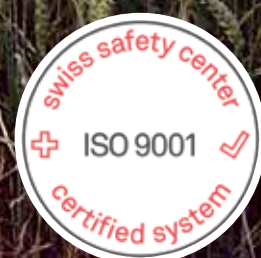


# ewz (Deutschland) GmbH. Annual Report 2019.



# **ewz (Deutschland) GmbH.**

## **Annual Report 2019.**

**ewz (Deutschland) GmbH is a wholly owned subsidiary of ewz (Zurich Municipal Electric Utility).**

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# Foreword by the Executive Board.

## Summary of 2019.

ewz (Deutschland) GmbH is a wholly owned subsidiary of ewz (Zurich Municipal Electric Utility). The long-term strategic objective of ewz (Deutschland) GmbH is to acquire, build and manage power production facilities in the focus countries of Germany, France, Norway and Sweden. When its current construction projects are completed in late 2020, the Group's portfolio will produce around 1 TWh of renewable energy per year, which represents around one fifth of ewz's current electricity output. With this, ewz (Deutschland) GmbH is making a targeted contribution to the expansion of renewable energies and the phasing out of nuclear energy. It favours investment in renewable energies where there is optimal availability of natural resources for the technology in question and where standards related to efficiency, climate and environmental impact and acceptance of the investment can best be fulfilled. In so doing, ewz (Deutschland) GmbH is making an active contribution to energy transition, climate and environmental protection and an energy supply compatible with the objectives of the 2000-watt society.

In the reporting year, ewz (Deutschland) GmbH took another major step in its growth strategy with the acquisition of the Måkaknuten wind farm in southern Norway. The wind farm shares a grid connection with the Stigafjellet wind farm purchased in 2018 and will produce around 350 GWh of electricity with 22 wind turbines. Construction work began in mid-2019 and the wind farm is expected to go into operation in the fourth quarter of 2020. The Stigafjellet wind farm is also under construction and is expected to be operational in the third quarter of 2020. The two wind farms enjoy outstanding wind conditions and together will increase the annual power production of ewz (Deutschland) GmbH by a good 460 GWh.

The second half of 2019 saw the takeover of the three French wind farms Autremencourt, Graincourt and Vihiersois from Nordex. The company managed to reach a settlement with Nordex to compensate for economic losses associated with the delayed handover. Immediately after the takeover, the availability of the wind turbines at all three wind farms reached outstanding levels.



The reporting year brought challenges for the Trianel Borkum II offshore wind farm, in which ewz (Deutschland) GmbH acquired a stake in February 2017 through the investment company ewz Offshore Borkum GmbH. The insolvency and ensuing liquidation of the turbine supplier Servion led to construction delays and brought uncertainty to the project. This required a capital contribution from the shareholders, and ewz (Deutschland) GmbH was forced to make a loan of TEUR 7 000 available to its investment company. However, the shareholders' committee and the management board of the wind farm company managed to adapt quickly to the new situation and conclude contracts directly with the subcontractors, and they succeeded in putting half of the 32 assets into operation by the end of 2019. The rest of the assets will only be established in the first half of 2020 and the feed-in tariff for these turbines will therefore be slightly lower.

The five German onshore wind farms enjoyed good conditions in 2019. With the performance and availability of the wind farms also gratifyingly high, values were slightly in excess of forecasts. In addition, the company managed to conclude new maintenance contracts under improved conditions for a section of the wind farm. The offshore wind farm Butendiek also enjoyed favourable wind conditions. With very good availability, the year's feed-in rates for the wind power plants were in line with forecasts.

Sweden witnessed an above-average incidence and intensity of lightning in 2019, which didn't spare the wind farms in the Atlantic portfolio. Lightning strikes caused production outages and costs were associated with ensuing repairs to affected rotor blades. These losses were entirely covered by the insurer. Wind volumes in Sweden exceeded expectations in the reporting year and availability of the turbines was correspondingly high.



Tiziano Bottinelli



Hanspeter Rahm



Martin Roth



Marcel Frei





# Activities of ewz (Deutschland) GmbH.

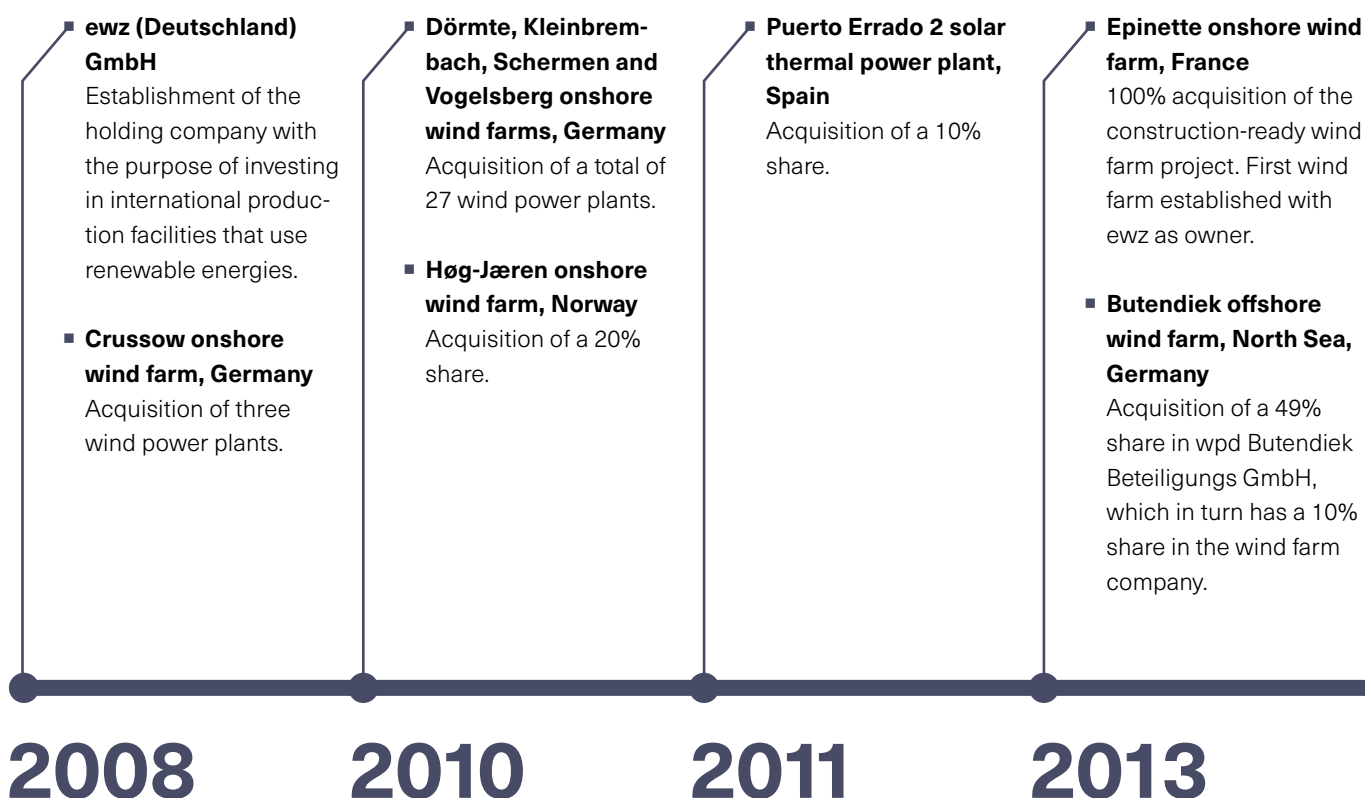
## Overview.

### Key figures (as at December 2019).

Investments	16
Installed capacity (ewz share)	177.5 MW
Capacity under construction (ewz share)	150.5 MW
Production (ewz share)	480 GWh

### Chronological overview.

#### A summary.





**ewz (Deutschland) GmbH  
production sites.**

- 1 Crussow, wind onshore DE
- 2 Schermen, wind onshore DE
- 3 Dörmte, wind onshore DE
- 4 Vogelsberg, wind onshore DE
- 5 Kleinbrembach, wind onshore DE
- 6 Butendiek, wind offshore DE
- 7 Borkum, wind offshore DE
- 8 Høg-Jæren, wind onshore NO
- 9 Stigafjellet, wind onshore NO
- 10 Måkaknuten, wind onshore NO
- 11 Mungseröd, wind onshore SE
- 12 Ramsnäs, wind onshore SE
- 13 Skalleberg, wind onshore SE
- 14 Alered, wind onshore SE
- 15 Epinette, wind onshore FR
- 16 Graincourt, wind onshore FR
- 17 Autremencourt, wind onshore FR
- 18 Vihiersois, wind onshore FR
- 19 Puerto Errado 2, solar thermal ES



**Atlantic onshore  
wind farm portfolio,  
Sweden**

Acquisition of a 51% share in the Atlantic wind farm portfolio, consisting of the four wind farms Mungseröd, Ramsnäs, Skalleberg, Alered.

**Borkum II offshore  
wind farm, North Sea,  
Germany**

Acquisition of a 12.26% share in the Trianel Borkum II offshore wind farm project.

■ **Autremencourt and  
Vihiersois onshore  
wind farms, France**

100% acquisition of the Autremencourt and Vihiersois wind farm projects.

**Graincourt onshore  
wind farm, France**

100% acquisition of the Graincourt wind farm project.

■ **Stigafjellet onshore  
wind farm, Norway**

100% acquisition of the Stigafjellet wind farm project.

**Måkaknuten onshore  
wind farm, Norway**

100% acquisition of the Måkaknuten wind farm project.

**2015**

**2017**

**2018**

**2019**

# Portfolio.

## Brief description.

### 1 Crussow wind farm, Brandenburg, Germany.



The wind farm is located 90 kilometres north-east of Berlin, near Angermünde in the state of Brandenburg. The immediate vicinity is an extensive agricultural region with arable farming land or meadows for grazing. In 2008, ewz (Deutschland) GmbH acquired three of a total of eight turbines.

Capacity	6 MW
Turbines	3 Vestas V-80; 2 MW
ewz share	100%
Commissioning	2002
Production	11 GWh

### 2 Schermen wind farm, Saxony-Anhalt, Germany.



The Schermen wind farm is located in the district of Jerichower Land, Saxony-Anhalt, 15 kilometres north-east of the city of Magdeburg. The wind farm benefits from varying wind strengths at different elevations, with up to 20 metres' difference between the individual wind power plants.

Capacity	16 MW
Turbines	8 Vestas V-90; 2 MW
ewz share	100%
Commissioning	2007 (6) and 2009 (2)
Production	31 GWh

### 3 Dörmte wind farm, Lower Saxony, Germany.



The Dörmte wind farm is located in the district of Uelzen, Lower Saxony, 70 kilometres south-east of Hamburg. The immediate vicinity of the wind farm consists of extensive arable farming land.

Capacity	16.5 MW
Turbines	11 REpower MD-77; 1.5 MW
ewz share	100%
Commissioning	2006
Production	31 GWh

### 4 Vogelsberg wind farm, Thuringia, Germany.



The Vogelsberg wind farm is located in the district of Sömmerda, Thuringia, 75 kilometres south-west of Leipzig. It sits atop a slight elevation and is surrounded by extensive grain fields. Only a high-voltage line and a local authority border separate the wind farms of Vogelsberg and Kleinbrenbach.

Capacity	6 MW
Turbines	3 Vestas V-90; 2 MW
ewz share	100%
Commissioning	2009
Production	13 GWh

### 5 Kleinbrenbach wind farm, Thuringia, Germany.



The Kleinbrenbach wind farm is located in the district of Sömmerda, Thuringia, 75 kilometres south-west of Leipzig. It is situated on an elevation in the midst of arable farming land directly adjacent to the Vogelsberg wind farm and cannot be seen from the village.

Capacity	10 MW
Turbines	5 Vestas V-90; 2 MW
ewz share	100%
Commissioning	2006
Production	22 GWh

#### 6 Butendiek wind farm, North Sea, Germany.



The Butendiek offshore wind farm is located off the German coast of the North Sea, around 32 kilometres from the island of Sylt. Construction began in March 2014 and the first turbines started feeding electricity into the public grid just eleven months later in February 2015. August 2015 saw the fastest completion of an offshore North Sea wind farm to date.

Capacity	288 MW
Turbines	80 Siemens SWT-3.6-120; 3.6 MW
ewz share	4.9%
Commissioning	2015
Production	1 143 GWh

#### 7 Borkum II wind farm, North Sea, Germany.



The Trianel Borkum II offshore wind farm is located in Germany's North Sea territory, around 45 kilometres from the North Sea island of Borkum and some 65 kilometres from the German mainland. ewz acquired a 12.26% share in this construction-ready project in February 2017. Construction has been under way since autumn 2017 and is set for completion halfway through 2020.

Capacity	202.6 MW
Turbines	32 Senvion 6.33 6M152
ewz share	12.26%
Commissioning	Q2 2020
Production	881 GWh

#### 8 Høg-Jæren wind farm, Stavanger, Norway.



Since mid-2011, 26 wind power plants have been operation in the Høg-Jæren wind farm, with a further six added in late 2012. They are located south of the port city of Stavanger, one of the most productive domestic locations for wind energy. The Høg-Jæren wind farm was named 'Wind Warrior of the Year' in 2013 and 2014.

Capacity	73.6 MW
Turbines	32 Siemens SWT-2.3-93; 2.3 MW
ewz share	20%
Commissioning	2011 (26) and 2012 (6)
Production	235 GWh

#### 9 Stigafjellet wind farm, Bjerkreim, Norway.



The wind farm is located just 12 kilometres east of the Høg-Jæren wind farm, in which ewz has a 20% share, in the wind-rich Rogaland region of south-western Norway. The developer Eolus is responsible for the construction of the wind farm and the facility is scheduled to go into production in the third quarter of 2020.

Capacity	30.1 MW
Turbines	7 Siemens SWT-DD-130; 4.3 MW
ewz share	100%
Commissioning	Q3 2020
Production	117 GWh

#### 10 Måkaknuten wind farm, Bjerkreim, Norway.



The wind farm is located in the Rogaland region of south-western Norway. It is directly linked to the recently acquired Stigafjellet wind farm and is located around 12 kilometres east of the Høg-Jæren wind farm in which ewz has had a stake since 2010. The facility is scheduled to go into production in the fourth quarter of 2020.

Capacity	94.6 MW
Turbines	22 Siemens SWT-DD-130; 4.3 MW
ewz share	100%
Commissioning	Q4 2020
Production	348 GWh

## Atlantic wind farm portfolio, southern Sweden.

The four wind farms of Mungseröd, Ramsnäs, Skalleberg and Alered are located on elevations in forested regions (around 200 kilometres apart) and benefit from different wind regimes. ewz (Deutschland) GmbH acquired a 51% share in three of the four turnkey wind farms in January 2015 and the fourth, Skalleberg, in March 2015.



### 11 Mungseröd wind farm.

Capacity	15.2 MW
Turbines	4 Vestas V-100; 1.8 MW 4 Vestas V-100; 2.0 MW
ewz share	51%
Commissioning	2014
Production	46 GWh

### 12 Ramsnäs wind farm.

Capacity	13.4 MW
Turbines	3 Vestas V-100; 1.8 MW 4 Vestas V-100; 2.0 MW
ewz share	51%
Commissioning	2014
Production	41.5 GWh

### 13 Skalleberg wind farm.

Capacity	19.4 MW
Turbines	2 Vestas V-90; 2.0 MW 3 Vestas V-100; 1.8 MW 5 Vestas V-100; 2.0 MW
ewz share	51%
Commissioning	2015
Production	59.5 GWh

### 14 Alered wind farm.

Capacity	13.2 MW
Turbines	4 Vestas V-112; 3.3 MW
ewz share	51%
Commissioning	2014
Production	34.7 GWh

**15 Epinette wind farm, Nord-Pas-de-Calais, France.**



This location near the coast, around 30 kilometres from the English Channel, boasts particularly good wind potential. ewz (Deutschland) GmbH acquired a share in the construction-ready wind farm in 2013. It is the first wind farm that ewz has operated as a builder, constructed after just one year, and through which ewz gained experience with gearless wind turbines.

Capacity	12 MW
Turbines	6 Enercon E82; 2 MW
ewz share	100%
Commissioning	2014
Production	36 GWh

**16 Graincourt wind farm, Hauts-de-France region, France.**



The Graincourt wind farm is located in the Hauts-de-France region in north-eastern France, in the vicinity of the Epinette wind farm that has been operational since 2014. The ownership of the construction-ready project carried out by Nordex was transferred to ewz (Deutschland) GmbH in February 2018. Operation began in the first quarter of 2019.

Capacity	12 MW
Technology	4 Nordex N117 R91; 3.0 MW
ewz share	100%
Commissioning	2019
Production	34 GWh

**17 Autremencourt wind farm, Hauts-de-France region, France.**



Like the Graincourt wind farm, the Autremencourt wind farm is located in the Hauts-de-France region of north-eastern France, relatively close to the Epinette wind farm. ewz acquired the construction-ready project from Nordex in December 2017. The wind farm was taken over in July 2019.

Capacity	14.4 MW
Turbines	6 Nordex N117 R91; 2.4 MW
ewz share	100%
Commissioning	2019
Production	39 GWh

**18 Vihiersois wind farm, Pays-de-la-Loire region, France.**



The Vihiersois wind farm is located in the Pays-de-la-Loire region of western France, around 80 kilometres east of Nantes. Construction work began in autumn 2017. ewz acquired the wind farm project from the developer Nordex in December. The plant went into operation in October 2019.

Capacity	21.6 MW
Turbines	9 Nordex N117 R91; 2.4 MW
ewz share	100%
Commissioning	2019
Production	64 GWh

**19 Puerto Errado 2, Calasparra, Spain.**



Located in the sunny Spanish region of Murcia, the Puerto Errado 2 thermal solar power plant went into operation in 2012 and is based on Fresnel technology with direct evaporation. It was constructed under Swiss management. Along with two conventional power plant blocks, the facility encompasses a solar field with around 302 000 m<sup>2</sup> of reflective surfaces.

Capacity	30 MW
Technology	Linear Fresnel collectors
ewz share	10%
Commissioning	2012
Production	45 GWh

# Financial Report 2019.

## Positive Group result.

### Income situation.

Along with the availability of facilities, the income situation is largely dependent on weather conditions and as such on the volume of electricity produced. Wind levels in the focus countries were in line with forecasts for 2019.

Construction on the three French wind farms was successfully completed in 2019. The new wind farms in France generated revenue for the first time, which had a positive influence on the revenue situation of the ewz Deutschland Group.

Buoyant construction and investment activity within the ewz Deutschland Group is reflected in the 2019 consolidated annual result. For the Stigafjellet and Måkaknuten wind farms currently under construction, there were additional costs that didn't generate revenues, which consequently put a strain on the annual result. The consolidated profit after minority interests of other shareholders amounted to TEUR 4 474 in 2019 (previous year: TEUR 1 517). This result was around TEUR 1 000 better than forecast. This difference primarily resulted from reduced depreciation in France and lower rates of local taxes in France and Sweden.

Improved wind levels and the expansion of the wind farm portfolio increased revenues from TEUR 22 421 in 2018 to TEUR 31 470 in 2019. Revenues for 2019 were divided between focus countries as follows: Germany TEUR 10 016 (previous year TEUR 8 947), Sweden TEUR 11 106 (previous year: TEUR 10 527), France TEUR 10 349 (previous year: TEUR 2 947). In France, the Vihiersois and Graincourt wind farms were completed in the first half of the year, leading to an increase in revenues. The wind farms currently under construction in Norway are set to start producing revenue in autumn 2020.

The cost of materials increased to TEUR 7 176 compared to TEUR 6 033 in 2018, mainly due to the addition of the French wind farms to the production portfolio. As a result, the EBITDA increased to TEUR 24 923 (previous year: TEUR 16 592). This result was in line with forecasts.

Depreciation and amortisation expenses increased to TEUR 16 031 (previous year: TEUR 12 003), which was mainly driven by the commissioning of the new wind farms in France. The facility currently under construction will only be depreciated over its useful life after commissioning.

The expansion of the portfolio brought higher levels of debt, with interest expenses increasing to TEUR 3 883 (previous year: TEUR 2 836). Within the ewz Deutschland Group, interest costs are not capitalised during construction.

### Financial situation.

The balance sheet total increased by TEUR 37 746 to reach TEUR 361 531 (previous year: TEUR 323 785).

There was a particular increase in non-current assets due to strong investment activities in Norway. Cash and cash equivalents fell to TEUR 12 150 in the year under review (previous year: TEUR 32 599).

On the liabilities side, liabilities to banks arising from new loans increased by TEUR 18 000 to TEUR 147 000. Investments made in the year under review were predominantly financed through external capital. ewz Deutschland Group has set itself the goal of maintaining an equity capital ratio of at least 40%. We define the subordinated loans from ewz in the amount of TEUR 22 300 (previous year: TEUR 15 800) as economic equity and they are included when calculating the equity capital ratio. These consolidated financial statements contain the subordinated loans of minority shareholdings (TEUR 13 678) in the calculation of the equity capital ratio for the first time. These loans were granted as hedging for the ewz Deutschland Group. The resulting equity capital ratio for 2019 is 48%. According to the new calculation, the equity capital ratio for 2018 should have been 46% rather than 41%. As forecast, the equity capital ratio is over 40%.

Net debt increased in the past financial year by TEUR 32 416 to reach TEUR 162 256. This debt increase serves to finance long-term assets, which have also increased. The key figures of net debt/EBITDA improved to reach 6.5 years (previous year: 7.8 years; loans from minority shareholdings are no longer included under net debt, 2018 values were adjusted for the new accounting method). This was primarily driven by the higher EBITDA. This development was in line with forecasts.

In its function as a holding company, ewz (Deutschland) GmbH is responsible for financial management within the ewz (Deutschland) Group. ewz (Deutschland) GmbH finances fully consolidated companies through loans and current accounts and ensures optimisation of financing while also guaranteeing sufficient liquidity reserves. Cash pooling agreements exist with all German wind farm companies, with the exception of ewz Windpark Crussow GmbH.

In 2019, ewz made payments of TEUR 13 000 into the capital reserve of ewz (Deutschland) GmbH. Moreover, ewz (Deutschland) GmbH has an unused loan facility in the amount of TEUR 9 300 with ewz.

Cash and cash equivalents amounted to TEUR 12 150 at the end of 2019. The change since 2018 amounts to TEUR -20 448. An operating cash flow of TEUR 22 780 was generated. Cash flow from investment activity of TEUR -68 059 primarily reflects the acquisition in Norway. Cash flow from financing activities of TEUR 24 831 largely reflects the additional loan of TEUR 15 000 net and payments into the capital reserve of TEUR 13 000.

The return on equity for 2019 increased to 3.6% (1.3% in 2018). This is mainly due to the improved earnings situation and the commissioning of the new wind farms in France.

#### **Investments.**

In 2019, investments in the amount of TEUR 69 778 were carried out. The investments primarily encompassed the acquisition of the Norway project company ewz Måkaknuten Vind AS and investments in the construction of wind power plants. Construction on this wind farm began in 2019. Completion is due for this year and it is set to produce around 348 GWh of electricity from autumn 2020. This is the biggest investment in the history of the ewz Deutschland Group. The payments for this wind farm are made in accordance with an agreed construction progress plan. Also included under investments is a loan in the amount of TEUR 6 991 to ewz Offshore Borkum GmbH.





# Profit and loss statement.

## 2019.

<b>Profit and loss statement.</b>	<b>2019</b>	<b>2018</b>
	<b>TEUR</b>	<b>TEUR</b>
1. Revenues	31 470	22 421
2. Other operating income	1 917	254
3. Cost of materials		
Cost of purchased services	- 7 176	- 6 033
4. Depreciation and amortisation on intangible assets on fixed assets and property, plant and equipment	- 16 031	- 12 003
5. Other operating expenses	- 2 017	- 1 046
6. Income from affiliated companies	608	876
7. Earnings from investments	120	120
8. Earnings from loans of financial assets	505	349
9. Other interest and similar earnings	674	0
10. Interest and similar expenses	- 3 883	- 2 836
<i>of which from affiliated companies</i>	- 323	- 265
11. Taxes on income and earnings	- 809	- 331
<b>12. Net income after taxes</b>	<b>5 381</b>	<b>1 771</b>
13. Other taxes	- 478	- 283
<b>14. Consolidated annual profit</b>	<b>4 902</b>	<b>1 488</b>
15. Profit/loss from non-controlling interests	428	- 29
<b>16. Consolidated net profit</b>	<b>4 474</b>	<b>1 517</b>

# Balance sheet.

## 2019.

Consolidated balance sheet	31/12/2019	31/12/2018
	TEUR	TEUR
<b>A. Non-current assets</b>		
I. Intangible assets		
1. Paid concessions, industrial property rights and similar rights and values as well as licences to such rights and values	22 806	13 043
2. Goodwill	8 203	6 794
	31 009	19 836
II. Property, plant and equipment		
1. Land, land rights and buildings, including buildings on third-party land	1 031	2 386
2. Technical plant and machinery	202 515	105 830
3. Other fixed assets, machinery and business equipment	0	0
4. Advance payments and assets under construction	45 289	99 416
	248 835	207 632
III. Financial assets		
1. Investments in affiliated companies	32 637	32 029
2. Other investments	7 557	7 557
3. Loans to companies related through investment	18 457	12 740
4. Other loans	692	651
	59 343	52 977
	<b>339 187</b>	<b>280 446</b>
<b>B. Current assets</b>		
I. Receivables and other assets		
1. Trade accounts receivable	7 193	3 054
2. Receivables from companies related through investment	271	305
3. Other assets	1 871	6 624
	9 335	9 983
II. Cash on hand and cash at banks	12 150	32 599
	<b>21 486</b>	<b>42 582</b>
<b>C. Deferred income</b>	<b>858</b>	<b>757</b>
<b>ASSETS</b>	<b>361 531</b>	<b>323 785</b>

Consolidated balance sheet	31/12/2019	31/12/2018
	TEUR	TEUR
<b>A. Equity capital</b>		
I. Subscribed capital	25	25
II. Capital reserve	145 813	132 813
III. Profit/loss carried forward	-21 746	-23 263
IV. Consolidated profit	4 474	1 517
V. Non-controlling interests	7 460	7 242
	<b>136 027</b>	<b>118 335</b>
<b>B. Provisions</b>		
1. Tax provisions	258	351
2. Other provisions	2 198	1 688
	<b>2 456</b>	<b>2 039</b>
<b>C. Liabilities</b>		
1. Loans	30 000	30 000
2. Liabilities to banks	147 000	129 000
3. Trade accounts payable	2 248	9 658
4. Liabilities to affiliated companies	22 388	15 866
5. Liabilities to companies related through investment	13 678	13 678
6. Other liabilities	1 959	1 634
<i>of which taxes</i>	<i>1 306</i>	<i>1 005</i>
	<b>217 273</b>	<b>199 837</b>
<b>D. Deferred income</b>	<b>78</b>	<b>91</b>
<b>E. Deferred tax assets</b>	<b>5 697</b>	<b>3 484</b>
<b>LIABILITIES</b>	<b>361 531</b>	<b>323 785</b>

# Cash flow statement.

## 2019.

<b>Consolidated cash flow statement from 1 January to 31 December 2019.</b>		<b>2019</b>	<b>2018</b>
		<b>TEUR</b>	<b>TEUR</b>
1.	Period result (consolidated annual net profit, including profit share of other shareholders)	4 902	1 488
2.	+/- Depreciation and amortisation/appreciation on non-current assets	16 031	12 003
3.	+/- Increase/decrease in provisions	510	- 197
4.	+/- Other non-cash expenses/earnings	- 517	- 135
5.	-/+ Increase/decrease in inventories, trade accounts receivable as well as other assets not included under investment or financing activity	1 807	- 4 129
6.	+/- Increase/decrease in trade accounts payable as well as other liabilities not included under investment or financing activity	- 1 516	- 1 739
7.	+/- Interest expenses/interest income	2 703	2 487
8.	- Other investment income	- 728	- 996
9.	+/- Income tax expenses/income	809	331
10.	-/+ Income tax payments	- 1 221	- 145
<b>11.</b>	<b>= Operating cash flow</b>	<b>22 780</b>	<b>8 968</b>
12.	- Payments for investments in property, plant and equipment	- 51 736	- 77 482
13.	+ Payments from disposals of financial assets	1 397	552
14.	- Payments for investments of financial assets	- 6 991	
15.	- Payments for additions to scope of consolidation	- 11 051	- 3 494
16.	+ Interest received	202	402
17.	+ Dividends received	120	120
<b>18.</b>	<b>= Cash flow from investment activity</b>	<b>- 68 059</b>	<b>- 79 902</b>
19.	+ Payments from additions to equity capital from shareholders in the parent company	13 000	9 500
20.	+ Payments from additions to equity capital from other shareholders	0	784
21.	+ Payments from issuance of bonds and raising of (financial) loans	27 000	67 000
22.	- Payments from proceeds of bonds and repayment of (financial) loans	- 12 084	
23.	- Interest paid	- 2 875	- 1 927
24.	- Dividends paid to other shareholders	- 210	- 980
<b>25.</b>	<b>= Cash flow from investment activity</b>	<b>24 831</b>	<b>74 377</b>
26.	- Net change in cash and cash equivalents	- 20 448	3 443
27.	+ Cash and cash equivalents at beginning of period	32 599	29 156
<b>28.</b>	<b>= Cash and cash equivalents at end of period</b>	<b>12 150</b>	<b>32 599</b>



# Annex.

## 2019.

### General principles and statement.

ewz Deutschland Group, with parent company ewz (Deutschland) GmbH, located in 78467 Constance, registered in the commercial register in Freiburg, Germany, HRB 706311, is exempted from the obligation to prepare consolidated financial statements or a consolidated management report due to the size of the Group in accordance with section 293 of the German Commercial Code (HGB). Nonetheless, for reasons of transparency, ewz Deutschland Group has voluntarily decided to prepare consolidated financial statements each year and prepared consolidated financial statements according to the provisions of the HGB for the first time as at 31/12/2018.

The parent company of the largest and at the same time smallest scope of consolidation is ewz (Deutschland) GmbH, whose consolidated financial statements are submitted for publication to the operator of the Bundesanzeiger.

### Scope of consolidation.

The consolidated financial statements are prepared as stipulated in section 290(1) HGB. For the consolidated financial statements, the following subsidiaries are included (directly or indirectly) in addition to the parent company ewz (Deutschland) GmbH in accordance with section 294(1) HGB:

### Shareholding of ewz (Deutschland) GmbH at 31/12/2019.

Company	Location	Share in %	Consolidation
<b>Holding company</b>			
ewz (Deutschland) GmbH	Constance (DE)	n/a	n/a
<b>Fully consolidated companies</b>			
ewz Windpark Crussow GmbH*	Constance (DE)	100%	Full consolidation
ewz Windpark Dörmte GmbH	Constance (DE)	100%	Full consolidation
ewz Windpark Kleinbrennbach GmbH	Constance (DE)	100%	Full consolidation
ewz Windpark Schermen GmbH	Constance (DE)	100%	Full consolidation
ewz Windpark Vogelsberg GmbH	Constance (DE)	100%	Full consolidation
ewz parc éolien Epinette S.A.S.	Schiltigheim (FR)	100%	Full consolidation
ewz parc éolien Autremencourt S.A.S.	Schiltigheim (FR)	100%	Full consolidation
ewz parc éolien Vihiersois S.A.S.	Schiltigheim (FR)	100%	Full consolidation
ewz parc éolien Graincourt S.A.S.	Schiltigheim (FR)	100%	Full consolidation
ewz Stigafjellet Vind AS	Oslo (NO)	100%	Full consolidation
ewz Måkaknuten Vind AS	Stavanger (NO)	100%	Full consolidation
ewz Atlantic Sverige AB	Malmö (SE)	51%	Full consolidation
<b>Affiliated companies</b>			
ewz Offshore Borkum GmbH **	Constance (DE)	50.008%	At equity
<b>Minority shareholdings</b>			
wpd Butendiek Beteiligungs GmbH ***	Bremen (DE)	49%	Acquisition value principle
Jæren Energi AS	Stavanger (NO)	20%	Acquisition value principle
Tube Sol Puerto Errado 2 S.L.	Calasparra (ES)	10%	Acquisition value principle

\* ewz Windpark Crussow GmbH has a 37.5% share in Windpark Crussow GmbH.

\*\* ewz Offshore Borkum GmbH has a 24.51% share in Trianel Windkraftwerk Borkum II GmbH & Co. KG.

\*\*\* wpd Butendiek Beteiligungs GmbH has a 10% share in OWP Butendiek GmbH & Co. KG.

ewz Måkaknuten Vind AS was added to the scope of consolidation in 2019. The effect of the expanded scope of consolidation on the profit and loss statement and the balance sheet at 31/12/2019 is shown in the table below:

<b>Balance sheet.</b>	<b>2019</b>
	<b>TEUR</b>
Non-current assets	44 568
Current assets	834
<b>Total assets</b>	<b>45 402</b>
Equity capital	14 626
<i>of which loss for the period</i>	<i>- 814</i>
Liabilities	30 775
<b>Total liabilities</b>	<b>45 402</b>

ewz offshore Borkum GmbH, Constance, was first incorporated into the consolidated accounts as an affiliated company on 31/12/2017. In line with the consolidation option provided for by sections 296(1)(1) and (3) HGB, and in light of significant, long-term restriction of the rights of ewz (Deutschland) GmbH, it chose not to incorporate the company into the consolidated financial statements. This significant, long-term restriction exists in the articles of association, under which the business policy of the company can only be decided upon jointly.

For 2019, ewz offshore Borkum GmbH was recognised in the consolidated financial statements with the following balance sheet and profit and loss statement. The financial statements for the company are prepared according to the provisions of commercial law and recorded within the Group. There is no goodwill acquired through payment.

<b>Balance sheet.</b>	<b>2019</b>
	<b>TEUR</b>
Non-current assets	74 300
Current assets	5 760
<b>Total assets</b>	<b>80 060</b>
Equity capital	65 264
<i>of which annual profit</i>	<i>1 217</i>
Provisions	7
Liabilities	13 999
Deferred tax assets	790
<b>Total liabilities</b>	<b>80 060</b>

<b>Profit and loss statement.</b>	<b>2019</b>
	<b>TEUR</b>
Other operating income	8
Other operating expenses	- 63
Other interest and similar earnings	2 452
<i>of which to companies related through investment</i>	<i>2 452</i>
Other operating expenses	- 391
Taxes on income and earnings	- 790
<b>Annual profit</b>	<b>1 217</b>

#### **Consolidation principles.**

The assets and debts of the companies included in the consolidated financial statements were recognised according to Group-wide uniform accounting and valuation methods. The consolidated financial statements were prepared from a summary of the annual financial statements of all companies concerned.

For purchases after 31 December 2009, capital consolidation was carried out according to the revaluation method (section 301(1)(2) HGB). In applying the revaluation method, the carrying amount of the capital to be consolidated is determined by the fair value of the subsidiary's balance sheet items at the time of their initial inclusion in the consolidated financial statements. The investment is offset against the pro rata equity capital of the subsidiary in proportion with the parent company's share in the subsidiary. Hidden reserves are disclosed. Any remaining asset difference from capital consolidation is capitalised in the form of goodwill. Minority interests in equity capital are recognised in an adjustment item for holdings of external shareholders (under 'Non-controlling interests') within consolidated equity capital. In the context of debt consolidation, all receivables and liabilities between the companies included in the consolidated financial statements were offset against each other in accordance with section 303(1) HGB.

All revenues and other income and expenses between the companies included in the consolidated financial statements were eliminated by expense and income consolidation in accordance with section 305(1) HGB. Affiliated companies were accounted for by applying the book value method in accordance with section 312(1) HGB.

### Accounting and valuation.

All annual financial statements included in the consolidated financial statements were prepared as of 31 December 2019 in EUR. The accounting and valuation were carried out in accordance with section 297 et seq. HGB, applying the provisions of the HGB applicable to stock corporations.

The accounting and valuation methods have been retained unchanged from the previous year. The following accounting and valuation methods were decisive for the preparation of the consolidated financial statements. Purchased **intangible assets** are entered in the balance sheet at acquisition cost and reclassified according to their probable useful life and reduced by scheduled depreciation according to the straight-line method. Useful lives of 15 to 20 years are assumed.

The goodwill arising from capital consolidation was calculated and capitalised using the revaluation method. As **goodwill** divides the fate of intangible assets and property, plant and equipment, scheduled straight-line depreciation is based on the respective useful life of 15 to 20 years.

Property, plant and equipment is recognised at acquisition or production cost and is subject to scheduled amortisation. The normal useful lives are taken as follows:

#### Useful life of property, plant and equipment.

Wind power plants (installed before 2009)	16 years
Wind power plants (installed 2010 and later)	20 years
Tools, furnishings, fittings	5 years

Interest on external capital is not included in manufacturing costs. **Investments in affiliated companies** are valued using the equity method according to the pro rata equity capital in the affiliated company. Equity capital of the affiliated company is increased by its annual profit and reduced by profit distributions. **Investments** are accounted for at acquisition cost.

**Loans to companies that are related through investment** include long-term, interest-bearing loans and receivables, which are accounted for at their fair value.

**Other loans** are generally stated at nominal value. **Receivables and other assets** are stated at nominal value. **Cash and cash equivalents** are stated at nominal value. Expenses recorded under deferred charges are recognised in the amount of the prepayment.

**Provisions** (tax provisions and other provisions) take into account all foreseeable risks and contingent liabilities based on prudent commercial assessment with the required settlement amount. For provisions with a remaining term of more than one year, price and cost increases are taken into account and discounted to the balance sheet date. The discount rates used are the average market interest rates for the past financial years corresponding to the residual terms of the provisions, as published monthly by the Bundesbank. Expenses and income from the compounding or discounting of provisions are recorded under 'Interest and similar expenses' or 'Other interest and similar earnings' as appropriate. Obligations that arise in an economic sense from current operations are accrued pro rata temporis in equal instalments.

**Liabilities** are posted at the settlement amount. Income recorded under **deferred income** is recognised in the amount of the prepayment.

**Deferred taxes** are calculated on the basis of temporary differences between the commercial value of assets, debts and deferred income and their tax valuations on the basis of tax losses carried forward or tax interest carried forward. The amount of the resulting tax burden or relief is valued according to company-specific tax rates. Deferred tax assets and liabilities are determined for the individual companies of the ewz Deutschland Group. Should there be a net deferred tax asset at the individual financial statement level, the option to recognise it provided for in section 274(1)(2) HGB in association with section 306 HGB is waived and there is no capitalisation.



**Legal notice.**

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