

# Annual report 2017



## ABO Wind at a glance



Employees (excluding temporary staff)	<b>495</b>
International orientation	Project development in <b>18 countries</b> and on <b>5 continents</b>
Installed and commissioned so far	<b>922 wind and solar power plants and biogas plants</b> with a total rated output of around <b>2,000 megawatts</b>
Climate Protection	The installed plants avoid the emission of more than <b>2 million tons of carbon dioxide</b> every year
Energy supply	The plants produce <b>around 3 million megawatt hours</b> per year – the equivalent of the domestic electricity consumption of <b>2 million</b> people
Portfolio of future projects	Well over <b>4,000 megawatts</b> worldwide – more than half of which is in an advanced stage of development
Annual project volume	Around <b>EUR 300 million</b>
Overall performance of the ABO Wind Group 2017	<b>EUR 176 million</b>
Annual net profit of the ABO Wind group 2017	<b>EUR 17 million</b>

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# Board of Director's letter to the shareholders

Wiesbaden, May 2018

Dear shareholders,

Everything changes. The energy supply system and ABO Wind are no exception to this rule. Since our foundation 22 years ago, we have continuously been evolving our business model to meet the ever-changing conditions and challenges.

## Planning in Sixteen Countries

That can be exhausting, but also rewarding. By constantly changing -- rather rapidly during the last year -- the company has remained dynamic. We are currently planning projects in 16 countries across five continents. Thanks to recently started activities, for example in Colombia, South Africa or Tunisia, we are also learning about new cultures and are rapidly developing as a company.

Iran is one of the countries we have been working in, and the country has been dominating the news ever since the USA have unilaterally withdrawn from the nuclear deal. This development does not affect ABO Wind significantly: We have been involved there only to a small extent. Furthermore, we have already reduced our activities in Iran and will continue to react quickly to changing conditions.

Of late, we have not just been focusing on wind energy anymore: due to its impressive reduction in cost, solar parks now generate power at least as cost-effectively in many regions of the earth. By offering both technologies, ABO Wind has opened up new business horizons. We are now also a solar energy developer in countries such as France, Spain and Argentina, where we have already earned a good reputation as wind energy specialists. This way we are increasing the opportunities and decreasing the risks, since many things are easier for us in countries where we have been present for a while.

## Convertible Bond to Support Change

In keeping with the organisational change, we have been issuing a convertible bond since spring of 2018. The term "convertible" indicates the option for investors to convert their bonds into shares if desired. The loan period is from May 2018 to May 2020 and the annual interest is 3 percent. At conversion, the price for each share would be EUR 15 and therefore around 15 percent above the share rate from the beginning of May 2018. Analyst Dr. Karsten von Blumenthal, a company insider and industry specialist, sees the share's fair value at EUR 20. For more information on his estimation as well as extensive information on the convertible bond, please

visit our website ([www.abo-wind.com/wandelanleihe](http://www.abo-wind.com/wandelanleihe)). The purpose of issuing this bond is to further reinforce our already robust equity base. It is, after all, the basis for our growth.

## Good Business Years Boost Equity Base

Our traditionally good annual financial statements also play an important role. The high surpluses provide substantial dividend distributions. The largest part of the profit, however, flows regularly into the retained profits and therefore into the net equity. The financial year results from 2017 show that our record from the previous year has yet again improved slightly. We are very pleased with an impressive annual net profit of around EUR 17 million. Although business was brilliant in Germany in 2017, we have earned well over half of our profit in the international markets for the first time.

For a project developer like ABO Wind, looking at a single financial year is a snapshot characterised by contingencies. As it takes three to five years from the start of developing a wind farm to its commissioning, and about one to two dozen projects essentially contribute to the success of a financial year, even relatively small delays in individual projects can seriously affect the annual outcome.

## Internationalisation Pays Off

We have commissioned three wind farms with a total of around 60 megawatts grid output in Finland in the financial year 2017. These were the last projects to be remunerated with a fixed tariff set by the government. Like most of the other markets, Finland is now also establishing a tender system. Hence, it would be presumptuous to expect the Finnish ABO Wind colleagues to contribute as much to the company's success in the coming years as they have in 2017.

However, we consider it quite ground-breaking that, for the first time, in 2017 our domestic market is responsible for less than half of the profits. Within a few years, when the numerous plans currently put into motion in the various parts of the world will bear fruit, the international contribution to the company's success is bound to increase further.

Just as always, we see great potential in Germany and we will continue to contribute to the success of the energy revolution in our domestic market. Overall, however, the recent growth of the company was mainly achieved internationally - and this trend is likely to continue.



Andreas Höllinger, Dr. Jochen Ahn, Matthias Bockholt.

### Renewables are also superior in terms of costs

It is good news for our shareholders that our planning efforts in a growing number of countries are making a significant contribution to our success. International diversification reduces our dependence on political decisions in individual countries. Today, renewable energies are not only the ecologically sensible option: Wind and solar power are also superior in cost to fossil power plants.

Nevertheless, some politicians continue to count on the conventional technologies of the past. In these cases, it can pay off to be persistent for a few electoral periods and to wait for a more progressive policy to prevail. Our success in Argentina, for instance, corroborates this strategy.

Our evolution into an international project developer for wind and solar energy, including a wide range of services such as full maintenance, therefore seems to us a good strategy for steady and successful business development. With this in mind, we look forward to many successful years to come.

Kind regards,

Dr. Jochen Ahn

Matthias Bockholt

Andreas Höllinger

The Executive Board of ABO Wind AG

## Preliminary remark

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

## 1. Summary 2017

The ABO Wind Group (ABO Wind) finished the 2017 financial year with an annual net profit of EUR 17.0 million (previous year: EUR 16.5 million). Total operating performance (sales plus changes in inventory) amounted to EUR 176.3 million (previous year: EUR 144.6 million).

For the first time, the consolidated figures include the business activities of the Northern Ireland subsidiary. A total of 14 companies are consolidated within the Group.

The excellent result met the high expectations of the financial year 2017. After a record business year in 2016, the annual net profit of 2017 was slightly higher than the previous year. The main contributors were the successful construction of projects and the sale of a large French project portfolio.

However, the financial year 2017 was again influenced by the logic of the new tender system for wind energy projects in Germany. ABO Wind, like other project developers, could not secure a tariff for any previously approved projects due to the framework conditions applicable in the financial year 2017. However, in the first quarter of 2018, immediately after the adjustment of the tender system, ABO Wind secured tariffs for two approved projects. In light of this latest correction

in the tender system and the energy policy targets of the coalition agreement, the decline in the German market can be considered to be temporary. ABO Wind's pipeline of German projects remains large. In all likelihood, the German business will maintain its status as ABO Wind's core market in the immediate future.

In addition, the decline in German business in the financial year 2017 was partly compensated by projects, which had already been initiated in the previous year and were completed and commissioned in the financial year 2017. All these projects are compensated with the fixed tariff from before the introduction of the tender system.

In the financial year 2017, the success of international projects was the main contributor to the impressive consolidated financial statement. With a total of 55.5 per cent of sales, for the first time international projects contributed more to overall profitability than German projects.

Recruitment of new staff by ABO Wind was concentrated in its international business development and solar energy divisions in the financial year 2017. This helped in opening up promising new international markets and setting up first successful solar energy projects in a very short time.

## 2. Foundations of the Group

ABO Wind plans and constructs wind farms and solar plants in Germany, France, Spain, Ireland, Argentina, Finland, the United Kingdom and Iran. Further international expansion is the declared company strategy. In addition to wind and solar

*Construction of a solar plant in Malborn, Germany*



energy projects, the company develops individual biogas projects.

ABO Wind initiates projects, acquires sites, carries out all technical and commercial planning, organises 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 connected wind turbines with a nominal output of about 1,400 megawatts to the grid. ABO Wind also develops repowering concepts to make more efficient use of tried and tested sites.

The technical and commercial operational management of ABO Wind supervises the operating phase of wind farms, biogas and solar plants after commissioning. It ensures that the facilities produce the optimum amount of energy by means of modern monitoring systems and advanced services.

ABO Wind service technicians provide maintenance, repairs, inspections, fault clearance and spare parts services throughout the entire operational phase.

Furthermore, ABO Wind is working on products for special applications in the field of renewables. The first products ready for market are the access control system ABO Lock as well as Bat Link, a data interface for bat monitoring.

### 3. Economic report

#### 3.1 Global development of renewable energies

For the fourth time in succession, more than 50 gigawatts of new wind energy capacity was installed worldwide in 2017. According to the Global Wind Energy Council (GWEC), a total of around 540 gigawatts is now on grid. The most important markets continued to be Asia and Europe. Though the installation of new capacity in China did not reach 2016 levels, the most populated country with largest total energy demand continues to be the leader by a wide margin in wind energy development, installing around 19.5 gigawatts in 2017. While there was around 4 gigawatts less of new installation in China than in 2016, Europe and India picked up the slack. According to GWEC, the results of tender competitions in various regions showed that wind energy is the most economical option for generating power in many regions.

The global energy system is facing major changes: This trend is also highlighted in the World Energy Outlook (WEO) of the International Energy Agency published in November 2017. Rapidly falling costs for using renewable energies are the main cause for this change. The prices for solar power have reduced by 70 per cent and for wind turbines by 25 per cent since 2010. This has given renewable energies a strong boost worldwide. In many countries, these are the most cost-effective options for new capacity to generate electricity.

The IEA is projecting an increase in global energy consumption of around 30 per cent by 2040, whereby this projection factors in improved energy efficiency. Otherwise, the increase would be twice as high. IEA predicts that out of the worldwide investments in power generation, two thirds will go to renewable energies. Renewable energies will account for a 40 per cent share of power generation by 2040. Globally, solar energy will dominate, primarily due to its expansion in China and India. The IEA also forecasts that from 2030 onwards, wind energy technologies will lead the way in the European Union.

However, the IEA makes it clear that the existing policies are not enough to prevent an increase in energy-related CO<sub>2</sub> emissions and to prevent the grave consequences of climate change. The IEA has therefore listed necessary measures in a supplementary scenario for sustainable development design to make a substantial contribution towards climate stabilisation by 2040. These measures would also lead to decisive progress in improving access to energy in developing nations and in keeping air pollution in check. This plan requires significant additional investments in renewable energies. According to WEO, decisive factors are creating the right political framework and the right cost signals. Subsidies on wasteful consumption of fossil fuels must be reversed. At around 260 billion US dollars, these are twice as high as the amount of funding for the development of renewable energies.

Furthermore, the WEO has analysed current sectoral and regional changes: In the global energy system, the significance of electricity in energy consumption is increasing. Its share in the final energy consumption will reach almost a quarter by 2040. In 2016, the global electricity expenditure was almost as high as that for mineral oil products. 40 per cent of the worldwide increase in final energy consumption is due to an increasing demand for electricity. Industrial electric motors and electrical devices as well as air conditioners are the main drivers of this demand. Electricity is also seeing a quick growth in the field of heat generation and transport. IEA is predicting a gradual increase in the number of electric cars from the current two million to 280 million in 2040.

#### 3.1.1 Europe

For the first time in 2017, more electricity was generated in the European Union from wind, sun and biomass than from bituminous coal and lignite put together. This is the result of a joint analysis by Agora Energiewende from Germany and Sandbag from Great Britain. According to this study, the electricity generation from renewable energies increased by 12 per cent to 679 terawatt hours as compared to the previous year. The share of electricity from solar, wind and biomass plants in the EU has thus more than doubled since 2010. In spite of this increase, the share of all renewable energies in the EU stagnated last year at 30 per cent. According to the report,

the reason was the marked reduction in electricity production from hydroelectric power caused by lower rainfall.

2017 was a record year for the European wind sector. 55 per cent of all newly constructed power plants in Europe use wind energy. The Europe-wide expansion was 25 per cent higher than in the previous year - 15,700 megawatts were commissioned, 12,500 megawatts of which onshore and 3,200 megawatts offshore. Both these figures are records. Six countries of the European Union installed more wind power capacity in 2017 than ever before: Germany, the United Kingdom, France, Belgium, Ireland and Croatia.

In the previous year, new solar plants with an overall output of at least 8,610 megawatts were installed in European countries. This means an increase of 28 per cent as compared to 2016, the Association of Solarpower Europe states. At six percent, the growth in the countries of the EU was lower than on the continent as a whole. Solarpower Europe estimates that 6,030 megawatts were installed in the 28 member states.

The GTM Research analysts predict a renaissance of solar generation in Europe in 2018. It is forecasting an expansion of approximately 35 per cent. This urgently required growth of the European solar market, which had reached its peak expansion in 2011 and has lately been languishing at levels far below the record, was initiated primarily by the revival of the Spanish market.

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### 3.1.1.1 Germany

In Germany, 1,792 wind turbines with 5,334 megawatts output went on grid. The expansion was 15 per cent higher than in 2016, which had also been a good year for the wind energy sector. The replanning of existing sites is gaining in significance. The decommissioning of 387 plants with a combined output of 467 megawatts was realised in 2017. This means that there was a net expansion in 2017 of 4,866 megawatts. By the year end, 28,675 plants with an overall output of 50,777 megawatts were on grid.

In 2017, the amended Renewable Energies Act (EEG 2017) came into effect and established a tender system for determining the feed-in tariff. Based on a transitional arrangement, wind energy plants that received an approval for construction before 2017 pursuant to the Federal Emissions Protection Act (BImSchG), can be built until the end of 2018 under the provisions of the earlier EEG 2014. The bulk of plants constructed in 2017 were subject to this transitional arrangement. 97 per cent of the funding grants put out to tender in 2017 were auctioned for projects by so-called national energy cooperatives that do not as yet have BImSchG approval. The lead time for these projects is two years longer than for projects with existing approvals, making it a total of four and a half years to commissioning. Due to the many approvals issued

for projects that cannot be implemented in the immediate future, the industry feared a "dip", meaning an abrupt break in the numbers of new projects from 2019. This would have an adverse impact especially on the plant manufacturers and their employees.

The political authorities have since reacted to these fears. In 2017, the German Bundestag decided upon a moratorium and annulled the privilege of the national energy cooperatives to also tender for unapproved projects for the first two tender competition rounds in 2018. The Bundesrat passed a draft law in 2018 which, besides providing for additional volumes to be put out to tender, also requires that for future tender competition rounds, a valid BImSchG approval is a prerequisite for all projects. The coalition agreement between CDU, CSU and SPD has also provided for a remarkable increase in the volume of wind and solar energy capacity to be put out to tender in order to strengthen the development of renewable energies. This agreement is a tacit admission by the three coalition parties that they will miss the carbon dioxide emission reduction target for 2020.

In view of statements from members of all coalition parties, in the spring of 2018 it seems that the development of renewable energy in Germany will continue at the same healthy rate in the coming years.

In Germany, additional solar installations in 2017 were just short of 1,753 megawatts, which was around 200 megawatts more than in the previous two years. But the numbers continue to be considerably below the politically defined target range of around 2,500 megawatts of new capacity per annum. The National Solar Energy Association (BSW-Solar) attributes the 15 per cent increase in additional installations last year to the noticeably lowered prices. The association again promoted the need to remove the existing market barriers and the development cap for solar power. The special calls for tender planned for the coming two years with a total volume of four gigawatts as agreed by the CDU/CSU and SPD in the coalition agreement are "a step in the right direction."

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### 3.1.1.2 France

With the current share of regenerative energy of 16 per cent of total consumption, France is behind most European neighbours and also behind its own target of 23 per cent by 2020. However, the development of wind energy continues to gather pace. In 2017, around 1,800 megawatts went on grid, considerably more than in the previous years. To maintain this trend, France simplified the approval procedure for new wind farms in order to accelerate the restructuring of the electricity market. France aims to reduce its dependence on nuclear energy in the long term. In addition, a new tender system was introduced for determining compensation; but numerous exceptions and special arrangements exist within the system.

In spite of the increasing development of wind energy, the current French government has given up its stated objective of reducing the contribution of nuclear energy from around 75 per cent to 50 per cent by 2025. The Environment Minister recently stated that this was hardly achievable.

On December 31, 2017, the installed total solar output in France had reached 8,044 megawatts, with just over 18,000 new solar plants with an overall output of 875 megawatts commissioned in 2017. The number of installations in 2017 was much greater than in 2016 (588 megawatts) and matched the figures for 2014 and 2015. The French medium-term plan (Programmation Pluriannuelle de l'Énergie, PPE) proposes a target of ten gigawatts of new capacity by 2018 and an expansion range of between 18 and 20 gigawatts by 2023 for solar energy. In 2017, solar electricity generation amounted to 8.6 terawatt hours. This corresponds to an increase of twelve per cent compared to the previous year. Solar plants cover 1.8 per cent of net electricity consumption in France.

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### 3.1.1.3 United Kingdom

The second largest increase of wind energy in 2017 in Europe was in the United Kingdom where 2,590 megawatts went on grid onshore and 1,680 megawatts were commissioned offshore. With an installed wind energy capacity of a total 18,872 megawatts, the United Kingdom is third in Europe, right behind Germany and Spain.

The fossil fuel phase-out is the green flagship project of the Conservative government in Britain. In 2016, three coal plants were decommissioned and seven more are slated for decommissioning by 2022. After that there will only be one plant in operation, which will be discontinued in October 2025 based on the new air pollution standards.

The island nation is also one of the leading European countries in solar power generation. However, new installations in 2017 of just over 900 megawatts were only half as high as in the previous year.

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### 3.1.1.4 Spain

Percentage-wise, the expansion in wind energy capacity in 2017 was considerable. The newly constructed capacity was almost double of the previous year. In absolute terms however, the figures for new installations continue to be puny. In 2017, 96 megawatts of additional wind energy went on grid in Spain. In 2016, it was a mere 49 megawatts.

More significant than the existing modest growth rate is that in 2017, Spain put in place the prerequisites for a massive development in the coming years. In several tendering rounds, the nation issued licenses for generating electricity from wind,

solar and biomass plants in a volume of more than 8,000 megawatts. The plants are expected to be operational by 2020. This is necessary because Spain is likely to miss the European climate targets for 2020, which include increasing the share of renewable energies in primary energy consumption to 20 per cent. This figure is currently at 16 per cent in Spain. In the past, the country had been a leader in renewable energies in Europe. In 2012, the conservative government under President Rajoy abruptly stopped the expansion. Now the market is recovering. The oversubscribed tender competitions resulted in very low prices, so it is likely that Spain will cover the increasing share of electricity needs in an economical and eco-friendly way.

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### 3.1.1.5 Republic of Ireland

Ireland has increased its tempo of wind energy expansion considerably: Additional 426 megawatts went on grid in 2017. In the previous year it was 255 megawatts. The Irish government has published new targets for renewable energies for the years 2018 to 2027. By 2030, projects with an overall capacity of around 4.5 gigawatts shall be developed accordingly and therefore double the national energy production from renewable resources. Currently the installed capacity is at around 3.3 gigawatts, mainly coming from onshore wind farms. Ireland wants to meet its targets with the help of a new auction system for future tender competitions, which will come into effect during the course of 2018. Details of these auctions are not known yet. The development plan stipulates an overall investment volume of EUR 21.8 billion by 2027 for the development and transition into a climate-friendly society.

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### 3.1.1.6 Finland

The Finnish wind power development boom is likely to have peaked for the time being with last year's record output of 580 megawatts of newly installed capacity (including 60 megawatts offshore). The operators of future wind farms will not be remunerated according to a fixed system, but instead will be required to compete for tenders. This is likely to slow down the development, but not halt it altogether. The sparsely populated and windy country offers ideal conditions for generating cost-efficient electricity from wind energy.

The industry association Wind Europe therefore expects that the wind energy capacity will increase to five gigawatts by 2030. At the end of 2017, Finland had 2,100 megawatts on grid that were largely installed in the previous five years. The nuclear energy sector is also on the rise in the Finnish market and intends to build more nuclear capacity. But in recent years, numerous difficulties arose due to extreme rise in costs in the construction of nuclear power plants.

### 3.1.2 Argentina

The climatic conditions predestine Argentina for the use of renewable energies. The abundant wind resource and solar radiation enable an economic and sustainable production of electricity. Until now, this potential remained largely untapped. The current share of renewable energies is negligible. The current government under President Mauricio Macri intends to change this and put around ten gigawatts of capacity (wind, solar and to a lesser extent biomass) on grid by 2025 in order to cover 20 per cent of the nation's electricity requirement. In the years 2016 to 2017, the government issued feed-in tariffs for renewable power plants with a capacity of 4,500 megawatts. The winners of the heavily oversubscribed tender competitions have 24 months from the award of the tender to actually complete the projects. Otherwise they lose their deposits. The next round of tenders (RENOVAR 3) is planned for October 2018 and is slated to include 1,200 megawatts.

Argentina is the third largest energy market in Latin America. Until 2010, Argentina exported more energy than it imported. But the dynamic has changed due to increasing energy requirements of the country, the exhaustion of natural gas stacks, and lack of investments in new plants or existing hydroelectric power plants. The country is short of energy and having to resort to expensive imports. The comprehensive development of renewable energies implemented by means of tender competitions is the logical approach to resolving this issue.

The agreement reached in March 2016 on the repayment of Argentinian national debt was an important prerequisite to enable international investors to return and finance renewable energies. Accordingly, the rating agencies now consider the country's creditworthiness to be better again.

### 3.1.3 Iran

Iran wishes to obtain around five per cent of its energy requirements from renewable resources by 2021. Though the country has huge potential, there has been little real interest in making use of this resource owing to the abundance of crude oil. In the attempt to increase the share of renewable energies, Iran has taken several steps to make investment attractive for private investors in the renewable energies industry after the signing of the nuclear treaty. The main incentives are feed-in tariffs that Iran provides by means of a guaranteed Power Purchase Agreement (PPA) over a period of 20 years. In addition, Iran has signed various bilateral investment protection treaties as well as double taxation agreements with countries including Germany. In some parts of the country such as the special economic zones and free trade zones, renewable energy projects can also benefit from tax reductions and exemptions.

Still, there are several hurdles in developing renewable energy in Iran. For instance, the financing of projects is particularly complicated. This is mainly due to U.S. President Donald Trump announcing a withdrawal from the nuclear deal with Iran, which increases the uncertainty for investors.

### 3.1.4 Other countries

The "International Business Development" department continuously screens new countries. The objective is to identify markets in which ABO Wind can contribute added value and development of projects for using wind or solar energy.

In the context of the planned fossil fuel phase-out by 2030, the taxation of CO<sub>2</sub> emissions, the great availability of natural resources as well as increasing competitiveness of technologies, there is, for instance, a great political will in Canada to develop renewable energies. Besides, Canada already disposes of a considerable existing capacity for solar and wind energy. According to the Global Wind Energy Council (GWEC), a total of more than twelve gigawatts are now on grid. This makes Canada an established, mature market. The readiness to reinforce the development of renewable energies on the basis of experience from other countries is already very strong as the visit by the Canadian Minister of Environment and Climate Change shows: In May 2017, Catherine Mary McKenna visited ABO Wind's Weilrod wind farm with an educational nature trail in the federal state of Hessen.

In a study, the international market research agency BMI Research predicts in a study that the electricity generation from renewable energies in sub-Saharan countries will grow by 90 per cent by 2027. In the previous year, there were around seven gigawatts of capacity from renewable energies installed in the region. This means the in sub-Saharan Africa will account for one percent of the global renewable capacity by the end of our forecast period, BMI analysts state in their report. According to the study, South Africa is a pioneer in the region and will be the largest renewable energy market in sub-Saharan Africa in the coming decades. According to the Global Wind Energy Council (GWEC), over two gigawatts of wind energy have been installed so far in South Africa. Currently the country with the third largest GDP of the continent covers its energy requirement mainly from coal.

In regions like Tanzania with poorly developed grids, specialists see a great potential for a reliable electricity supply from renewable energies. ABO Wind has shown that long and weak distribution grids like the one in Tanzania can be stabilised by feeding electricity from decentralised photovoltaic plants into the grid.

Tunisia attracted some attention last year with a tender designed to encourage the construction of renewable energy plants. The auction of 210 megawatts was aimed at wind and

solar projects. In accordance with GWEC statistics, just short of 250 megawatts of wind energy capacity were installed in the North African country in 2017.

### 3.2 Business Performance

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

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

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

Further information on business processes can be obtained from the volumes of agreed project financing and sales, the scope of service activities (operations, EPC, portfolio support) as well as growth of employee numbers.

In the 2017 financial year, and in the first quarter of 2018, these indicators developed as follows:

#### 3.2.1 New projects

The annual report of the previous year predicted new business of more than 750 megawatts each year in the calendar years 2017 and 2018. In 2017, ABO Wind acquired new wind power projects with a total output of 870 megawatts across the Group. Of this, 160 megawatts are located in Germany, 190 megawatts in Argentina, 160 megawatts in Finland, 120 megawatts in France, 80 megawatts in Iran and 30 megawatts in Northern Ireland. The remaining new business comes from the newly acquired national markets.

Besides the new wind energy projects, solar projects amounting to 340 megawatts have also been acquired. 180 megawatts of these projects are located in Spain and 140 megawatts in Argentina. The remaining new solar business comes from the newly acquired national markets.

In the first quarter of 2018, the Group acquired more than 635 megawatts across various technologies – 210 megawatts of which in Europe.

#### 3.2.2 Project pipeline

As of December 31 of 2017, the total pipeline of wind energy projects under development amounted to around 2,600 megawatts, 850 megawatts of which in Germany, 450 megawatts in France, 400 megawatts in Finland, 300 megawatts each in Argentina and Spain, and a total of 250 megawatts in Ireland, Northern Ireland and Scotland as well as around 50 megawatts in other countries.

In total, there were solar projects with a capacity of around 340 megawatts under development, mainly in Argentina, France, Spain and other new markets.

The total of projects under construction as of December 31, 2017 was of 82 megawatts from two projects in Germany and France as well as one project each in Finland and Ireland.

#### 3.2.3 Project implementation

The timeline for project implementation is based on the transfer of risk of the services rendered in line with the project implementation principles in accordance with commercial law. Planning or technical milestones such as the infeed of the first kilowatt hour (technical commissioning) can differ from the scheduled project timeline

##### 3.2.3.1 Sale of individual project rights and portfolios

In the financial year 2017, the rights to twelve projects in different development stages were sold. Some of the projects were bundled together in one portfolio and sold to one investor.

The twelve projects included nine French projects with 102 megawatts, two Spanish projects with 58 megawatts and a project in Northern Ireland with 35 megawatts.

Generally, the agreements with buyers make provisions for continued collaboration with ABO Wind in order to see the projects through to the construction phase and finally for actual installation and commissioning (see Section 3.2.5.3).

No project rights were sold in the first quarter of 2018.

##### 3.2.3.2 Completed project developments

The French market made the biggest contribution to the successful completion of project developments in the financial year 2017 with two projects totalling 28 megawatts. Individual project developments were also successfully completed in Germany, Finland and Northern Ireland. These three projects total an output of 32 megawatts.

In the first quarter of 2018, project development of two German wind farms with a total of 29 megawatts was successfully completed.

##### 3.2.3.3 Completed project construction

The 2016 annual report predicted that a total of around 400

megawatts of capacity would be commissioned in the calendar years 2017 and 2018. In fact, wind energy plants with a nominal output of 145 megawatts were constructed and commissioned in the financial year 2017. The constructed wind farms were located in four countries: 103 megawatts in Germany, 32 megawatts in Finland and ten megawatts in France.

Additionally, two photovoltaic plants with a capacity of one megawatt each were constructed in the financial year 2017.

A German wind farm with ten megawatts was commissioned in the first quarter of 2018.

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### 3.2.4 Project financing and sales

In 2017, long-term credit agreements totalling around EUR 244 million were arranged for approximately 145 megawatts. Around 62 megawatts of these are for German projects with a total credit volume of EUR 97 million. Parallel to obtaining project financing, turnkey projects with a total of 236 megawatts were sold to investors in 2017. In addition, a portfolio of nine French projects in development with around 100 megawatts of output was sold to an investor.

In the first quarter of 2018, no project financing agreements were concluded, but projects with a total of 59 megawatts were sold to investors.

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### 3.2.5 Service activities

#### 3.2.5.1 Operational Management

As of 31 March of 2018, ABO Wind now provides operational management for 505 wind turbines from 116 projects with a total of 1,221 megawatts in Germany (873 megawatts), France (181 megawatts), Finland (97 megawatts), and Ireland (70 megawatts). In the new solar business, ABO Wind manages five small solar plants, four of which are in Germany and one in Iran.

#### 3.2.5.2 EPC Business

As of March 31 of 2018, ABO Wind is working on EPC contracts for wind farms with an output of 388 megawatts. All these wind farms are in Argentina. The clients include power suppliers as well as a plant manufacturer.

#### 3.2.5.3 Portfolio and project rights management

As of March 31 of 2018, ABO Wind has been working as a service provider on behalf of the buyer to obtain outstanding rights and contracts for sold projects with a total of 156 megawatts – around 102 megawatt generated from a portfolio sale.

### 3.2.6 Human resources

The average number of employees at ABO Wind increased in the calendar year from 453 to 518. In particular the creation of new positions in the Business Development and Solar departments contributed to this increase in the parent company and in the international subsidiaries. The five employees of our Northern Ireland subsidiary were included in the employee figures for the first time.

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### 3.3 Sales and profitability

Of the total earnings of EUR 176.3 million in the 2017 financial year mentioned above, EUR 146.8 million is attributable to sales and 29.5 million to increases in inventory or finished goods and work in progress. Sales comprise EUR 27.6 million from planning services and EUR 110.9 million from the construction of projects and sale of rights. ABO Wind generated a total of EUR 8.3 million of sales from service activities.

The ratio of material costs to sales increased to around 56 per cent (2016 financial year: 53 per cent), mainly due to a higher proportion of constructed wind farms in the overall performance. The personnel expenditure amounting to EUR 32.0 million (previous year: EUR 27.1 million) includes a special payment to employees.

Individual value adjustments on projects in development are included alongside scheduled amortisation on fixed assets as second component in the amortisation item. All projects for which there is no longer a realistic possibility of implementation are included in the overall position of EUR 12.8 million (previous year: EUR 10.5 million). Capitalised expenses within the year from the previously named projects have been recognised for the first time in the total amount of individual value corrections from the above projects. In the financial year 2017, these expenses amounted to EUR 3.6 million.

Out of the expenses for tender competitions, EUR 6.4 million is attributable to German projects, EUR 1.1 million to Finnish projects, EUR 0.9 million to projects in the United Kingdom, EUR 0.8 million to projects in Argentina and EUR 0.7 million to projects in France. Additional EUR 0.3 million is attributable to projects in Iran, Ireland and Spain. Individual value adjustments of EUR 1.1 million have been made for projects in the 2017 financial year whose financial situation has undergone a fundamental change throughout the course of the planning phase – these are all in the United Kingdom.

Furthermore, value corrections were necessary for funding amounting to EUR 0.9 million, especially concerning the Iranian business.

The value adjustments for country risks were increased in comparison to the previous year by EUR 0.6 million. An important reason for this is a reevaluation of implementation prospects of projects in Ireland. Overall, according to this

adjustment, there are value adjustments to the amount of EUR 1.9 million.

Net interest income in the balance sheet shows that interest expenses remained unchanged from the previous year at EUR 1.5 million.

Overall, in the financial year 2017, the company reported very encouraging results from regular business activities of EUR 23.5 million (previous year: EUR 22.4 million) and an annual net profit of EUR 17.0 million (previous year: EUR 16.5 million).

### 3.4 Financial and assets situation

The asset value has not changed since the previous year and is currently at EUR 10.5 million. Investments on the one hand and rate at which the assets are used up in form of planned depreciations on the other were unchanged in the financial year 2017.

Of the EUR 88.5 million of work in progress carried on the balance sheet, around EUR 26.5 million was attributable to projects under construction as on the balance sheet date of December 31, 2017.

As finished products, a German cable line amounting to EUR 0.2 million as well as spare parts of the same amount from the services department were recognised in the balance sheet on December 31, 2017.

Advance payments received which were deducted from inventories in the amount of EUR 45.3 million included no advance payments. This only includes payments on account, which cover the costs of services rendered or deliveries made, and do not indicate or are payback obligations.

The receivables from affiliated companies totalling EUR 35.6 million (previous year: EUR 54.5 million) were largely attributable to Finnish, German, Irish and French projects not yet sold on December 31, 2017 (approximately EUR 30.2 million). The remaining amount relates almost exclusively to projects being developed and non-consolidated foreign subsidiaries of ABO Wind AG, which use these funds to provide interim financing for project costs. EUR 12.5 million of receivables from affiliated companies were received in the first quarter of 2018.

Shares in affiliated companies included in current assets have increased by EUR 3.7 million to EUR 7.5 million. This is mainly due to the acquisition of holdings in three existing German wind farms. Planning includes equipping these wind farms with new turbines (Repowering).

Under current assets, the item 'Liquid assets' includes shares in ABO Invest AG with a value of EUR 3.2 million and shares in ABO Kraft und Wärme AG with a value of EUR 1.9 million.

The equity ratio without mezzanine resources was at 46 per cent due to the excellent profitability and thus higher than in the previous year. The equity ratio including mezzanine

resources reduced slightly from 55 to 54 per cent due to the increase in financial statement volume at EUR 173.9 million (previous year: EUR 146.6 million).

In terms of loan capital, ABO Wind took out new amortising loans with terms of five years and with a total loan value of EUR 18.0 million. For an additional EUR 4.0 million, amortising loans were agreed upon in the financial year 2017, of which EUR 2.0 million were drawn down in the first quarter of 2018 and EUR 2.0 million were temporarily drawn down in the second quarter of 2018. Credit lines and guarantees were extended by a total of EUR 15.7 million in the financial year 2017.

In the financial year 2017, as in the preceding year, amounts owed to credit institutes were kept lower due to high cash inflows at the end of the year. These amounts owed to credit institutes as of December 31, 2017 related almost entirely to low-interest repayment loans. The unused credit lines and guarantees of ABO Wind AG amounted to a total of EUR 50.4 million as of 31 December, 2017.

Liquid assets, defined as cash in hand and cash in banks, were recorded at EUR 32.3 million as of December 31, 2017, around EUR 28.5 million higher than in the previous year.

The financial assets growth was largely generated from the operative activities. The payments received for construction activities as well as incoming payments for outstanding receivables contributed to a positive cash flow of operative activities amounting to EUR 31.4 million in spite of the further investments in unfinished products in the accounting balance.

In particular, investments in the wind measurement technology led to a negative cash flow from investment activities amounting to EUR 1.3 million.

Negative cash flow amounting to EUR 1.5 million resulted from financing activities in the financial year 2017 due to the acceptance of finance credits minus the debt servicing for financial credits and dividend payments in the accounting balance.

The limits agreed upon with credit institutions, which relate to selected key financial indicators – so-called covenants – were all met 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.

#### 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 amount. 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 EUR 0. 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> Board member since 2000				
Granted benefits (p.r.n. differing inflows) in kEUR	FY 2016	FY 2017	FY 2017 (Min)	FY 2017 (Max)
Fixed salary	145	140	140	140
Fringe benefits	8	10	10	10
<b>Total</b>	153	150	150	150
Management bonus	70	70	0	70
<b>Total compensation</b>	223	220	150	220

<b>Matthias Bockholt</b> Board member since 2000				
Granted benefits (p.r.n. differing inflows) in kEUR	FY 2016	FY 2017	FY 2017 (Min)	FY 2017 (Max)
Fixed salary	175	170	170	170
Fringe benefits	5	8	8	8
<b>Total</b>	180	178	178	178
Management bonus	70	70	0	70
<b>Total compensation</b>	250	248	178	248

<b>Andreas Höllinger</b> Board member since 2010				
Granted benefits (p.r.n. differing inflows) in kEUR	FY 2016	FY 2017	FY 2017 (Min)	FY 2017 (Max)
Fixed salary	141	150	150	150
Fringe benefits	0	0	0	0
<b>Total</b>	141	150	150	150
Management bonus	60	64	0	64
<b>Total compensation</b>	201	214	150	214

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

#### 4.2 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 official 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:

Expenses received in kEUR	Fixed compensation	
	FY 2016	FY 2017
Jörg Lukowsky (Chairman)	30	30
Dr. Ing. Joachim Nitsch	10	10
Norbert Breidenbach	10	10
Josef Werum (Deputy)	10	10
Eveline Lemke (since 20/06/2017)	0	5
Jürgen Koppmann (left on 20/06/2017)	10	5
Prof. Dr. Uwe Leprich (left on 30/06/2016)	5	0
<b>Total</b>	75	70

There are no other compensation components for committee activities or attendance fees.

## 5. Opportunities and risks

### 5.1 Liquidity risks

The project development of renewable energies is characterised by high lead costs for small unit numbers. Inflows from project financing and project sales need to be very carefully balanced with the outflows for planning and construction. Short and medium-term liquidity is constantly managed across the entire Group. Incoming payments are pooled and outgoing payments approved across the Group via a manual cash pooling system at ABO Wind AG. The 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.

### 5.2 Currency risks

ABO Wind AG is exposed to foreign exchange risks through its international operations in South America, Iran, the United Kingdom and other countries. Currently, foreign exchange risks

are of minor importance at ABO Wind. Most of its business is conducted in the Eurozone.

### 5.3 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 upon to any substantial extent.

### 5.4 Regulatory risks

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

the protection of legitimate expectations for the investment period and in line with grandfathering for the economic lifespan.

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

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

### 5.5 Opportunities and strategy

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

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

*Uckley Wind Farm, Germany*



implement projects to the extent intended.

Therefore, it is key to work soundly, like in any industry. Our business philosophy to ensure long-term success has always been to treat our partners fairly and openly – from landowners and suppliers to banks and investors.

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

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

## 6. Forecast

The 2016 Annual Report predicted that overall performance would remain more or less the same as in the financial year 2017. Total operating performance for 2017 actually increased by around 22 per cent. In particular, the turnover from first-time sale of a large project portfolio and comprehensive construction services resulted in this positive variance. The material expenditure rate that increased slightly by three per cent points is in line with the prediction from the previous year. The gross income increased due to the above increase in sales as against the situation report of 2016. Instead of the predicted sideways movement, the gross income adjusted for a special effect increased by 9 per cent. The special effect (amounting to EUR 3.6 million) is the changed record of expenditure for written-off projects in the business year (“special effect write-offs 2017”) in the financial year 2017.

Personnel expenditure was presumed to be in the direction of 20 per cent (previous year: 18 per cent) for the financial year 2017 in the annual report with a shift in the relationship of personnel expenditure and overall performance (“personnel expenditure rate”). From the point of view of the unexpectedly high overall performance this development remained insignificant. In spite of the strong personnel growth in the financial year 2017, the personnel expenditure rate remained unchanged at 18 per cent.

Adjusted for the special effect write-offs of 2017, the number of write-off items and other expenditure developed as predicted along the previous percentage share. The relation to the inventories is almost unchanged at 41 per cent (previous year: 43 per cent) and the relation to the balance sheet total at 12 per cent (previous year: 14 per cent).

In March 2017, the management predicted excellent profits

for the financial year 2017, although lower ones than in the financial year 2016. Actually, the annual net profit of the previous year of EUR 16.5 million was slightly exceeded and amounted to EUR 17.0 million.

For the years 2018 through 2020, ABO Wind predicts an annual new business unit allocation of 500 megawatts in Europe across all technologies. In addition, significant new business is anticipated to be acquired in markets outside of Europe.

In view of the existing project pipeline, ABO Wind expects to complete an average of project developments with 250 megawatts annually throughout the Group and in all technologies in this period. With regard to completed construction output, we expect an average of 160 megawatts annually across the Group and including all technologies for the years 2018 to 2020. These are expected to be mainly in Germany, Finland, France, Ireland and Spain. The contribution to deductible project development and construction in countries outside of Europe will most likely continue to play a minor role until 2020.

The financial year 2018 is currently developing in line with forecasts. All construction planned for this period was completed on time in the first quarter and the foreseen sales for the remaining year are also on schedule.

The overall performance will not match that of the financial year 2017 and will be closer to the level of the financial year 2016. The cost of materials ratio will change depending on how planning activities develop in the further course of the financial year: Presumably, it will be slightly lower than in the financial year 2017. The gross income will probably be 10 to 15 per cent lower than in the financial year 2017 and therefore settle at around the level of the financial year 2016.

Bearing in mind the decrease in overall performance and planned additional recruitment of personnel in the developing markets, the personnel expenditure to overall performance ratio will increase to a good 20 per cent. This value corresponds to the long-term average. Regarding the write-offs and other expenditures, no significant deviations are expected from the previous development.

Considering all factors, for 2018 the management expects an annual net profit not as high as the record results of 2016 and 2017, but close to the average of the previous four years and therefore again above the ten million mark.

Wiesbaden, 31 March 2018

ABO Wind AG

The Executive Board



*Haapajärvi I Wind Farm, Finland*

## Consolidated balance sheet

### Assets

	As of 31.12. / in kEUR	2017	previous year
<b>A.</b>	<b>Fixed assets</b>	<b>10,487</b>	<b>10,479</b>
I.	Intangible assets	293	273
II.	Tangible assets	4,627	4,782
1.	Land, similar rights and buildings	366	354
2.	Technical equipment and machinery	159	174
3.	Other equipment, factory and office equipment	4,102	4,254
III.	Financial assets	5,567	5,424
1.	Shares in group undertakings	267	105
2.	Loans to affiliated companies	789	751
3.	Participating interests	3,710	3,710
4.	Loans to companies in which the company has a participating interest	801	858
<b>B.</b>	<b>Current assets</b>	<b>161,612</b>	<b>134,344</b>
I.	Stocks	48,822	45,883
1.	Work in progress	88,476	70,496
2.	Finished goods and goods for resale	512	352
3.	Payments of account	5,125	3,980
4.	Received payments for orders	-45,292	-28,945
II.	Debtors and other assets	67,956	77,395
1.	Trade debtors	24,387	17,278
2.	Amounts owed by group undertakings	35,569	54,468
3.	Amounts owed by undertakings in which the company has a participating interest	122	139
4.	Other assets	7,877	5,510
III.	Securities	12,499	7,270
1.	Shares in group undertakings	7,462	2,304
2.	Other securities	5,038	4,966
IV.	Cheques, cash in hand, central bank and postal giro balances, bank balances	32,335	3,797
<b>C.</b>	<b>Prepaid expenses</b>	<b>132</b>	<b>64</b>
<b>D.</b>	<b>Deferred taxes</b>	<b>1,718</b>	<b>1,666</b>
	<b>Total assets</b>	<b>173,949</b>	<b>146,552</b>



## Consolidated income statement

	From 1.1. to 31.12. / in kEUR	2017	previous year
1.	Turnover	146,786	122,292
2.	Change in finished goods and work in progress	29,468	22,320
3.	<b>Total output</b>	<b>176,254</b>	<b>144,612</b>
4.	Other operating income	3,750	2,495
5.	Cost of materials	-99,298	-76,198
a)	Cost of raw materials, consumables and goods for resale	-13,101	-1,107
b)	Cost of purchased services	-86,197	-75,091
6.	Staff cost	-32,039	-27,095
a)	Wages and salaries	-26,860	-22,552
b)	Social security, pension and other benefits	-5,179	-4,543
7.	Depreciation and amortisation	-12,777	-10,532
a)	of fixed intangibles and tangible assets	-1,449	-1,575
b)	Exceptional amounts written off current assets	-11,328	-8,957
8.	Other operating expenses	-10,926	-9,392
9.	Other interest receivables and similar income	205	314
10.	Interest payable and other similar charges	-1,695	-1,849
11.	<b>Profit on ordinary activities</b>	<b>23,475</b>	<b>22,353</b>
12.	Tax on profit	-6,302	-5,675
13.	Other taxes	-153	-135
14.	<b>Net profit</b>	<b>17,019</b>	<b>16,543</b>
15.	Non-controlling interests	-9	-24
16.	<b>Consolidated balance sheet profit</b>	<b>17,010</b>	<b>16,519</b>
17.	Allocations to other revenue reserves	-	-9,559
18.	<b>Net profit</b>	<b>17,010</b>	<b>6,960</b>

## Consolidated statement of changes in equity

In kEUR	Subscribed capital	Capital reserve	Equity earned by the group	Foreign currency translation differences	Other neutral transactions	Non-controlling interests	Group equity
As of 31.12.2015	7,646	13,542	30,814	-63	51	-	51,990
Dividends paid	-	-	-1,911	-	-	-	-1,911
Changes in the scope of consolidation	-	-	-	-	56	8	64
Exchange rate effects	-	-	-	52	-	-	52
Annual net profit	-	-	-	-	-	24	24
Allocations to revenue reserves	-	-	9,559	-	-	-	9,559
Net profits	-	-	6,960	-	-	-	6,960
Change of the year	-	-	14,608	52	56	32	14,748
As of 31.12.2016	7,646	13,542	45,422	-11	107	32	66,738
Dividends paid	-	-	-3,823	-	-	-	-3,823
Changes in the scope of consolidation	-	-	-	-	-163	-	-163
Exchange rate effects	-	-	-	-217	-	-	-217
Annual net profit	-	-	-	-	-	9	9
Allocations to revenue reserves	-	-	-	-	-	-	-
Net profits	-	-	17,010	-	-	-	17,010
Change of the year	-	-	13,187	-217	-163	9	12,816
As of 31.12.2017	7,646	13,542	58,609	-228	-56	42	79,554

## Consolidated cash-flow statement

	in kEUR	2017
<b>Current operating activities</b>		
	Net profit or loss for the period	<b>17,019</b>
+/-	Depreciation / Write-up of fixed assets	1,449
+/-	Change in provisions	8,050
-/+	Change in stock	-1,968
-/+	Change in debtors and other assets that cannot be attributed to investment and financing activities	3,157
+/-	Change in trade payables and other liabilities that cannot be attributed to investment and financing activities	1,628
-/+	Profit / Loss from the disposal of fixed assets	52
+	Interest expense	1,695
-	Interest income	-205
+/-	Income tax expense and income	6,302
-/+	Income tax payments	-5,733
=	<b>Cash flows from current operating activities</b>	<b>31,446</b>
<b>Investment activities</b>		
+	Cash received on disposal of tangible assets	112
-	Investments in tangible fixed assets	-1,257
-	Investments in intangible assets	-213
+	Cash received on disposal of financial assets	57
-	Cash paid for the purchase of financial assets	-201
+	Interest received	205
=	<b>Cash flows from investing activities</b>	<b>-1,297</b>
<b>Financing activities</b>		
-	Cash payments to owners and minority shareholders (dividends, purchase of own shares, equity capital payback, other disbursements)	-3,823
+	Cash proceeds from issuance of bonds and from short- or long-term borrowings	18,636
+	Outgoing payments for the settlement of loans and (financial) credits	-14,506
-	Interest paid	-1,816
=	<b>Cash flow from financing activities</b>	<b>-1,508</b>
=	<b>Net change in cash and cash equivalents</b>	<b>28,641</b>
<b>Change in cash funds from exchange rate movements, changes in group structure and in valuation procedures for cash funds</b>		<b>-103</b>
<b>Cash funds</b>		
	At the start of the period	3,797
	<b>At the end of the period</b>	<b>32,335</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 consolidated financial statements 2017 have been prepared in compliance with the accounting directive implementation act (BilRUG) for the first time.

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, 13 (previous year: 12) 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 N.I. Limited has been consolidated for the first time, effective as of January 1st, 2017.

The following companies were fully consolidated in the reporting year:

Company	Capital Share
ABO Wind Betriebs GmbH, Wiesbaden, Germany	100%
ABO Wind Biogas GmbH, Wiesbaden, 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 Energias Renovables S.A., Buenos Aires, Argentina	94%
ABO Wind España S.A.U., Valencia, Spain	100%
ABO Wind Ireland Ltd., Dublin, Ireland	100%
ABO Wind N.I. Limited, Belfast, UK	100%
ABO Wind Oy, Helsinki, Finland	100%
ABO Wind SARL, Toulouse, France	100%
ABO Wind UK Ltd., Bellshill, UK	100%

**Not included within the consolidation scope** were shares in group undertakings which are being held with the sole purpose of resale (§296 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 EGHGB, through offsetting acquisition costs of investment with the (prorated) equity of the group undertaking.

The revaluation method is applied for companies newly entering the consolidation scope for the reporting year. In the process, acquisition costs of shares in subsidiaries are offset by equity, valued for the present value at the moment of first consolidation, allotted to the particular group undertaking. Active balances stemming from capital consolidation are in principle – after consideration of disclosed hidden reserves/ hidden liabilities as well as deferred taxes apportioned to each – 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. Insofar as the fair values of individual assets go below its book value, special depreciation with an ongoing reduction in value is recognized.

**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.

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## 2. Recognition and valuation of liabilities and equity

**Subscribed capital** is shown with its nominal value.

The group recognized **Mezzanine capital** as an item between equity and loans, exercising its option from §265 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 transactions 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.

Expenses and income of movements in recognized deferred income taxes is designated in the item "Taxes on income and profit" in the profit and loss account and declared separately in the annex.

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

## V. Information on balance sheet

Unless otherwise mentioned, the previous year's figures relate to the balance sheet as at 31st December 2016.

### 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.

### Debtors and other assets

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

	31.12.2017	Residual maturity	
	in kEUR	< 1 year	1-5 years
Trade debtors (previous year)	24,387 (17,278)	24,387 (17,147)	0 (131)
Amounts owned by group undertakings (previous year)	35,569 (54,468)	35,569 (54,468)	0 (-)
Amounts owed by undertakings in which the company has a participating interest (previous year)	122 (139)	122 (139)	0 (0)
Other assets (previous year)	7,877 (5,510)	7,715 (5,441)	162 (69)
Total (previous year)	67,955 (77,395)	67,793 (77,195)	162 (199)

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.

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

- Argentina 35%
- Spain 25%
- UK 20%
- Finland 20%
- Germany 30%
- Ireland 12,5%
- France 33%

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

The Group has generated an annual net profit of kEUR 17,010 in the financial year 2017, which will be completely carried over to new account.

The parent company has generated an annual net profit of kEUR 8,820 in the financial year 2017, which will also be completely carried over to new account.

### Mezzanine capital

Participation certificates in the amount of EUR 14,353 thousand (previous year: kEUR 14,494) were issued as at the balance sheet date. Each of the emitted participation certificates represents a theoretical share of 1. Of this amount, kEUR 7,666 (previous year: kEUR 7,586) is attributable to ABO Wind Mezzanine GmbH & Co. KG, kEUR 5,038 (previous year: kEUR 5,173) to ABO Wind Mezzanine II GmbH & Co. KG and kEUR 1,649 (previous year: kEUR 1,736) to ABO Wind Biogas-Mezzanine GmbH & Co. KG.

### Provisions

Tax provision are comprised as follows:

Tax provisions	31.12.17 in kEUR	31.12.16 in kEUR
Corporate tax provisions	2,084	2,108
Trade tax provisions	1,239	1,579
<b>Total</b>	<b>3,323</b>	<b>3,687</b>

Other provisions are comprised as follows:

Other provisions	31.12.17 in kEUR	31.12.16 in kEUR
Provisions for production costs without final invoices	12,676	6,850
Provisions for various project risks	1,340	650
Provisions for financial statements and auditing costs	158	142
Provisions for warranties	100	88
Provisions for the storage of business documents	25	25
Other provisions	6,259	4,709
<b>Total</b>	<b>20,558</b>	<b>12,464</b>

## Creditors

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

As at 31.12.16 in kEUR	Total	Residual maturity	
		< 1 year	1 - 5 years
Bank loans and overdrafts (previous year)	38,535 (33,283)	1,125 (4,346)	37,410 (28,937)
Trade creditors (previous year)	9,914 (6,864)	9,914 (6,864)	0 (0)
Liabilities towards affiliated companies (previous year)	912 (948)	909 (948)	0 (0)
Liabilities towards companies in which the company has a participating interest (previous year)	3 0	3 0	0 0
Other liabilities (previous year)	6,797 (8,073)	6,783 (7,962)	112 (118)
-of which taxes (previous year)	3,698 (5,171)	3,698 (5,171)	
-of which relating to social security (previous year)	172 (196)	172 (196)	
<b>Total</b> (previous year)	<b>56,161</b> <b>(49,169)</b>	<b>18,734</b> <b>(20,120)</b>	<b>37,427</b> <b>(29,049)</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:

	2017		2016	
	kEUR	%	kEUR	%
Planning and sale of rights	27,574	18,8	36,757	30,1
Construction	110,926	75,6	79,405	64,9
Services	8,285	5,6	6,129	5,0
	<b>146,785</b>	<b>100,0</b>	<b>122,291</b>	<b>100,0</b>

Structuring according to specific regional markets results follow below:

	2017		2016	
	TEUR	%	TEUR	%
Germany	65,276	44,47	91,422	74,76
Finland	50,947	34,71	13,200	10,79
France	20,541	13,99	6,975	5,70
UK	4,256	2,90	67	0,05
Spain	2,386	1,63	709	0,58
Ireland	2,250	1,53	132	0,11
Argentina	586	0,40	9,785	8,00
Iran	543	0,37	0	0,00
	<b>146,785</b>	<b>100,00</b>	<b>122,291</b>	<b>100,00</b>

### Depreciation

The depreciations include unplanned depreciations from non-feasible projects amounting to kEUR 11,328 (previous year kEUR 8,957). For the first time, this amount also includes capitalized expenses from projects during the year. In financial year 2017, these expenses constituted kEUR 3,622 of the entire valuation allowances.

### Incomes and Expenditures for Other Accounting Periods

The other business incomes and expenditures in the financial year primarily include the following incomes and expenditures for other accounting periods.

Incomes amounting to kEUR 746 have been generated from the depreciation of an individual value adjustment. Additional kEUR 630 have accrued through reversal of provisions. Expenses mainly include expenditures of kEUR 1,009 from losses on receivables.

## Tax on profit

Taxes on profits includes amounts from the recognition of deferred tax assets of kEUR 331 (previous year: kEUR 266) and deferred tax liabilities of kEUR 275 (previous year: kEUR 42).

## VII. Other disclosures

### Guarantees and commitments

ABO Wind AG has given a capped guarantee of payment to holders of profit-share certificates in Eurowind AG for interest and repayment claims in the amount of up to EUR 125,00 respectively. This guarantee of a total of kEUR 1,300 enables the profit-share certificate holders to make a direct claim to the guarantor in the event that Eurowind AG is at least 60 days in arrears with its payments. Interest on participation certificates have already been distributed for 2017.

Associated with the project rights, purchased 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 1,550 as of 31st December 2019 plus a maximum compensation of kEUR 511 as of 31st December 2020.

The company accepts liability in the amount of kEUR 8,400 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.

Furthermore ABO Wind AG has issued a guarantee in connection with the purchase of project rights on the part of an Irish project corporation in the amount of kEUR 7,200 as of 31.12.2020.

Furthermore, ABO Wind AG has issued a guarantee in favour of LBBW bank in connection with the financing of a Finnish wind farm. The payment guarantee is limited to the highest amount of kEUR 1,500 up to 30.09.2018.

Furthermore ABO Wind AG paid kEUR 73,987 to secure the payment claims which resulted from the contracts for delivery, mounting and commissioning of wind turbines for several project guarantees towards suppliers.

Moreover guarantees and sureties in the amount of kEUR 10,574 exist on the balance sheet date.

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

### 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 4,070 thousand (previous year: kEUR 4,533). These obligations relate primarily to the rental of office 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 fee

The separate and consolidated financial statements of the parent company as at 31 December 2017 were audited by Rödl & Partner GmbH, Köln, Germany. The fees for services relating to the audit of the financial statements came to kEUR 76 (previous year: kEUR 60); EUR 0 was paid for opinions (previous year: EUR 0).

### Employees

In the 2017 financial year, an average of 518 employees (previous year: 453) were employed who can be broken down into the following groups:

Employee group	31.12.17	31.12.16
Executives	11	11
Fulltime employees	361	303
Parttime employees	146	139
Total	518	453

### Board

Members of the board during the 2017 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 Lyon, 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 2017:

### Chairman

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

### Other members

Dr. Ing. Joachim Nitsch, scientist, Stuttgart

Jürgen Koopmann, director of Stadtbau GmbH, Nürnberg

Josef Werum, director of In.Power GmbH, Mainz

Norbert Breidenbach, board member of Mainova AG, Frankfurt

Eveline Lemke, President of Karlshochschule International University, Karlsruhe (from 21.7.2017)

Compensation of the supervisory board amounted to kEUR 70 (previous year kEUR 75).

## VIII. Supplementary report

A redeemable loan with a period of 5 years amounting to kEUR 2,000 was paid in the first quarter of 2018. Another loan amounting to kEUR 2,000 has already been agreed and will be drawn by 14.8.2018. Parallel to this, an extension of credit line amounting to kEUR 2,700 has been agreed with a leading credit insurance company.

Furthermore, the prospectus of issuance of convertible bonds has been approved by the Federal Financial Supervisory Authority (BaFin) in the first quarter of 2018. The convertible bonds are issued by the company up to 19.12.2022.

Apart from this, no events with considerable importance that could change the evaluation of business trends, asset-, financial- or profit situation, occurred after 31st December 2017.

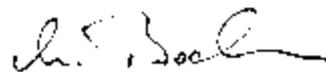
Wiesbaden, 31 March 2017

ABO Wind AG

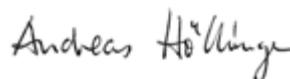
Executive Board



Dr. Jochen Ahn



Matthias Bockholt



Andreas Höllinger

## Asset analysis for the business year 2017

	In kEUR	Acquisition costs							Depreciation							Book value	
		01.01.2017	Consolidation Scope	Currency effect	Additions	Disposals	Transfers	As of 31.12.2017	01.01.2017	Consolidation scope	Currency effect	Additions	Disposals	As of 31.12.2017	31.12.2017	31.12.2016	
I.	Intangible assets																
1.	Acquired concessions, industrial property and similar rights	1,472		-1	213	33	0	1,651	1,199	0	-1	192	33	1,358	293	273	
	<b>Total intangible assets</b>	<b>1,472</b>	<b>0</b>	<b>-1</b>	<b>213</b>	<b>33</b>	<b>0</b>	<b>1,651</b>	<b>1,199</b>	<b>0</b>	<b>-1</b>	<b>192</b>	<b>33</b>	<b>1,358</b>	<b>293</b>	<b>273</b>	
II.	Tangible assets																
1.	Land, similar rights and buildings including buildings on third-party land	361	47	-2	0	33	0	373	7	0	0	0	0	7	366	354	
2.	Technical equipment and machinery	181	0	0	0	2	0	179	7	0	0	13	0	20	159	174	
3.	Other equipment, factory and office equipment	9,439	93	-94	1,257	456	0	10,239	5,184	67	-31	1,243	327	6,137	4,102	4,254	
	<b>Total tangible assets</b>	<b>9,981</b>	<b>140</b>	<b>-96</b>	<b>1,257</b>	<b>491</b>	<b>0</b>	<b>10,791</b>	<b>5,199</b>	<b>67</b>	<b>-31</b>	<b>1,257</b>	<b>327</b>	<b>6,164</b>	<b>4,627</b>	<b>4,782</b>	
III.	Financial assets																
1.	Shares in group undertakings	123	-1	0	163	0	0	286	19	0	0	0	0	19	267	105	
2.	Loans to group undertakings	751		0	38	0	0	789	0	0	0	0	0	0	789	751	
3.	Participations	4,217		0	0	0	0	4,217	506	0	0	0	0	506	3,710	3,710	
4.	Loans to affiliated companies	858		0	0	57	0	801	0	0	0	0	0	0	801	858	
	<b>Total financial assets</b>	<b>5,949</b>	<b>-1</b>	<b>0</b>	<b>201</b>	<b>57</b>	<b>0</b>	<b>6,092</b>	<b>525</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>525</b>	<b>5,567</b>	<b>5,424</b>	
	<b>Total fixed assets</b>	<b>17,401</b>	<b>139</b>	<b>-97</b>	<b>1,671</b>	<b>581</b>	<b>0</b>	<b>18,534</b>	<b>6,923</b>	<b>67</b>	<b>-32</b>	<b>1,449</b>	<b>360</b>	<b>8,047</b>	<b>10,487</b>	<b>10,478</b>	

## Significant holdings of ABO Wind AG

As of 31.12.2017	Share in %	Equity in thousands		Annual result in thousands	
<b>Germany</b>					
ABO Wind Biomasse GmbH, Heidesheim	100	EUR	55	EUR	2
ABO Wind Verwaltungs GmbH, Wiesbaden	100	EUR	169	EUR	1
ABO Wind Betriebs GmbH, Wiesbaden	100	EUR	710	EUR	89
WPE Hessische Windparkges. mbH, Wiesbaden	50.1	EUR	-113	EUR	-211
ABO Wind Biogas GmbH, Wiesbaden	100	EUR	63	EUR	19
ABO Wind Service GmbH, Heidesheim	100	EUR	73	EUR	49
ABO Wind Sachverständigen GmbH, Heidesheim	100	EUR	0	EUR	-28
ABO Wind Solutions GmbH,	100	EUR	21	EUR	-4
ABO Pionier AG, Wiesbaden	100	EUR	100	EUR	0
ABO Invest AG, Wiesbaden	10.4	EUR	62,509	EUR	388
ABO Kraft & Wärme AG, Wiesbaden	19.9	EUR	10,464	EUR	148
ABO Wind Biogas- Mezzanine GmbH & Co. KG, Wiesbaden	100	EUR	40	EUR	3
ABO Wind Mezzanine GmbH & Co. KG, Wiesbaden	100	EUR	96	EUR	8
ABO Wind Mezzanine II GmbH & Co. KG, Wiesbaden	100	EUR	9	EUR	15
<b>France</b>					
ABO Wind SARL, Toulouse	100	EUR	2,167	EUR	2,144
<b>Spain</b>					
ABO Wind Espana S.A., Valencia	100	EUR	656	EUR	196
<b>Finland</b>					
ABO Wind OY, Helsinki	100	EUR	6,689	EUR	4,423
<b>Iran</b>					
ABO Wind Iranian LLP, Teheran	95	IRR	-17,023*	IRR	-15,576*
<b>Ireland</b>					
ABO OMS Ltd., Dublin	100	EUR	5	EUR	-38
ABO Wind Ireland Ltd., Dublin	100	EUR	0	EUR	185
<b>Canada</b>					
ABO Wind Canada Ltd., Calgary	100	CAD	-86	CAD	-86
<b>United Kingdom</b>					
ABO Wind N.I. Ltd., Belfast	100	GBP	1,148	GBP	1,288
ABO Wind UK Ltd., Livingston	100	GBP	-233	GBP	29
<b>Uruguay</b>					
ABO Uruguay S.A., Montevideo	99	UYU	-4,020**	UYU	-1,482**
<b>Argentina</b>					
ABO Wind Energías Renovables S.A, Buenos Aires	94	ARS	11,316	ARS	2,933

\* financial year 2016

\*\* financial year 2015

## Balance sheet ABO Wind AG

### Assets

As of 31.12. / in kEUR	2017	Previous year
<b>A. Fixed assets</b>	<b>9,377</b>	<b>9,177</b>
<b>I. Intangible assets</b>	<b>228</b>	<b>154</b>
1. Concession and property rights and similar rights and assets, and licences in such rights and assets	228	154
<b>II. Tangible assets</b>	<b>3,108</b>	<b>3,126</b>
1. Land, similar rights and buildings	321	354
2. Other equipment, factory and office equipment	2,787	2,772
<b>III. Financial assets</b>	<b>6,041</b>	<b>5,897</b>
1. Shares in group undertakings	741	578
2. Loans to affiliated companies	789	751
3. Participating interests	3,710	3,710
4. Loans to companies in which the company has a participating interest	801	858
<b>B. Current assets</b>	<b>144,354</b>	<b>133,207</b>
<b>I. Stocks</b>	<b>61,152</b>	<b>53,755</b>
1. Work in progress	65,203	59,827
2. Finished goods and goods for resale	214	214
3. Payments of account	4,643	3,768
4. Received payments for orders	-8,908	-10,055
<b>II. Debtors and other assets</b>	<b>42,479</b>	<b>72,072</b>
1. Trade debtors	5,603	15,022
2. Receivables from group undertakings	32,455	53,409
3. Receivables from companies in which the company has a participating interest	122	139
4. Other assets	4,299	3,502
<b>III. Securities</b>	<b>10,816</b>	<b>6,857</b>
1. Shares in group undertakings	4,532	752
2. Other securities	6,284	6,105
<b>IV. Cheques, cash in hand, central Bank and postal giro balances, bank balances</b>	<b>29,907</b>	<b>523</b>
<b>C. Prepaid expenses</b>	<b>91</b>	<b>36</b>
<b>Total assets</b>	<b>153,822</b>	<b>142,420</b>



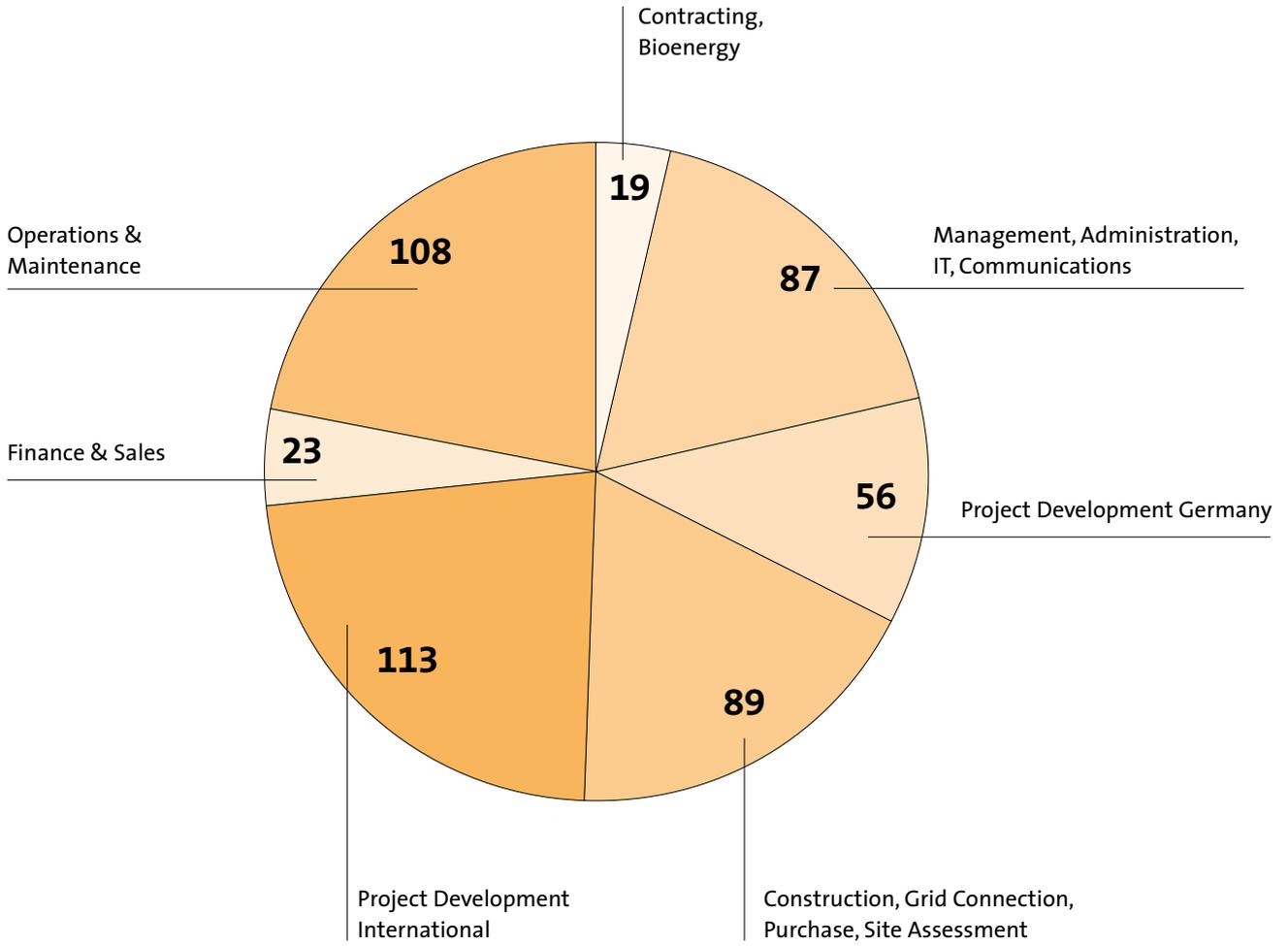
## Profit and loss account ABO Wind AG

From 1.1. to 31.12. / in kEUR	2017	Previous year
1. Turnover	90,996	111,103
2. Change in finished goods and work in progress	16,704	18,103
3. <b>Total output</b>	107,700	129,205
4. Other operating income	3,147	1,996
5. Cost of materials	-53,252	-72,244
a) Cost of raw materials, consumables and goods for resale	-88	-113
b) Cost of purchased services	-53,164	-72,130
6. Staff costs	-25,016	-21,192
a) Wages and salaries	-21,571	-18,183
b) Social security, pension and other benefits	-3,445	-3,010
7. Depreciation and amortisation	-11,987	-9,563
a) Of fixed intangibles and tangible assets	-659	-606
b) Exceptional amounts written off current assets	-11,328	-8,957
8. Other operating expenses	-7,484	-6,261
9. Income from participating interests from group undertakings	500	3,300
10. Other interest receivables and similar income -of which from group undertakings: 430 (previous year: 396)	529	410
11. Interest payable and other similar charges - of which to group undertakings: 444 (previous year: 518)	-1,210	-1,356
12. Tax on profit	-4,079	-5,151
13. <b>Earnings after taxes</b>	8,848	19,144
14. Other taxes	-28	-26
15. <b>Net Profit</b>	8,820	19,118
16. Allocations to other reserves	0	9,559
17. <b>Consolidated balance sheet profit</b>	8,820	9,559

Deviations through rounding differences

# Organisation ABO Wind Group

Number of Employees (Total: 495)



## Germany

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### ABO Wind AG

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