum amount of energy by means of modern monitoring systems and forward-looking services.

The ABO Wind Service engineers provide maintenance, repairs, inspections, fault clearance services and replacement parts services throughout the entire operating stage.

## 3. Economic report

### 3.1 General conditions

Following a record year for the wind energy industry in 2014, the industry enjoyed further global growth in 2015 and gathered yet more momentum. According to the figures from the Global Wind Energy Council (GWEC), a total amount of wind energy output of around 63,000 megawatts was added to the network in the past year - this is more than ever before.<sup>1</sup> Even the growth rate has increased slightly.<sup>2</sup> The increase in wind energy output from the previous year was 51,500 megawatts. At the end of 2015 there was a total output of more than 432,000 megawatts on networks around the world from wind energy facilities (both onshore and offshore).

China maintained its position as the most important wind energy market by quite some distance in 2015.<sup>3</sup> According to these figures, 30,500 megawatts can be attributed to the "Middle Kingdom" which therefore makes up a striking 48 per cent of the total increase in output. Trailing behind China are the USA (+8,598 megawatts), Germany (+6,013 megawatts), Brazil (+2,754 megawatts) and India (+2,623 megawatts). In addition, Canada (+1,500 megawatts), Poland (+1,266 megawatts) and France (+1,073 megawatts) have all installed capacities above the 1,000 megawatt mark. According to the figures from the GWEC, the largest growth rates amongst the most significant energy nations were achieved in Canada (+46 per cent), Poland (+33 per cent) and China (+27 per cent). China now has enough wind turbines to provide a total of around 145,100 megawatts of output - this is the best part of a third of global output. China has been the frontrunner in terms of growth rates for many years now. In 2015, the most populous country on the planet even overtook Europe with regard to total capacity from installed wind energy facilities. A Chinese manufacturer has become the global market leader for onshore wind turbines for the first time in history. In doing so, Goldwind toppled Danish manufacturer Vestas from the top spot.<sup>4</sup>

When presenting the figures, Steve Sawyer, Secretary General of GWEC, stressed the key position which wind energy has in the move away from fossil fuels. He also mentioned that new markets in Africa, Asia and Latin America would have significant potential and that new turbine configurations would ensure that wind energy remains competitive on a global scale.<sup>5</sup>

1. Press release of the Global Wind Energy Council (GWEC), 23.2.2016: <http://www.gwec.net/china-wind-power-blows-past-eu-global-wind-statistics-release/>  
2. Report of the Renewable Energy Industry Institute (IWR), 23.2.2016: <http://www.iwr.de/news.php?id=30655>  
3. Press release of the Global Wind Energy Council (GWEC), *ibid.*  
4. Release of the Renewable Energy Industry Institute (IWR), 23.2.2016: <http://www.iwr.de/news.php?e=xo816x&id=30735>  
5. Press release of the Global Wind Energy Council (GWEC), *ibid.*

In June 2015, Pope Francis analysed the current environmental crisis in an encyclical which attracted great prominence on a global scale whereby he called for changes in our lifestyles, in manufacturing and in terms of our consumer behaviour. The Pope highlighted the role of human beings as the people responsible for climate change, he demanded a drastic reduction in burning fossil fuels and the further development of renewable energies.<sup>6</sup>

In December 2015, the climate summit in Paris devised the goal of limiting the global rise in temperatures caused by burning fossil raw materials to 1.5°C and to move away from a fossil-fuel based energy system as a longer term vision.<sup>7</sup> Following this landmark resolution, the significance of wind energy as a particularly efficient and cost-effective source of renewable energy will continue to evolve in the coming years.

Investments in clean energy have increased fivefold in the past twelve years and reached a record level in 2015 with the sum of 329 billion US dollars.<sup>8</sup> Yet, more is now being invested in developing nations than in industrialised countries despite green energy having long been seen as a luxury for the wealthy. In order to tackle climate change, experts are predicting a significant increase in investments for the next few decades.<sup>9</sup>

### 3.1.1 Europe

Europe has been a forerunner in the transition from fossil fuels to renewable energy for many years. This trend has continued to be the case in 2015. 77 per cent of the newly installed capacity for generating electricity within the European Union operates using renewable energy sources - this equates to 22,300 megawatts of the total capacity installed of 29,000 megawatts.<sup>10</sup> Wind energy contributed the lion's share with 12,800 megawatts; 9,800 megawatts was constructed onshore whilst 3,000 megawatts was constructed offshore.<sup>11</sup> All in all this means that wind energy construction has increased by 6.3 per cent in comparison to the previous year. Investments

in wind energy even increased by 40 per cent to 26.4 billion euros.<sup>12</sup> In 2015, wind energy overtook hydropower as the most important source of renewable energy. It now represents 15.6 per cent of total capacity making it the third largest category of power station. Heading this list are gas with 21.1 per cent and coal with 17.5 per cent.<sup>13</sup>

Germany tops the tables in the European Union in terms of total installed wind energy output, followed by Spain, the United Kingdom and France in fourth place. If the figures are evaluated looking at recently installed wind energy facilities then Germany again comes out on top, however, the rest of the top countries takes a slightly different configuration with Poland in second place followed by France and the United Kingdom.<sup>14</sup>

Overall, there was around 142,000 megawatts of wind energy output on the network in the EU at the end of 2015, 131,000 megawatts of which were onshore. In an average wind year, the farms cover 11.4 per cent of the energy demand from the 28 Member States.<sup>15</sup>

#### 3.1.1.1 Germany

The past year has yet again been very successful for wind energy in Germany: the industry has installed 3,500 megawatts on onshore farms.<sup>16</sup> In comparison to the previous year (4,400 megawatts) which saw a record level of new capacity due to constructions being pulled forward in anticipation of new legislation as well as due to new land use planning, new wind power capacity fell by 19 per cent. However, this still represents a high level of construction. Wind energy plants with an installation output of around 195 megawatts were demolished.<sup>17</sup> Taking this into account there was an output of around 41,700 megawatts at the end of 2015 in Germany. In 2015, calculations show that around 20 million households were supplied with electricity amount to 78 terawatt hours and 12 per cent of gross electricity consumption in Germany was provided for<sup>18</sup> According to data supplied by

6. Report about the encyclical, 25.2.2016: <https://www.unendlich-viel-energie.de/themen/politik/papst-veroeffentlicht-oeko-enzyklika>

7. Report in the magazine Cicero (15.12.2015), 23.2.2016: <http://www.cicero.de/weltbuehne/pariser-klima-abkommen-der-anfang-vom-ende-fossiler-energietaeager/60245>

8. „Finanzierung der Energiewende: Banker lernen das Klima lieben“, release on Spiegel Online, 8.3.2016: <http://www.spiegel.de/wirtschaft/unternehmen/energiewende-banker-lernen-das-klima-lieben-a-1079487.html>

9. „Finanzierung der Energiewende: Banker lernen das Klima lieben“, release on Spiegel Online, ibid.

10. Statistic of the European Wind Energy Association (EWEA), released February 2016, 23.2.2016: <http://www.ewea.org/fileadmin/files/library/publications/statistics/EWEA-Annual-Statistics-2015.pdf>

11. Statistic of the European Wind Energy Association (EWEA), ibid.

12. Statistic of the European Wind Energy Association (EWEA), ibid.

13. Report about the annual balance of EWEA, 23.2.2016: <http://www.n-tv.de/wirtschaft/Windkraft-wird-fuer-Europa-immer-wichtiger-article16958831.html>

14. Statistic of the European Wind Energy Association (EWEA), ibid.

15. Statistic of the European Wind Energy Association (EWEA), ibid.

16. Press release Bundesverband Windenergie (BWE), released on 27.1.2016, 23.2.2016: <https://www.wind-energie.de/presse/pressemitteilungen/2016/windenergie-land-analyse-deutscher-markt-2015>

17. Press release BWE, ibid

18. Press release BWE, ibid.

the Federal Ministry for Economic Affairs and Energy, 25,980 wind energy plants produced clean energy in Germany at the turn of the year in 2015/2016.<sup>19</sup>

Opponents of wind energy have indeed been successful in attracting an increasing amount of media attention across Germany. The vast majority of the population is nonetheless behind the withdrawal from the use of nuclear power and for the energy revolution. As a survey published by the Forsa Institute in January 2016 shows, most people in Germany would even accept wind farms in their own neighbourhood.<sup>20</sup>

A study published in 2015 by industry analyst Bloomberg shows that wind energy in Germany has now become the most cost-effective source of power.<sup>21</sup> Whilst the national average cost of wind power is 7 eurocents per kilowatt hour, the price of electricity from new coal-fired power stations or nuclear stations is around 10 eurocents which is 43 per cent more expensive.

Legislative bodies want to manage the expansion and development of wind energy by using open competitive bidding which promises to bring about additional cost advantages from 2017. A key issues paper produced by the Federal Ministry for Economic Affairs and Energy detailing the central parameters of the new regulations raises the expectations that the expansion of the wind energy industry will be spread nationwide.<sup>22</sup> On 29 February 2016 a draft bill with amendments to the Renewable Energy Act<sup>23</sup> was submitted with similar objectives. As of the end of March 2016 the bill is currently in the political approval phase. Currently, however, there is strong evidence to suggest that the annual figures for new constructions from 2017 onwards will not hit the same highs as in 2014 and 2015. The German government intends to put out to tender 2,900 megawatts of onshore wind energy for 2017. In later years the expansion of onshore wind energy is to be promoted in such a way that Germany will cover between 40 and 45 per cent of its energy requirements from using renewable energy sources by 2025. This goal is already included in the coalition agreement with the CDU/CSU and SPD which was concluded in 2013.<sup>24</sup> The proportion of renewables in gross electricity consumption was already around 35 per cent in 2015.<sup>25</sup>

### 3.1.1.2 France

France expanded its wind energy capacity in 2015 by 1,070 megawatts. This value is only marginally different to that of last year when 1,040 megawatts were added to the network. Among the 28 Member States in the European Union, France occupies third place behind Germany and Poland in terms of additional capacity installed in 2015. In relation to the total amount of wind energy output installed by the end of the year, France is in fourth place in EU rankings with 10,360 megawatts and is therefore trailing behind Germany, Spain and the United Kingdom.

Although France is demonstrating what is considered a pleasing degree of consistency for the wind energy industry with its annual construction of around 1,000 megawatts and the political climate has also been enjoying positive developments in the past few years, the course set out for future expansion is still lagging behind the goals which the “Grande Nation” has set itself. The French government aspires to continue reducing France’s heavy dependency on nuclear power which currently supplies three quarters of its electricity. It has set a construction goal to build a wind energy capacity of 25,000 megawatts by 2020. In order to be anywhere near achieving this goal there would have to be an almighty increase in its annual construction amount.

The European Wind Energy Association does not anticipate France hitting its construction goal. The EWEA published three scenarios in the summer of 2014 for each of the 28 EU Member States for the wind energy capacity to be constructed by 2020. According to this publication, the French market will be within the region of 14,000 and 21,000 megawatts. Offshore facilities would account for a maximum of 1,500 megawatts of this total.<sup>26</sup>

In the summer of 2015, the EWEA published scenarios for wind energy constructions in Europe by 2030. The industry specialists expect the installed wind energy capacity in France to be in the region of 25,000 and 43,000 megawatts. According to this rather conservative scenario, the government’s goal would therefore only be achieved ten years late.<sup>27</sup>

19. Newsletter of the Federal Ministry of Economics, 23.2.2016: <http://www.bmwi-energiewende.de/EWD/Redaktion/Newsletter/2016/04/Meldung/infografik.html>

20. Report about a Forsa poll on acceptance in wind energy, 23.2.2016: <http://www.n24.de/n24/Wissen/Finanzen/d/8091144/windkraft-ja-bitte-.html>

21. Report of the internet newspaper Huffington Post, 23.2.2016: [http://www.huffingtonpost.de/2015/10/14/windkraft-deutschland-energiewende\\_n\\_8291694.html](http://www.huffingtonpost.de/2015/10/14/windkraft-deutschland-energiewende_n_8291694.html)

22. Key issues paper of the Federal Ministry of Economics, stand: 15.2.2016, 23.2.2016: <http://www.bmwi.de/BMWi/Redaktion/PDF/E/eeg-novelle-2016-fortgeschriebenes-eckpunktepapier,property=pdf,bereich=bmwi2012,sprache=de,rwb=true.pdf>

23. Draft bill released on 29.2.2016, 31.3.2016: [http://www.klima-luegendetektor.de/wp-content/uploads/2016/03/EEG\\_2016\\_16-02-29.pdf](http://www.klima-luegendetektor.de/wp-content/uploads/2016/03/EEG_2016_16-02-29.pdf)

24. Homepage of the Federal Government, 23.2.2016: [https://www.bundesregierung.de/Webs/Breg/DE/Themen/Energiewende/EnergieErzeugen/ErneuerbareEnergien-Zeitalter/\\_node.html](https://www.bundesregierung.de/Webs/Breg/DE/Themen/Energiewende/EnergieErzeugen/ErneuerbareEnergien-Zeitalter/_node.html)

25. Notification of Fraunhofer Institute for solar energy systems, released 11.1.2016, 23.2.2016: <https://www.ise.fraunhofer.de/de/aktuelles/meldungen-2016/stromerzeugung-in-deutschland-erneuerbare-energien-erreichten-2015-einen-anteil-von-rund-35-prozent>

26. EWEA, Wind Energy Scenarios for 2020, released in August 2014, 25.2.2016: <http://www.ewea.org/fileadmin/files/library/publications/reports/EWEA-Wind-energy-scenarios-2020.pdf>

27. EWEA, Wind Energy Scenarios for 2030, released in August 2015, 25.2.2016: <http://www.ewea.org/fileadmin/files/library/publications/reports/EWEA-Wind-energy-scenarios-2030.pdf>

With such a long way to go to reach the ambitious political goals for expansion, the French market appears very attractive for the wind energy industry in the long term. The fact that France does not intend to convert from a compensation system to a tendering process quite as quickly as Germany generates additional planning security in the medium term.

### 3.1.1.3 United Kingdom

In the United Kingdom, the construction of new wind power farms has halved in 2015 in comparison to last year falling from 1,925 to just 975 megawatts. 59 per cent of new capacity was constructed offshore.<sup>28</sup> The market here has therefore lost some of its significance. Despite this development, the EWEA still sees some potential over the next few years. The industry association estimates that the likely wind energy capacity onshore by 2020 will be 11,500 megawatts. At the end of 2015 capacity was at 8,400 megawatts. According to the forecasts onshore wind energy is expected to reach a nominal power of 17,000 by 2030. Offshore wind energy is also expected to be expanded to reach 23,000 megawatts by this time.

However, the current government in London is doing more to hold back the growth and development of renewable energies than supporting and promoting it.<sup>29</sup> Prime Minister David Cameron in particular is concentrating most of his efforts on nuclear power. Under his leadership the conservatives achieved an absolute majority of seats in parliament at the elections on 7 May 2015. He then ended the coalition with the Liberal Democrats and formed a government consisting purely of conservative MPs. His government is fully committed to expanding the Hinkley Point nuclear power station in Somerset in the south east of England by adding two reactors. In doing so, this will cause nuclear energy to become substantially more expensive than power generated from renewable energies.<sup>30</sup> Regardless of the enormous subsidies that have been awarded, the construction and operation of the prestigious project harbour incalculable risks for all of the companies involved, as was highlighted by the resignation of the EDF finance director in March 2016.<sup>31</sup>

The best conditions for wind energy within the United Kingdom can be found in Scotland and Northern Ireland. These are the only regions where ABO Wind is currently working on projects for wind farms. Scotland is continuing to pursue its aim of getting its complete energy supply from renewable sources by 2020. In order to achieve this, however, the political forces in this region will have to fight to overcome the ideologically motivated resistance from central government in London. We are therefore eagerly awaiting to see which compensation regulations all of the parties involved will agree on for the future. As always, urgency in this matter is of paramount importance as the current regulations are only valid until March 2017.

### 3.1.1.4 Spain

The construction of wind energy facilities in Spain has seen a dramatic fall in the past three years. Following the reduction of new installations in 2013 and 2014 by 80 per cent each year, 2015 was the year in which construction came to a complete standstill.<sup>32</sup> Despite not even one single wind energy facility being connected to the network in this year, Spain still remains unchallenged in second place when it comes to the total number of installed wind energy output with 23,000 megawatts.

At the turn of the year in 2015/2016, the political scene sent out some encouraging signals to the industry for the first time in many years and awarded compensation for electricity fed into the grid for 500 megawatts of wind energy output. The participants at the auction were to indicate which subsidies they would require. This delivered surprising results as there were bidders who stated they could operate without any subsidies at all for far greater projects than the 500 megawatts.<sup>33</sup> It now remains to be seen as to whether these projects will actually come to fruition. Shortcomings in organisation and content have plagued the tendering process. It is nevertheless a good sign that the Spanish wind energy market is finally seeing some movement.

28. Statistic of the European Wind Energy Association (EWEA), *ibid.*

29. Report in the newspaper "Die Welt", released on 19.6.2015, 11.3.2016: <http://www.welt.de/wirtschaft/energie/article142787542/Briten-wollen-Windkraft-an-Land-nicht-mehr-foerdern.html>

30. „Englands neuer Atomstrom ist teurer als Solarenergie“, report in Manager Magazin, 8.3.2016: <http://www.manager-magazin.de/unternehmen/energie/edf-und-areva-bauen-atomkraftwerk-hinkley-c-in-grossbritannien-a-929090.html>

31. „EDF-Finanzchef wirft hin - Britische Atomkraftwerke zu teuer?“, dpa report, released on 7.3.2016, 8.3.2016: [http://www.focus.de/finanzen/news/wirtschaftsticker/edf-finanzchef-wirft-hin-britische-atomkraftwerke-zu-teuer\\_id\\_5339087.html](http://www.focus.de/finanzen/news/wirtschaftsticker/edf-finanzchef-wirft-hin-britische-atomkraftwerke-zu-teuer_id_5339087.html)

32. Statistic of the European Wind Energy Association (EWEA), *ibid.*

33. "Windkraft kommt in Spanien jetzt ohne Subventionen aus", report in Manager Magazin, released on 19.1.2016, 15.3.2016: <http://www.manager-magazin.de/unternehmen/energie/windkraft-in-spanien-benoetigt-keine-subventionen-mehr-a-1072810.html>

All the same, the scenario presented by the European Wind Energy Association, which predicts that an additional increase of around 3,000 megawatts will be achieved by 2020<sup>34</sup>, looks to be just as ambitious. According to information presented by the Spanish government 8,500 megawatts of renewable energies are even supposed to be connected to the network in this period.<sup>35</sup> According to internal industry evaluations, wind energy capacity could almost double to 44,000 megawatts by 2030.<sup>36</sup> The figures and estimates just go to show the enormous potential which the Spanish wind energy market possesses which is in stark contrast to the agony of the previous three years.

### 3.1.1.5 Republic of Ireland

Wind energy capacity rose in 2015 by roughly the same amount as in the previous year in the Republic of Ireland, increasing by 220 megawatts to 2,490 megawatts by the end of the year. These figures don't place the country under the top ten, however, the Republic of Ireland is above the average of the 28 EU Member States. An even greater expansion of wind energy has not been possible in recent years due to inadequate network capacity which is only slowly being improved. In the medium and long term, the Republic of Ireland has strong market potential, partly because there is also the possibility to export surplus wind energy to Great Britain.

The EWEA expects wind energy capacity in Ireland to grow from 3,500 to 4,700 megawatts by 2020.<sup>37</sup> According to the expectations of industry specialists, the installed output will grow from 5,525 to 9,600 megawatts by 2030.<sup>38</sup>

### 3.1.1.6 Finland

With an increase in wind energy output of 380 megawatts in 2015, Finland has more than doubled the figure from the previous year (180 megawatts). By the end of 2015 there was a total of 1,000 megawatts on the network. With this achievement, Finland is now one of the 16 EU Member States which have already gone beyond the 1,000 megawatt threshold.

Finnish legislative bodies have so far awarded a standard rate for 2,500 megawatts of wind power with a twelve year term and without adjustments for inflation. Due to the signals from the political scene up to now, the industry expects that a decision about a follow-up regulation for additional wind farms will be made during the course of 2016. A task force from the Finnish Parliament has been instructed to formulate goals for an energy policy which should be met by 2030. They will be aiming for the following key points<sup>39</sup>: withdrawal from generating electricity from coal (ten per cent of demand up to now); increasing the proportion of renewable energy in total energy requirements to 50 per cent (from 30 per cent in 2013); reducing the use of oil as a fuel by using 40 per cent biofuels and 300,000 electric vehicles. The new tariff system for renewables is to be based on technology neutrality and economic priorities and should be available by the autumn of 2016.

The EWEA anticipates that Finland will have installed between 2,000 and 2,500 megawatts by 2020<sup>40</sup> and between 5,000 and 12,000 megawatts by 2030<sup>41</sup>.

### 3.1.2 Argentina

Argentina is not yet exploiting the enormous potential which its large areas of land and strong winds have to offer. In 2015, a rather modest eight megawatts of wind power output was connected to the network meaning that the country had a total of 279 megawatts at the end of the year.<sup>42</sup> Powerful and constant winds have been surging across the La Pampa region for as long as anyone can remember but have so far remained unutilised. A meagre 0.5 per cent of energy supplied to the

34. EWEA, Wind Energy Scenarios for 2020, *ibid.*

35. Market news „Exportinitiative Erneuerbare Energien“ released by the Federal Ministry of Economics on 29.4.2015, 15.3.2016: <http://www.export-erneuerbare.de/EEE/Redaktion/DE/DENA/Kurzmeldungen/Marktnachrichten/2015/20150429-spanien-ee-ausschreibung.html>

36. EWEA, Wind Energy Scenarios for 2030, *ibid.*

37. EWEA, Wind Energy Scenarios for 2020, *ibid.*

38. EWEA, Wind Energy Scenarios for 2030, *ibid.*

39. Key issues of energy strategy, homepage of the Finnish government, 21.3.2016: [https://www.tem.fi/en/current\\_issues/pending\\_projects/key\\_projects/energy\\_and\\_climate\\_strategy\\_2016](https://www.tem.fi/en/current_issues/pending_projects/key_projects/energy_and_climate_strategy_2016)

40. EWEA, Wind Energy Scenarios for 2020, *ibid.*

41. EWEA, Wind Energy Scenarios for 2030, *ibid.*

42. Statistic of the GWEC, 15.03.2016: [http://www.gwec.net/wp-content/uploads/vip/Global\\_installed\\_wind\\_power\\_capacity\\_MW\\_regional\\_distribution.jpg](http://www.gwec.net/wp-content/uploads/vip/Global_installed_wind_power_capacity_MW_regional_distribution.jpg)

network currently originates from wind and solar energy sources.<sup>43</sup>

60 per cent of Argentina's energy needs are instead provided for by using fossil raw materials<sup>44</sup> which are imported at a very high cost whilst burning such materials is a huge threat to the global climate. Under the leadership of new President Mauricio Macri, who was elected in 2015, the government in Argentina is now prepared to pass a bill which places large energy consumers under the obligation to obtain at least eight per cent of their power needs from renewable energy sources by 2018.<sup>45</sup> In order to achieve this demand, which is also being enforced with penalties, the capacity of renewable energy sources must be quadrupled within a relatively short space of time.<sup>46</sup>

In an interview with the Buenos Aires Herald newspaper in March 2016, Steve Sawyer, Secretary General of the Global Wind Energy Council (GWEC), predicts major investments in the development of the wind energy market in the country. Sawyer also states that Argentina has the best possible wind resources in the world. He also emphasises the current environment for investors which has seen significant improvement and is presently offering unparalleled opportunities.<sup>47</sup> The agreement with hedge funds for repayment claims from bonds<sup>48</sup> which was finalised at the start of 2016 has strengthened Argentina's credit rating on the international scene and has therefore fundamentally improved the possibility of obtaining financing for infrastructure projects.

"Everybody involved in the wind energy industry in Latin America is incredibly enthusiastic about Argentina," Frankfurter Allgemeine Zeitung cites Secretary General Sawyer<sup>49</sup>. The La Pampa Province, which is heavily reliant on expensive energy imports, may even be transformed into one of the most powerful exporters of energy in the region. The chronic foreign currency shortage of the past years, the main cause of which was the increasing net energy imports, would then be a thing of the past. "In Patagonia alone you could generate enough wind energy to meet the entire electricity demand of Latin America seven times over," says Sawyer.<sup>50</sup>

The new energy minister, Juan José Aranguren, previously the Argentine director of oil company Shell<sup>51</sup>, is convinced that electricity can be produced significantly cheaper in Argentina using wind energy than through the use of oil and gas which is currently dominating the market.<sup>52</sup> The previous government led by President Cristina Kirchner had backed opening up shale gas deposits in Patagonia.<sup>53</sup> However, former oil manager and current energy minister Aranguren regards the utilisation of wind energy as a faster and more financially beneficial course.<sup>54</sup>

### 3.2 Course of business

ABO Wind covers the entire value added chain in the development of wind farms – from site acquisition to turnkey construction. The company's own specialists perform the greatest share of planning and organisational work.

ABO Wind uses major milestones which are to be achieved as part of project work - alongside the financial performance indicators of sales and annual profit - as so-called non-financial performance indicators to measure economic success. Some of the most meaningful non-financial performance indicators are the number of new projects, the number of building applications made and the number of approvals granted in the financial year as well as the constructions which are completed which is measured in megawatts. The volume of successfully concluded project financing and sales, the scope of operational management activities and the number of employees all shed yet more light on the course of business.

In the 2015 financial year and in the first quarter of 2016, these indicators developed as follows:

43. „Frischer Wind in Südamerika“, report in Frankfurter Allgemeine Zeitung, released on 6.2.2016, cited from printed version

44. Report of news service Bloomberg "Argentina Completing Law to Boost Consumption of Clean Energy" released on 10.3.2016, 15.3.2016: <http://www.bloomberg.com/news/articles/2016-03-10/argentina-completing-law-to-boost-consumption-of-clean-energy>

45. Bloomberg report, *ibid.*

46. Bloomberg report, *ibid.*

47. Interview Buenos Aires Herald with Steve Sawyer (GWEC), released 13.3.2016, 15.3.2016: <http://www.buenosairesherald.com/article/210563/%E2%80%98Argentina-has-the-world%E2%80%99s-best-wind-resources%E2%80%99>

48. Report Zeit online „Argentinien einigt sich mit US-Hedgafonds“, released 29.2.2016, 15.3.2016: <http://www.zeit.de/wirtschaft/2016-02/schuldenstreit-argentinien-us-hedgafonds-schulden>

49. „Frischer Wind in Südamerika“, report in Frankfurter Allgemeine Zeitung, *ibid.*

50. „Frischer Wind in Südamerika“, report in Frankfurter Allgemeine Zeitung, *ibid.*

51. Wikipedia, 15.3.2016: Wikipedia-Eintrag, Internetabruf vom 15.3.2016: [https://en.wikipedia.org/wiki/Juan\\_Jos%C3%A9\\_Aranguren](https://en.wikipedia.org/wiki/Juan_Jos%C3%A9_Aranguren)

52. „Frischer Wind in Südamerika“, report in Frankfurter Allgemeine Zeitung, *ibid.*

53. „Frischer Wind in Südamerika“, report in Frankfurter Allgemeine Zeitung, *ibid.*

54. „Frischer Wind in Südamerika“, report in Frankfurter Allgemeine Zeitung, *ibid.*

### 3.2.1 New projects

The annual report from the previous year predicted new business of more than 700 megawatts each year in the 2015 and 2016 calendar years. ABO Wind actually acquired new wind power projects across the Group with a total output of 600 megawatts in the 2015 calendar year. Of this total, there are 190 megawatts in Finland, 170 megawatts in Germany, 150 megawatts in France, 70 megawatts in Ireland and 20 megawatts in Spain.

In the first quarter of 2016, more than 121 megawatts were acquired across the Group – 85 megawatts of which in Germany.

### 3.2.2 Construction applications

In 2015, employees of the ABO Wind Group made construction applications for 124 megawatts in Germany, 74 megawatts in Ireland, 69 megawatts in France, 57 megawatts in Finland, 24 megawatts in the United Kingdom and 15 megawatts in Spain.

In the first quarter of 2016, a total of around 150 megawatts of approval applications were submitted in Germany and France. Construction applications were also submitted for a further 150 megawatts in Argentina.

### 3.2.3 Approvals

The 2014 annual report anticipated approvals for a total of around 500 megawatts across 2015 and 2016. ABO Wind actually obtained approval in the 2015 calendar year for a total of 187 megawatts of wind power output – 75 megawatts of which in Germany, 50 megawatts in Finland, 42 megawatts in France, 10 megawatts in Ireland and 10 megawatts in Spain.

The company has been able to make up for the discrepancy with the planned figures in the first quarter of 2016 with approvals for a total of 128 megawatts in Germany, France, Ireland and the United Kingdom.

### 3.2.4 Construction

Of the 93 megawatts constructed by ABO Wind in the 2015 calendar year, 74 megawatts are in Germany, 12 megawatts in France and 7 megawatts in Finland.

On the whole, the megawatt figures have fallen just short of the expectations from the 2014 annual report due to delays with projects.

A French wind farm with 12 megawatts has been commissioned in the first quarter of 2016. In addition to this there are several wind farms with a total of 136 megawatts under construction with the aim being to commence full operations at these wind farms throughout the course of the year.

### 3.2.5 Project financing and sales

In 2015, long-term credit agreements totalling around 157 million euros were arranged for approximately 107 megawatts. Of this, around 79 megawatts with a credit volume of approximately 126 million euros are for German projects. Parallel to obtaining project financing, projects with a total of 100 megawatts were sold to investors in 2015.

In the first quarter of 2016, financing was being finalised for 104 megawatts. The conclusion of the financing and the sale of the wind farms are planned for the second quarter of 2016.

### 3.2.6 Management

As per 31 March 2016, ABO Wind now manages 403 wind power facilities in 93 projects with a total of 840 megawatts in Germany (603 megawatts), France (158 megawatts), Ireland and the United Kingdom (75 megawatts) and Bulgaria (4 megawatts).

Growth could therefore be achieved on the highly competitive market in the past year: calculated in megawatts, an increase of around 8 per cent has been achieved.

### 3.2.7 Personnel development

The average number of employees at ABO Wind increased in the calendar year from 374 to 417. The locations in Germany and France were mostly responsible for this increase. The number of employees at the other locations remained largely stable.

### 3.3 Turnover and earnings position

Of the total earnings of 101.1 million euros for the 2015 financial year mentioned at the beginning, 80.2 million euros was attributable to turnover and 20.9 million euros to increases in the stock or finished goods and work in progress.

Turnover is comprised of 34.4 million euros from planning services and 39.3 million euros from the construction of projects. From its operational management and service contracts, ABO Wind generated a total of 5.6 million euros of sales. Other revenue was achieved in the amount of 0.9 million euros through management activities and other services.

The German market accounted for 70 per cent of the activities, France for 20 per cent and 10 per cent for Finland.

The materials ratio of around 49 per cent (previous financial year in 2014: 56 per cent), which has fallen in comparison to the previous year, results from the lower proportion of constructed wind farms in the overall performance. Personnel costs include a special payment to employees.

Individual value adjustments on projects in development are shown alongside scheduled amortisation on fixed assets in the amortisation item. All projects for which there is no longer a realistic possibility of implementation are included in the overall position of 6.0 million euros (previous year: 9.9 million euros). 2.5 million euros is attributable to German projects, 1.7 million euros to projects in the United Kingdom and 0.2 million euros to projects in France. Individual value adjustments of 0.1 million euros have been made to projects in the 2015 financial year whose financial situation has seen a fundamental change throughout the course of the planning phase.

In addition to the individual value adjustments at project level, partial revaluations for country risks ("market risks") have had to be increased in the 2015 financial year in comparison to the previous year by approximately 1.8 million euros. The key reason behind this is the higher risk category of business activities in the United Kingdom.

Another element in relation to the United Kingdom is an allowance for accounts receivables which was also made with local financial authorities for precautionary reasons in the amount of 0.8 million euros.

Furthermore, investments in two cable trays and a French wind farm were revalued to a total of 1.2 million euros.

Interest income after netting resulted in interest expenses of 1.7 million euros. Savings in comparison to the previous year (interest expenditure in 2014: 2.0 million euros) resulted from the new conditions for the 8.4 million euros of mezzanine financing which entered into force on 1 January 2015 as well as the bank loan in the amount of 20.0 million euros which was agreed in the second half of 2015 with favourable conditions.

Overall, the company reported very encouraging earnings on ordinary activities of 11.4 million euros (previous year: 8.3 million euros) and an annual net profit of 7.8 million euros (previous year: 5.3 million euros).

### 3.4 Financial and assets position

Property, plants and equipment increased in the financial year by 0.4 million euros to 4.2 million euros.

Of the 57.0 million euros of work in progress carried on the balance sheet, around 10.8 million euros was attributable to projects under construction as at the balance sheet date of 31 December 2015.

A German cable tray is entered in the balance sheet to the value of 0.2 million euros as a finished product as at 31 December 2015 on a pro-rata basis.

Advance payments received which were deducted from inventories in the amount of 25.1 million euros included 0.6 million euros for advance payments. The remaining amount relates to payments on account that relate to a service which has been performed or a delivery provided.

Of the receivables from affiliated companies totalling 36.0 million euros (previous year: 41.8 million euros), around 31.9 million euros are attributable to German projects which have not yet been sold as at 31 December 2015 and 2.3 million euros are attributable to French projects which have not yet been sold as at 31 December 2015. The remaining amount relates to non-consolidated foreign subsidiaries of ABO Wind AG, which use these funds to provide interim financing for project costs. 6.3 million euros of receivables from affiliated companies were received in the first quarter of 2016.

Shares in affiliated companies in current assets have decreased by 1.4 million euros to 0.8 million euros as part of scheduled sales and adjustments.

In addition to the abovementioned shares in affiliated companies, the marketable securities item also includes shares in ABO Kraft und Wärme AG in the amount of 1.9 million euros as well as shares in ABO Invest AG in the amount of 12.0 million euros. In the first quarter of 2016, shares in ABO Invest AG in the amount of 2.3 million euros were sold according to plan.

Similarly to the previous year, the good cash position as at 31 December 2015 in the amount of 9.5 million euros results from the successful conclusion of project financing and sales towards the end of the year.

At 52 per cent (previous year: 55 per cent), the equity capital ratio including mezzanine financing continued to be at a high level in the 2015 financial year due to the good result, even without an increase in capital, and despite the balance sheet total which has increased to 125.4 million euros (previous year: 112.0 million euros). The equity capital ratio without mezzanine financing remains unchanged in comparison to the previous year at 41 per cent.

ABO Wind took out amortisable loans in the second half of 2015 with terms of 5 years and with a total loan amount of 20.0 million euros. Credit lines were expanded in total by 3.2 million euros.

Given the inflow of liquidity from projects at the end of the year, liabilities to credit institutions of 31.0 million euros as at 31 December 2015 related almost entirely to low-interest repayment loans. The unused credit lines amounted to a total of 32.7 million euros as at 31 December 2015.

Overall in the 2015 financial year, ABO Wind achieved a positive cash flow from financing activities in the amount of 7.7 million euros which was essentially generated from the abovementioned credit which was taken out on the one hand and from amortisation payments and dividend payments on the other.

Funds from financing activities were used to a large extent for expanding the project pipeline. The cash flow statement shows a negative cash flow for operational activities in the amount of 5.3 million euros in the 2015 financial year.

Furthermore, the available funds from financing activities were used to invest in fixed assets, primarily in measurement towers. The negative cash flow from these investment activities therefore amounts to 2.4 million euros.

Cash and cash equivalents, defined as cash and balances at credit institutes, remained virtually unchanged with 9.5 million euros as at 31 December 2015 in comparison to the previous year.

The threshold values of key financial figures agreed with the credit institutions – so-called covenants – were all complied with in the reporting period.

## 4. Remuneration report

The remuneration report includes a summary of the principles which are used to determine the total remuneration for the members of the Executive Board at ABO Wind AG. It also describes the structure and amount of remuneration for the members of the Executive Board. Furthermore, the principles and amount of remuneration for the members of the Supervisory Board are also detailed.

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### 4.1 Main features of the remuneration system for the Executive Board

The total remuneration of the Executive Board is made up of a fixed basic salary, a profit-based bonus and other benefits and takes into account the respective level of responsibility of each member of the Executive Board. The structure of the remuneration system for the Executive Board is discussed by the Supervisory Board and scrutinised on a regular basis. The fixed basic salary is paid as a remuneration component which is not performance related on a monthly basis. The profit-based bonus is calculated according to the profit of the company and is paid out after being determined in the consolidated financial statements of ABO Wind AG. Entitlement to the profit-based bonus is regulated in a standardised fashion in the contracts for the Executive Board. The annual profit-based bonus entitlement is limited to a maximum of 60,000 euros. A negative business performance results in the complete loss of entitlement to the profit-based bonus. The minimum remuneration from the profit-based bonus is therefore 0 (zero) euros. In addition to the fixed basic salary and the profit-based bonus, two members of the Executive Board receive additional benefits in the form of benefits in kind.

Please see below for the full details of the remuneration sums paid to the members of the Executive Board:

<b>Dr. Jochen Ahn</b> Chairman since 2000				
Granted benefits (p.r.n. differing inflows) in kEUR	FY 2014	<b>FY</b> <b>2015</b>	FY 2015 (Min)	FY 2015 (Max)
Fixed salary	120	<b>145</b>	145	145
Fringe benefits	6	<b>8</b>	8	8
<b>Total</b>	126	<b>153</b>	153	153
Management bonus	60	<b>60</b>	0	60
<b>Total compensation</b>	186	<b>213</b>	153	213

<b>Matthias Bockholt</b> Chairman since 2000				
Granted benefits (p.r.n. differing inflows) in kEUR	FY 2014	<b>FY</b> <b>2015</b>	FY 2015 (Min)	FY 2015 (Max)
Fixed salary	150	<b>175</b>	175	175
Fringe benefits	2	<b>2</b>	2	2
<b>Total</b>	152	<b>177</b>	177	177
Management bonus	60	<b>60</b>	0	60
<b>Total compensation</b>	212	<b>237</b>	177	237

<b>Andreas Höllinger</b> Chairman since 2010				
Granted benefits (p.r.n. differing inflows) in kEUR	FY 2014	<b>FY</b> <b>2015</b>	FY 2015 (Min)	FY 2015 (Max)
Fixed salary	135	<b>135</b>	135	135
Fringe benefits	0	<b>0</b>	0	0
<b>Total</b>	135	<b>135</b>	135	135
Management bonus	60 (54)	<b>60</b>	0	60
<b>Total compensation</b>	195 (189)	<b>195</b>	135	195

There are no further remuneration components with long-term incentivising effects, pension obligations or third-party benefit obligations.

#### 4.1 Remuneration of the Supervisory Board

The remuneration of the Supervisory Board was determined at the Annual General Meeting of shareholders and is defined under the Articles of Association. The remuneration relates to the duties and responsibilities of the members of the Supervisory Board. Supervisory Board members who were only on the Supervisory Board for part of the financial year receive remuneration on a pro rata basis.

Please see below for the full details of the remuneration sums paid to the members of the Supervisory Board in the reporting year (previous year):

Granted benefits (in kEUR)	Fixed salary	
	FY 2014	<b>FY 2015</b>
Jörg Lukowsky (chairman)	30	30
Prof. Dr. Uwe Leprich	10	10
Dr. Ing. Joachim Nitsch	10	10
Norbert Breidenbach	-	10
Jürgen Koppmann (deputy)	-	10
Josef Werum	-	10
<b>Total</b>	50	<b>80</b>

There are no further remuneration components for committee activities or attendance fees.

#### 5. Events after the balance sheet date

There were no other events occurring after 31 December 2015 which were of significance to the operations or the assets, financial and earnings position of ABO Wind and which could lead to a change in how the company's position is assessed.

#### 6. Opportunities and risks

##### 6.1 Liquidity risks

The project development of renewable energies is characterised by high lead costs for small quantities. Inflows from project financing and sales need to be carefully planned and coordinated with the outflows for planning and constructing the projects. 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 long-term 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.

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### 6.2 Currency risks

ABO Wind AG is exposed to foreign exchange risks through its operations in South America and the United Kingdom. Currently, foreign exchange risks are of minor importance at ABO Wind. Most of its business is conducted in the euro zone.

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### 6.3 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.

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### 6.4 Regulatory risks

Wind energy facilities are, by nature, unable to generate revenue “on tap” whilst in operation. On the other hand, the most substantial parts of ongoing 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 wind energy projects depends heavily on the framework conditions underpinning the sale of the energy produced. Clarity and reliability over the investment period must exist concerning the applicable compensation rules for new facilities to ensure confidence. There must also be a degree of reliability for the applicable compensation rules for facilities in operation over the economic useful life of the wind power facilities.

Other regulatory risks for renewable energy projects can be found in the approval process and the conditions for network connections and the feeding in of electricity. Time delays and regulatory requirements with regard to operating and connecting the facilities to the grid can have a significant impact on the economic viability of a project.

Overall, the greatest risk for planning wind energy projects lies in the political and administrative design and implementation of the framework conditions.

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### 6.5 Opportunities and strategy

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

Project developers occupy a key role in carrying out the energy transition. It is only possible to implement projects to the extent intended with their expertise and their capacities during the planning and construction phases.

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.

The risks most typically faced in our industry are absorbed by a consistent drive for diversification: a high number of projects with various types of turbine, spread across different wind regions and countries, 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 energy facilities as well as 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.

## 7. Forecast

The 2014 management report expected no further increase in overall performance for the 2015 financial year. This was generally down to delays with the implementation of projects in Germany which had already been foreseen. In actual fact, the overall performance in 2015 of 101 million euros was slightly below the result from the previous year of 108 million euros. At the same time, the 2014 management report predicted a lower material costs ratio and - in absolute values - a higher gross profit than last year. In fact, the material costs ratio fell from 56 per cent to 49 per cent and gross profit grew by 4 million euros to 51 million euros.

An increase was also predicted in the 2014 management report for the 2015 financial year in terms of the ratio between personnel expenditure and total operating performance. The actual ratio for the 2015 financial year amounts to 23 per cent (previous year: 19 per cent). The forecast from the 2014 management report has also proved true in terms of the development of the total from amortisation and other operating expenditure. The report predicted a drop in comparison to the previous financial year in 2014 and an update of average values from the recent past. The decrease in amortisation (excluding amortisation on financial assets and marketable securities) and other operating expenditure amounted to a total of around 2 million euros in the financial year. The sum of the two items at the end of 2015 therefore amounts to around 15 million euros.

As in the previous year, the company management forecasted a "slight increase" in annual net profit. This year could instead see this forecast being beaten in a very positive manner. The annual net profit in 2015 rose by 2.5 million euros in comparison to the previous year to 7.8 million euros.

Looking ahead to 2016 and 2017 we are anticipating new business in the region of 700 megawatts each year. Over the same period we are also expecting approvals for a total of 500 megawatts from projects which are currently in the pipeline.

In 2016 and 2017 we are looking to commission a total of up to 400 megawatts, mainly from projects in Germany, France, Ireland and Finland.

The 2016 financial year has enjoyed a very encouraging start. Construction commenced on four large wind farms in Germany with a total of more than 90 megawatts of nominal power output in the first couple of months of the year. In terms of the rest of the year, projects are expected to be ready for construction with further wind farms in Germany, France and Finland in particular. It may well be the case that we see wind farm projects reaching the construction phase in the United Kingdom and in the Republic of Ireland throughout the coming year.

Given the higher number of construction activities in comparison to the 2015 financial year - and at a comparable level of activity in terms of planning activities - an increase in overall performance is expected for the current financial year of up to 20 per cent. The material costs ratio is again anticipated to increase under the above conditions to an estimated rate of 55 per cent. Correspondingly, a positive development in gross profit in the mid-single-digit percentage range is expected.

Personnel expenditure in relation to overall operating performance is estimated to again level off at the long-term average of around 20 per cent. With regard to amortisation and other expenditure, the current values are expected to be updated.

Taking all of the factors into consideration, the management believes that the annual net profit for 2016 will be in the same encouraging region as that of the 2015 financial year.

Wiesbaden, 31 March 2016

ABO Wind AG  
The Executive Board



## Consolidated balance sheet

### Assets

	As of 31.12. / in kEUR	2015	previous year
<b>A.</b>	<b>Fixed Assets</b>	9,666	8,933
I.	Intangible assets	326	383
II.	Tangible assets	4,201	3,846
1.	Land, similar rights and buildings	361	337
2.	Other equipment, factory and office equipment	3,840	3,509
III.	Financial assets	5,139	4,704
1.	Shares in group undertakings	164	661
2.	Loans to affiliated companies	811	777
3.	Participating interests	3,250	3,265
4.	Loans to companies in which the company has a participating interest	914	0
<b>B.</b>	<b>Current Assets</b>	114,190	101,710
I.	Stocks	36,443	25,384
1.	Work in progress	56,970	39,793
2.	Finished goods and goods for resale	337	1,028
3.	Payments of account	4,205	3,736
4.	Received payments for orders	-25,068	-19,173
II.	Debtors and other assets	53,587	54,258
1.	Trade debtors	10,317	6,499
2.	Amounts owed by group undertakings	35,984	41,819
3.	Amounts owed by undertakings in which the company has a participating interest	1,385	2,358
4.	Other assets	5,901	3,583
III.	Securities	14,655	12,570
1.	Shares in group undertakings	753	2,156
2.	Other securities	13,903	10,414
IV.	Cheques, Cash in hand, Central Bank and postal giro balances, bank balances	9,505	9,498
<b>C.</b>	<b>Prepaid expenses</b>	125	108
<b>D.</b>	<b>Deferred taxes</b>	1,423	1,251
	<b>Total assets</b>	<b>125,404</b>	<b>112,001</b>

## Equity and liabilities

	As of 31.12. / in kEUR	2015	previous year
<b>A.</b>	<b>Equity</b>	51,990	45,922
I.	Subscribed capital	7,646	7,646
II.	Capital reserves	13,542	13,542
III.	Revenue shares	26,828	19,509
1.	Statutory reserve	490	490
2.	Other revenue reserves	26,338	19,019
IV.	Foreign currency translation differences	-63	-26
V.	Profit for the year	4,037	5,251
<b>B.</b>	<b>Mezzanine Capital</b>	13,735	15,953
<b>C.</b>	<b>Provisions</b>	11,477	18,875
1.	Tax provisions	1,583	2,172
2.	Other provisions	9,893	16,704
<b>D.</b>	<b>Creditors</b>	48,202	31,250
1.	Bank loans and overdrafts	31,010	15,292
2.	Trade creditors	6,234	3,196
3.	Amounts owed to group undertakings	576	695
4.	Amounts owed to undertakings in which the company has a participating interest	0	0
5.	Other creditors	10,382	12,068
<b>E.</b>	<b>Passive deferrals</b>	1	0
	<b>Total liabilities and equity</b>	<b>125,404</b>	<b>112,001</b>

## Consolidated income statement

	From 1.1.to 31.12.2015 / in kEUR	2015	previous year
1.	Turnover	80,220	97,826
2.	Change in finished goods and work in progress	20,906	9,782
<b>3.</b>	<b>Total output</b>	<b>101,126</b>	<b>107,608</b>
4.	Other operating income	1,686	1,553
5.	Cost of materials	-50,029	-60,758
a)	Cost of raw materials, consumables and goods for resale	-773	-653
b)	Cost of purchased services	-49,256	-60,105
6.	Staff costs	-23,463	-20,472
a)	Wages and salaries	-19,447	-17,101
b)	Social security, pension and other benefits	-4,016	-3,371
7.	Depreciation and amortisation	-5,959	-9,941
a)	of fixed intangibles and tangible assets	-1,438	-1,146
b)	Exceptional amounts written off current assets	-4,521	-8,795
8.	Other operating expenses	-9,209	-7,720
9.	Earnings from participations	118	0
10.	Other interest receivables and similar income of which 275 from group undertakings, previous year: 69	396	203
11.	Depreciation of financial assets and of securities held as current assets	-1,224	-19
12.	Interest payable and other similar charges of which to group undertakings 2, previous year: 3	-2,057	-2,193
<b>13.</b>	<b>Profit on ordinary activities</b>	<b>11,386</b>	<b>8,260</b>
14.	Tax on profit	-3,542	-2,963
15.	Other taxes	-71	-47
<b>16.</b>	<b>Net profit</b>	<b>7,773</b>	<b>5,251</b>
17.	allocations to other revenue reserves	3,736	0
<b>18.</b>	<b>Consolidated balance sheet profit</b>	<b>4,037</b>	<b>5,251</b>

## Consolidated Statement of Changes in Equity

In kEUR	As of 31.12.2014	Issues of shares	Dividends paid	Other changes	Profit for the year	As of 31.12.2014
Subscribed capital	7,646	-	-	-	-	7,646
Capital reserves	13,542	-	-	-	-	13,542
Revenue reserves	24,760	-	-1,682	3,750	4,037	30,865
Currency conversion	-26	-	-	-37	-	-63
<b>Group equity</b>	<b>45,922</b>	<b>0</b>	<b>-1,682</b>	<b>3,713</b>	<b>4,037</b>	<b>51,990</b>

## Consolidated cash-flow statement for ABO Wind Group

In kEUR	2015
<b>Current operating activities</b>	
Net profit or loss for the period	<b>7,773</b>
+/- Depreciation / Write-up of fixed assets	1,438
+/- Change in provisions	-6,806
+/- Other non-cash expenses / income	0
+/- Result from the disposal of fixed assets	48
+/- Change in stock	-11,059
+/- Change in debtors and other assets that cannot be attributed to investment and financing activities	-1,095
+/- Change in trade payables and other liabilities that cannot be attributed to investment and financing activities	3,109
+/- Interest expenses and income	2,304
+/- Income tax expense and income	3,542
+/- Income tax payments	-4,514
<b>= Cash flows from current operating activities</b>	<b>-5,260</b>
<b>Investment activities</b>	
+ Cash received on disposal of tangible assets	234
- Investments in tangible fixed assets	-1,949
- Investments in intangible assets	-164
+ Cash received on disposal of financial assets	31
- Cash paid for the purchase of financial assets	-552
+ Interest received	1
<b>= Cash flows from investing activities</b>	<b>-2,399</b>
<b>Financing activities</b>	
+ Cash receipts from issue of capital (capital increases, sale of own shares, etc.)	-
- Cash payments to owners and minority shareholders (dividends, acquisition of own shares, equity repayment and other distributions)	-1,682
+ Cash proceeds from loans and short or long-term borrowing	20,000
- Cash repayments of loans or short or long-term borrowings	-8,361
- Interest paid	-2,305
<b>= Cash flows from financing activities</b>	<b>7,652</b>
<b>= Net change in cash and cash equivalents</b>	<b>-8</b>
Change in cash funds from exchange rate movements, changes in group structure and in valuation procedures for cash funds	15
<b>Cash funds</b>	
At the start of the period	9,498
<b>At the end of the period</b>	<b>9,505</b>

# Group annex

## 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 Section 275 (2) HGB. The financial year corresponds to the calendar year.

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

The financial statements comply with § 246 para. 3 HGB and § 252 para. 1 no. 6 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 respectively 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, eleven (previous year: ten) subsidiaries are included in the consolidated financial statements over which ABO Wind AG can exercise a direct, indirect or majority influence as defined by Section 290 of the German Commercial Code (HGB). During the reporting period, ABO Wind Biogas GmbH and ABO Wind Service GmbH have been consolidated for the first time, effective as of January 1st, 2015. ABO Wind Bulgaria was fully deconsolidated as of January 1st, 2015.

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 Service GmbH, Heidesheim, Germany	100%
ABO Wind Biogas-Mezzanine GmbH & Co. KG, Wiesbaden, Germany	100%
ABO Wind Mezzanine GmbH & Co. KG, Wiesbaden, Germany	100%
ABO Wind Mezzanine II GmbH & Co. KG, Wiesbaden, Germany	100%
ABO Wind España S.A.U., Valencia, Spain	100%
ABO Wind Ireland Ltd., Dublin, Ireland	100%
ABO Wind Oy, Helsinki, Finland	100%
ABO Wind SARL, Toulouse, France	100%
ABO Wind UK Ltd., Livingston, Great Britain	100%

**Not included within the consolidation scope** were shares in group undertakings which are being held with the sole purpose of resale (§296 par. 1 Nr. 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 par. 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 par. 3 p. 4 of the HGB, 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 – capitalized 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 par. 1 of the HGB.

### Cost and income consolidation

Within the scope of cost and income consolidation in accordance with §305 par. 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 par. 1 of the HGB, unrealised gains on transactions between group undertakings are eliminated.

## IV. Balancing and evaluation methods

### 1. Balancing and evaluation of assets

**Intangible assets** acquired from third parties for a monetary consideration are capitalized at cost of purchase, and are depreciated using the straight-line method over their probable useful life; depreciation is recognized 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 410; these are recognized 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 impairments are recognized if the reduction in value is probably of a 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 impairments are recognized if the reduction in value is probably of a permanent nature.

With regard to the recognition of **minor-value assets**, the tax law regulation of Section 6 (2) and (2a) EStG has been used. The costs of purchase or production of depreciable moveable fixed assets which are capable of being used independently are recognized 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 410.

Under **financial assets**, the shares in group undertakings and the equity participations are measured at cost of purchase.

**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 Section 255 (2) HGB which have to be capitalized. Furthermore, reasonable amounts of administrative costs as well as reasonable costs of social facilities of the operation 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 par. 3 of the HGB, interest on borrowed capital were capitalized - as long as they are attributable 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 recognized.

**Payments in advance** for inventories are stated at nominal value.

**Payments received** are stated at nominal value, in accordance with § 268 Section 5 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 recognized in the case of receivables if a recognizable level of risk is associated with the recoverability of such receivables; irrecoverable receivables are written off.

The **marketable securities** are shown with the lower of cost of purchase or 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 statutory reserve if formed according to section 150 AktG.

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

The **provisions** were recognized 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 recognized 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 closing 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 recognized in equity as the item "equity gap from currency conversion".

#### Deferred taxes

**Deferred taxes** are recognized 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.

The expense and income arising from the change in recognized deferred taxes since January 1st, 2015 are shown in the income statement under the item "Taxes on income" and explained separately in the notes to the consolidated financial statements.

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 31 December 2014.

### Fixed Assets

The development of the individual items of fixed assets is shown in the schedule of assets, with details of depreciation recognized 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. Referring to § 313 Section 3 Sentence 1 HGB, participating interests are omitted.

### Financial assets

Among loans to affiliated companies, a loan receivable of kEUR 914 is recognized in the reporting year. Last year, the loan balance amounted to kEUR 475 and was recognized under other assets.

### Debtors and other assets

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

	31.12.2015	Residual maturity	
	in kEUR	< 1 year	1-5 years
Trade debtors (previous year)	10,317 (6,499)	10,152 (6,499)	165 (0)
Amounts owned by group undertakings (previous year)	35,984 (41,819)	35,684 (41,519)	300 (300)
Amounts owed by undertakings in which the company has a participating interest (previous year)	1,385 (2,358)	1,385 (2,358)	0 (0)
Other assets (previous year)	5,901 (3,583)	5,831 (3,486)	70 (96)
<b>(previous year)</b>	<b>53,587 (54,258)</b>	<b>53,052 (53,862)</b>	<b>535 (396)</b>

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

### Deferred taxes

The unbalanced and separately recognized item "deferred taxes" in the balance sheet mainly results from the following temporary differences and/or tax loss carry-forwards:

- Elimination of intercompany profits
- Tax loss carry-forwards

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

- Germany 30%
- Spain 30%
- Ireland 12.5%
- UK 20%
- France 33%
- Bulgaria 20%

### 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 Executive Board has the power to increase the issued capital on one or more occasions with the agreement of the Supervisory Board by 31 May 2017 by issuing new shares in exchange for cash and/or material deposits, however by no more than a maximum nominal amount of EUR 524 thousand. In doing so, it shall determine the details of the shares and the terms of issue (authorised capital 2012/II).

The Executive Board has the power to increase the issued capital on one or more occasions with the agreement of the Supervisory Board by 19.06.2018 by issuing new shares in exchange for cash and/or material deposits, however by no more than a maximum nominal amount of EUR 3,185,000. In doing so, it shall determine the details of the shares and the terms of issue (authorised capital 2013).

The mother company earned a net profit of EUR 7,471 thousand for the financial year 2015, of which EUR 3,735 thousand are fed to the revenue reserves. The remaining EUR 3,736 thousand will be carried forward to new account.

### Mezzanine capital

Participation certificates in the amount of EUR 13,735 thousand (previous year: EUR 15,953 thousand) were issued as at the balance sheet date. Each of the emitted participation certificates represents a theoretical share of 500€. Of this amount, EUR 6,675 thousand (previous year: EUR 8,890 thousand) is attributable to ABO Wind Mezzanine GmbH & Co. KG, EUR 5,367 thousand (previous year: EUR 5,367 thousand) to ABO Wind Mezzanine II GmbH & Co. KG and EUR 1,603 thousand (previous year: EUR 1,697 thousand) to ABO Wind Biogas-Mezzanine GmbH & Co. KG.

### Provisions

Tax provision are comprised as follows:

Tax provisions	31.12.15 in kEUR	31.12.14 in kEUR
Corporate tax provisions	1,044	1,807
Trade tax provisions	539	365
<b>Total</b>	<b>1,583</b>	<b>2,172</b>

Other provisions are comprised as follows:

Other provisions	31.12.15 in kEUR	31.12.14 in kEUR
Provisions for production costs without final invoices	5,083	11,648
Provisions for various project risks	281	586
Provisions for financial statements and auditing costs	143	141
Provision for warranties	89	76
Provisions for the storage of business documents	25	25
Other Provisions	4,272	4,228
<b>Total</b>	<b>9,893</b>	<b>16,704</b>

### Creditors

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

As at 31.12.15 in kEUR	Total	Residual maturity		
		< 1 year	1 - 5 years	> 5 years
Bank loans and overdrafts (previous year)	31,010 (15,292)	2,000 (4,281)	29,010 (11,010)	0 (0)
Trade creditors (previous year)	6,234 (3,196)	6,234 (3,196)	0 (0)	0 (0)
Amounts owed to group undertakings (previous year)	576 (695)	576 (695)	0 (0)	0 (0)
Amounts owed to undertakings in which the company has a participating interest (previous year)	0 (0)	0 (0)	0 (0)	0 (0)
Other creditors (previous year)	10,382 (12,068)	10,264 (12,068)	118 (0)	0 (0)
-of which taxes (previous year)	6,830 (5,867)	6,830 (5,867)	0 (0)	0 (0)
-of which relating social security (previous year)	192 (222)	192 (222)	0 (0)	0 (0)
<b>(previous year)</b>	<b>48,202 (31,250)</b>	<b>19,074 (20,240)</b>	<b>29,128 (11,010)</b>	<b>0 (0)</b>

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:

	2015		2014	
	kEUR	%	kEUR	%
Planning, Development and Construction	73,720	91.9	92,764	94.8
Operational Management	5,579	7.0	4,567	4.7
Other revenues	921	1.1	495	0.5
	<b>80,220</b>	<b>100.0</b>	<b>97,826</b>	<b>100.0</b>

Structuring according to specific regional markets results follow below:

	2015		2014	
	kEUR	%	kEUR	%
Germany	56,271	70.1	62,306	63.7
France	16,081	20.1	28,460	29.1
Finland	7,715	9.6	5,120	5.2
Ireland	146	0.2	1,940	2.0
UK	8	0	0	0.0
	<b>80,220</b>	<b>100.0</b>	<b>97,826</b>	<b>100.0</b>

### Depreciation

Depreciation includes unscheduled depreciation on projects that cannot be realized amounting to kEUR 4,521 (previous year: kEUR 8,794).

### Tax on profit

Taxes on profits includes amounts from the recognition of deferred tax assets of kEUR 267 (previous year: kEUR 142) and deferred tax liabilities of kEUR 76 (previous year: kEUR 40) and is completely attributable to ordinary business.

## 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 125,000 respectively. This guarantee of a total of EUR 3,250 thousand 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.

Associated with the project rights, purchased from the French subsidiaries, ABO Wind AG accepts liability for the French subsidiaries in relation to the agreed profit participation with the seller in case of the realization of the acquired projects in a maximum compensation of kEUR 1,730 as of 31st December 2019 plus a maximum compensation of kEUR 700 as of 31st December 2020.

In addition to this, ABO Wind AG has provided sureties in favour of its suppliers amounting to EUR 79,064 thousand for diverse projects to safeguard payment claims arising out of contracts relating to the delivery, assembly and commissioning of wind power facilities.

The company accepts liability in the amount of kEUR 2,180 for credit account limits, provided by French banks CREDIT AGRICOLE (Toulouse), Société Générale (Paris), La Banque CIC SUD OUEST (Bordeaux) and Crédit Lyonnais (Toulouse) for its French subsidiary ABO Wind SARL.

At the reporting date, there were also guarantees and sureties in the amount of EUR 8,490 thousand.

There were no provisions created for the contingent liabilities carried at nominal values, because these are not expected to take effect and impact on the Group.

ABO Wind AG has undertaken to purchase limited partner shares in ABO Wind Windpark Wennerstorf GmbH & Co. KG in the amount of EUR 1,279 thousand on 31st March 2015. ABO Wind AG has respected its commitment and submitted an offer according to the lease agreements to all limited partners. As of 31st March 2016, the majority of limited partner shares were taken over.

Furthermore ABO Wind has undertaken to purchase limited partner shares in Windpark Marpingen GmbH & Co. KG in the amount of EUR 1,508 thousand on 31st December 2016.

### 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 EUR 4,214 thousand (previous year: EUR 4,250 thousand). These obligations relate primarily to the rental of space and car leasing contracts.

### Cash flow statement

The development of cash and cash equivalents is shown in detail in the cash flow statement. Cash and cash equivalents at the balance sheet date correspond to the item „Cash in hand and bank balances“.

### Auditor's fees

The separate and consolidated financial statements of the parent company as at 31 December 2015 were audited by Rödl & Partner GmbH, Köln, Germany. The fees for services relating to the audit of the financial statements came to EUR 54 thousand (previous year: EUR 56 thousand); EUR 45 thousand was paid for opinions (previous year: EUR 10 thousand).

### Employees

In the 2015 financial year, an average of 417 people (previous year: 374) were employed and which can be broken down into the following groups:

Employee Group	31.12.15	31.12.14
Executives	9	8
Fulltime Employees	282	256
Parttime Employees	126	110
Total	417	374

### Board

Members of the board during the 2015 business year consisted of the following:

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 Lyin, Frankfurt am Main, responsible for financing and sales

Reference to the compensation of the board members is made in the compensation report which is a part of the status report.

### Supervisory board

Members of the supervisory board during the business year 2015:

### Chairman

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

### Other members

Prof. Dr. Uwe Leprich, chair of energy economics at the Saarland College of Economy, Saarbrücken

Dr. Ing. Joachim Nitsch, scientist, Stuttgart

Norbert Breidenbach, board member of Mainova AG, Frankfurt

Jürgen Koopmann, director of Stadtbau GmbH, Nürnberg

Josef Werum, director of In.Power GmbH, Mainz

Reference to the compensation of the supervisory board is made in the compensation report which is a part of the status report.

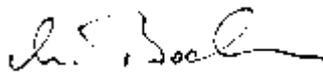
Wiesbaden, 31st March 2016

ABO Wind AG

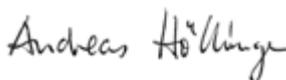
Executive board



Dr. Jochen Ahn



Matthias Bockholt



Andreas Höllinger

An unconditional audit certificate was granted on 20th April 2016

## Asset analysis for the business year 2015

in kEUR		Acquisition costs					Depreciation					Book value		
		01.01.15	Other changes	Additions	Disposals	Re-Classification	31.12.15	01.01.15	Consolidated scope Currency effect	Additions	Disposals	31.12.15	31.12.15	31.12.14
I.	Intangible Assets	1,160	0	164	0	0	1,324	777	0	221	0	998	326	383
1.	Acquired concessions, industrial property and similar rights	1,160		164			1,324	777		221		998	326	383
II.	Tangible assets	6,552	-120	1,950	397	0	7,985	2,706	-18	1,217	122	3,784	4,201	3,846
1.	Land, similar rights and buildings including buildings on third-party land	344		46	22		368	7				7	361	337
2.	Other equipment, factory and office equipment	6,208	-120	1,904	375		7,617	2,699	-18	1,217	122	3,776	3,840	3,509
III.	Financial assets	5,229	-2	552	61	-54	5,664	525	0	0	0	525	5,139	4,704
1.	Shares in group undertakings	680	-25	28		(500)	182	19				19	164	661
2.	Loans to group undertakings	777		34			811						811	777
3.	Participations	3,772			15		3,757	506				506	3,250	3,265
4.	Participating interests			491	23	446	914						914	0
5.	Other loans		23		23		0						0	0
	<b>Total fixed assets</b>	<b>12,941</b>	<b>-122</b>	<b>2,666</b>	<b>457</b>	<b>-54</b>	<b>14,973</b>	<b>4,008</b>	<b>-18</b>	<b>1,438</b>	<b>122</b>	<b>5,307</b>	<b>9,666</b>	<b>8,933</b>

## Significant holdings of ABO Wind AG

<b>Majority Holdings</b>					
As of 31st December 2015	Share in %	Equity in thousands		Annual result in thousands	
<b>Germany</b>					
ABO Wind Biomasse GmbH	100	EUR	53	EUR	2.2
ABO Wind Verwaltungs GmbH	100	EUR	164	EUR	28.5
ABO Wind Mezzanine GmbH & Co. KG	100	EUR	80	EUR	7.9
ABO Wind Mezzanine II GmbH & Co. KG	100	EUR	-12	EUR	6.5
ABO Wind Biogas-Mezzanine GmbH & Co. KG	100	EUR	34	EUR	2.4
WPE Hessische Windparkges. mbH	50.1	EUR	54	EUR	26.4
ABO Wind Betriebs GmbH	100	EUR	625	EUR	-1.6
ABO Wind Sachverständigen GmbH	100	EUR	25	EUR	0
ABO Wind Service GmbH	100	EUR	23	EUR	-0.4
<b>France</b>					
ABO Wind SARL	100	EUR	3,447	EUR	2,432.9
<b>Finland</b>					
ABO Wind Oy	100	EUR	1,881	EUR	1,691.4
<b>Spain</b>					
ABO Wind España S.A.U.	100	EUR	354	EUR	44.5
<b>Ireland</b>					
ABO Wind Ireland Ltd.	100	EUR	-4,434	EUR	-239
ABO OMS Ltd.	100	EUR	37	EUR	34.7
<b>Northern Ireland</b>					
ABO Wind NI Ltd.	100	GBP	-188	GBP	56.1
<b>Great Britain</b>					
ABO Wind UK Ltd.	100	GBP	-360	GBP	87.2
<b>Bulgaria</b>					
ABO Wind Bulgaria EOOD	100	BGN	-230	BGN	321
<b>Argentina</b>					
ABO Wind Energias Renovables S.A.	85	ARS	1,161*	ARS	25*
<b>Uruguay</b>					
ABO Uruguay SA	99	UYU	-4,020*	UYU	-1,482*
<b>Minority holdings</b>					
As of 31st December 2015	Anteil in %	Eigenkapital in Tsd.		Jahresergebnis in Tsd.	
ABO Invest AG	25.8	EUR	52,810	EUR	-958
ABO Kraft & Wärme AG	27	EUR	7,047**	EUR	9**

\* financial year 2013

\*\* preliminary results

## Balance sheet ABO Wind AG

### Assets

As of 31.12. / in kEUR	2015	previous year
<b>A. Fixed Assets</b>	<b>8,306</b>	<b>7,254</b>
I. Intangible assets	185	199
1. Concession and property rights and similar rights and assets, and licences in such rights and assets	185	199
II. Tangible assets	2,554	1,948
1. Land, similar rights and buildings	361	337
2. Other equipment, factory and office equipment	2,193	1,611
III. Financial assets	5,568	5,107
1. Shares in group undertakings	592	1,065
2. Loans to affiliated companies	811	777
3. Participating interests	3,250	3,265
4. Loans to companies in which the company has a participating interest	914	0
<b>B. Current Assets</b>	<b>120,525</b>	<b>82,555</b>
I. Stocks	43,953	29,658
1. Work in progress	50,681	35,787
2. Finished goods and goods for resale	214	1,006
3. Payments of account	3,990	2,445
4. Received payments for orders	-10,932	-9,580
II. Debtors and other assets	51,697	41,465
1. Trade debtors	2,336	2,180
2. Amounts owed by group undertakings	45,516	37,279
3. Amounts owed by undertakings in which the company has a participating interest	793	0
4. Other assets of which with a remaining term of more than one year: 70 (previous year: 96)	3,052	2,006
III. Securities	16,165	11,432
1. Shares in group undertakings	144	1,018
2. Other securities	16,022	10,414
IV. Cheques, Cash in hand, Central Bank and postal giro balances, bank balances	8,710	8,244
<b>C. Prepaid expenses</b>	<b>53</b>	<b>12</b>
<b>Total assets</b>	<b>128,884</b>	<b>98,064</b>

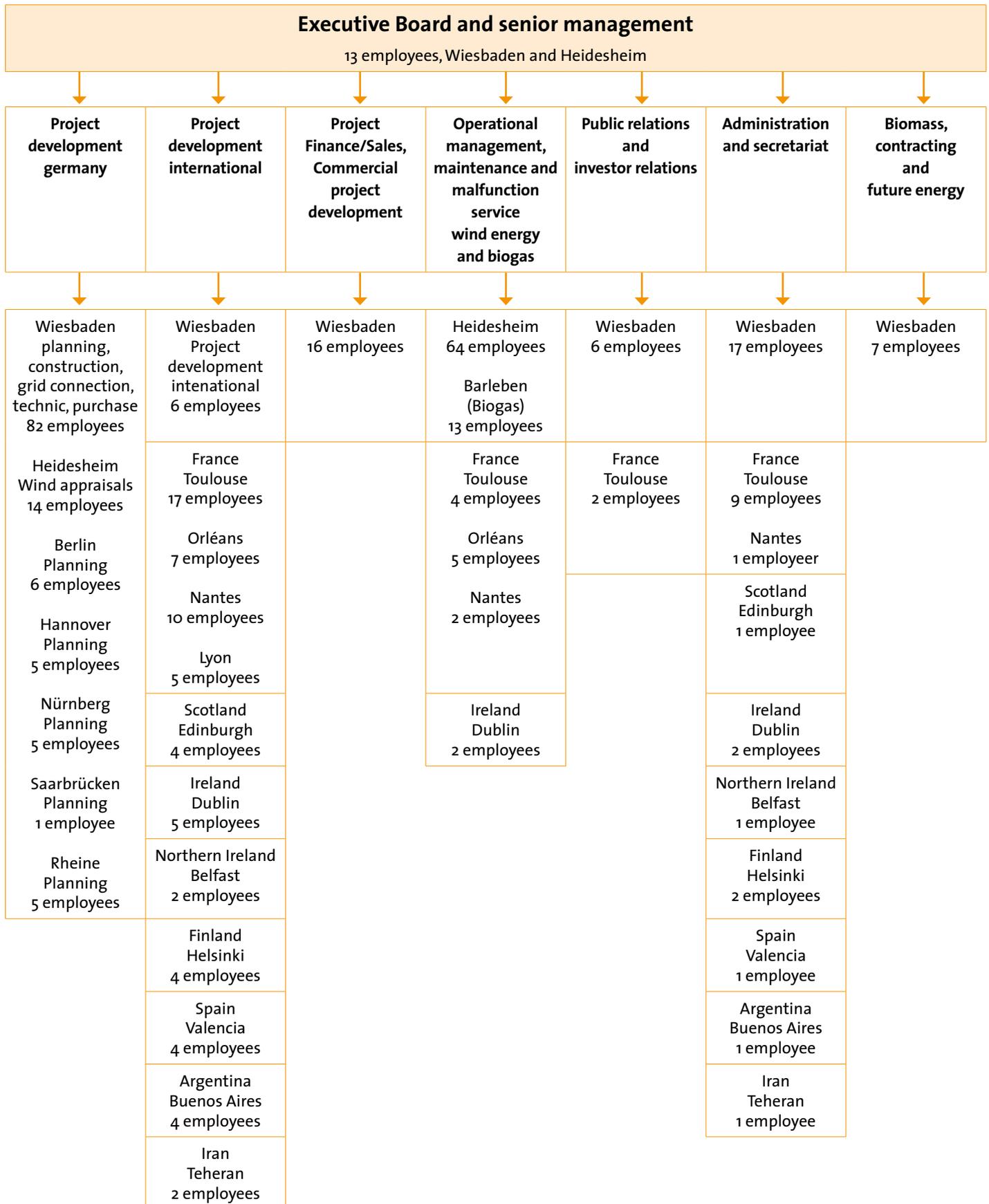


## Profit and loss account ABO Wind AG

From 1.1.to 31.12.2015 / in kEUR	2015	previous year
1. Turnover	61.336	75.347
2. Change in finished goods and work in progress	18.624	11.693
<b>3. Total output</b>	<b>79.960</b>	<b>87.040</b>
4. Other operating income	1.463	1.591
5. Cost of materials	-44.064	-54.915
a) Cost of raw materials, consumables and goods for resale	-125	-108
b) Cost of purchased services	-43.940	-54.807
6. Staff costs	-18.640	-16.303
a) Wages and salaries	-15.921	-14.052
b) Social security, pension and other benefits	-2.718	-2.251
7. Depreciation and amortisation	-5.038	-9.173
a) of fixed intangibles and tangible assets	-517	-438
b) Exceptional amounts written off current assets	-4.521	-8.735
8. Other operating expenses	-6.195	-4.649
9. Income from participating interests of which from group undertakings	3.618	400
10. Other interest receivables and similar income (of which 616 from group undertakings, previous year: 621)	626	650
11. Depreciation on financial assets and marketable securities (of which un- scheduled depreciation: 0, previous year: 19)	-885	-19
12. Interest payable and other similar charges (of which to group underta- kings 814, previous year: 144)	-1.472	-1.557
<b>13. Profit on ordinary activities</b>	<b>9.373</b>	<b>3.064</b>
14. Tax on profit	-1.878	-946
15. Other taxes	-23	-18
<b>16. Net profit</b>	<b>7.471</b>	<b>2.100</b>
17. allocations to other revenue reserves	-3.735	0
<b>18. Consolidated balance sheet profit</b>	<b>3.736</b>	<b>2.100</b>

Deviations through rounding differences.

# Organisation ABO Wind Group



As of May 2016

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**WIND**