

ewz (Deutschland) GmbH Annual Report 2021



ewz (Deutschland) GmbH

Annual Report 2021

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 2021

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 maintain companies that produce renewable energies in the focus countries of Germany, France, Norway and Sweden. With this, the ewz Deutschland Group* is offering targeted support for the expansion of renewable energies and the phasing out of nuclear energy, thus making an active contribution to energy transition, climate and environmental protection, and an energy supply compatible with the objectives of the 2000-watt society. The ewz Deutschland Group favours investment in sites 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 the focus country of Norway, the wind farms in Måkaknuten and Stigafjellet successfully completed their first year of operation, with good availability of the wind turbines. Unfortunately there was an outage in the local network operator's substation, but it was quickly rectified. However, weak winds kept electricity production below forecast.

Germany was also affected by poor wind conditions, resulting in lower production. Conversely, German wind farms profited from high market prices for electricity, which experienced extreme spikes, particularly in the last quarter of the reporting year. Market prices for electricity were at times in excess of feed-in tariffs. This added value is partially reimbursed in the direct marketing system, resulting in additional revenues.

In France, construction began on three further wind farms. This means there are now four wind farms in construction under the recently concluded partnership with project developer Ostwind International SAS. The first wind farm under this cooperation, Camblain, is set to begin operation in the first quarter of 2022. The operation of the existing French wind farms proceeded as expected, albeit with lower electricity production than forecast due to poor wind conditions. As the feed-in tariff system is structured differently in France, wind farms there were unable to benefit from high market prices for electricity, in contrast to their equivalents in Germany.

Wind farms in Sweden experienced smooth operations and hit their forecast electricity production targets. This is all the more remarkable considering low winds meant that all ewz Deutschland Group companies in other countries suffered a reduction in earnings of around one fifth.

Despite the poor wind conditions in 2021, the ewz Deutschland Group nonetheless achieved a pleasing annual result, which came as confirmation of its long-term strategy. For the future, further expansion of the wind farm portfolio should lead to increased revenues and yields.



 Benedikt Loepfe  Hanspeter Rahm  Tiziano Bottinelli  Hans Gunnervall  Frieda Chicherio

* The ewz Deutschland Group includes ewz (Deutschland) GmbH and its subsidiaries.



Autremencourt wind farm, France, 2021

Activities of ewz (Deutschland) GmbH Overview

Key figures (as at December 2021)

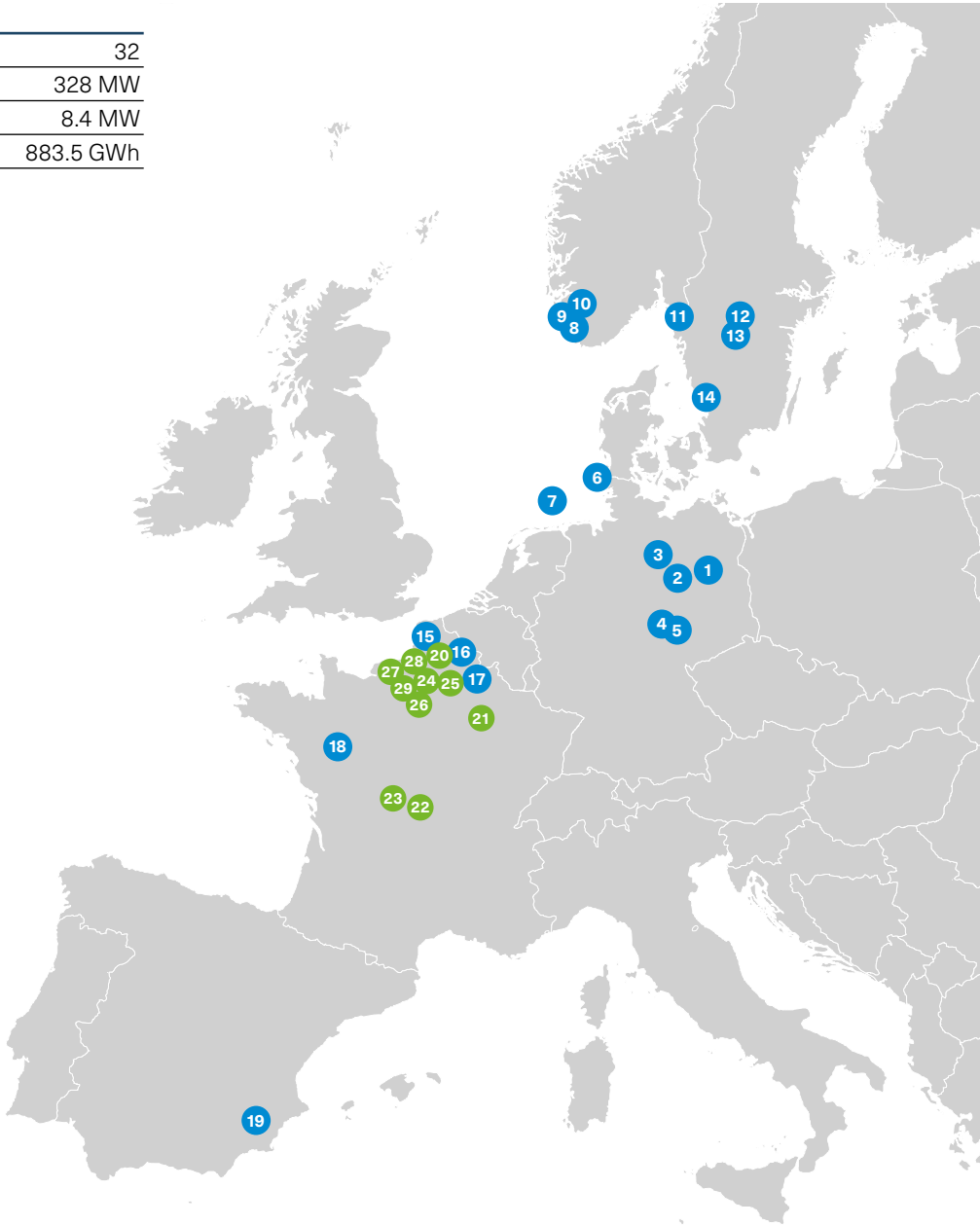
Investments	32
Installed capacity (ewz share)	328 MW
Capacity under construction (ewz share)	8.4 MW
Production (ewz share)	883.5 GWh

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 II, 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

Future production sites
in cooperation with Ostwind
International SAS

- 20 Camblain, wind onshore FR
- 21 Blacy, wind onshore FR
- 22 Crevecoeur le Grand, wind onshore FR
- 23 Landes du Limousin, wind onshore FR
- 24 Lisbourg I, wind onshore FR
- 25 Lisbourg II, wind onshore FR
- 26 Mairy sur Marne, wind onshore FR
- 27 Mortemer, wind onshore FR
- 28 Oisemont, wind onshore FR
- 29 Sainte Beuve, wind onshore FR



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	10 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 Kleinbrennbach.

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

5 Kleinbrennbach wind farm, Thuringia, Germany



The Kleinbrennbach 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	1267 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. The wind farm was commissioned in July 2020.

Capacity	202.6 MW
Turbines	32 Senvion 6.3M 152; 6.33 MW
ewz share	12.26%
Commissioning	2020
Production	881 GWh

8 Høg-Jæren wind farm, Stavanger, Norway



Since mid-2011, 26 wind power plants have been in 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 was also responsible for the construction of the wind farm, which was commissioned in September 2020.

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

10 Måkaknuten, Gjesdal and Bjerkreim wind farms, Norway



The wind farm is located in the Rogaland region of south-western Norway. It is directly linked to the 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 wind farm was commissioned in late November 2020.

Capacity	94.6 MW
Turbines	22 Siemens SWT-DD-130; 4.3 MW
ewz share	100%
Commissioning	2020
Production	343 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.



Alered wind farm, Sweden, 2016

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	1 Vestas V-100; 1.45 MW 1 Vestas V-100; 1.95 MW 5 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, Hauts-de-France region (formerly Nord-Pas-de-Calais region), 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 which 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
Turbines	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 has been underway since autumn 2017. ewz acquired the wind farm project from the developer Nordex in December 2017. 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 m² of reflective surfaces.

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

Financial Report 2021

Positive Group result

Wind farm portfolio in cooperation with Ostwind International SAS, France

ewz (Deutschland) GmbH entered into a strategic cooperation with Ostwind International SAS for the development, construction and operation of 10 wind farm projects (which were divided into 16 project companies for planning approval purposes) with a total of 67 turbines, a planned nominal output of around 173 MW and expected power production of around 450 GWh (from the point at which all projects are commissioned, expected to be 2026). Ostwind is one of the most experienced development companies for wind farms in France and known to ewz since 2013. In 2021, three further wind farms from the cooperation will be ready for construction. The wind farm projects Lisbourg I and II and Blacy are currently under construction. The Camblain wind farm will be completed as planned in February 2022.



Camblain wind farm, France, 2021

20 Camblain wind farm

Project company

SEPE Le Mont Duquenue SAS

Capacity	12 MW
Turbines	4 Vestas V-112; 3.0 MW
ewz share	70%
Commissioning	March 2022
Production	expected 34 GWh

21 Blacy wind farm

Project company

SEPE Des Noues SAS

Capacity	15.4 MW
Turbines	7 Vestas V-100; 2.2 MW
ewz share	50%
Commissioning	expected in June 2023
Production	expected 32 GWh

24 Lisbourg I wind farm

Project company

SEPE Fontaine le Sec SAS

Capacity	6 MW
Turbines	2 Vestas V-117; 3 MW
ewz share	70%
Commissioning	expected in April 2023
Production	expected 18 GWh

25 Lisbourg II wind farm

Project company

SEPE Le Groseiller SAS

Capacity	11 MW
Turbines	5 Vestas V-100; 2.2 MW
ewz share	70%
Commissioning	expected in May 2023
Production	expected 33 GWh

Income situation

Along with the availability of facilities, the income situation is largely dependent on weather conditions and as such dependent on the volume of electricity produced. Wind volumes were below average in 2021 and far below the expected levels in all focus countries.

In the past financial year, the holdings in three French companies increased from 50% to 70%, with one of these companies commencing construction on its wind farm. The two Norwegian wind farms generated full-year income for the first time, but wind conditions were below average across all wind farms. The consolidated profit after minority interests of other shareholders amounted to TEUR 2 573 in 2021 (previous year: TEUR 5 963). This result was around TEUR 3 427 below forecast due to poor wind conditions.

Revenues increased from TEUR 39 690 in the previous year to TEUR 45 174 in 2021. At TEUR 4 826, this is clearly below forecast, which is attributable to the below-average wind conditions. In 2021, revenues were divided between the focus countries as follows: Germany TEUR 9 302 (previous year: TEUR 9 763), Sweden TEUR 10 869 (previous year: TEUR 12 323), France TEUR 12 327 (previous year: TEUR 14 564), Norway TEUR 12 676 (previous year: TEUR 3 041). The Norwegian wind farms were completed in autumn 2020 and in 2021 generated full-year income for the first time.

The cost of materials increased to TEUR 10 415 compared to TEUR 9 365 in the previous year, mainly due to expansion of the production portfolio to include the new Norwegian wind farms.

As a result, the EBITDA increased to TEUR 34 963 (previous year: TEUR 30 918). The result was TEUR 4 037 below forecast. Depreciation and amortisation expenses increased to TEUR 26 075 (previous year: TEUR 18 617*), largely driven by the commissioning of the new wind farms in Norway.

Interest expenses increased in 2021 to reach TEUR 4 217 (previous year: TEUR 3 792). Within the ewz Deutschland Group, interest costs are not capitalised during construction.

Financial situation

The balance sheet total increased by TEUR 4 788 to reach TEUR 464 866 (previous year: TEUR 460 078).

There was a particular increase in non-current assets due to the increase in the shareholding of three companies in France from 50% to 70%, and the start of construction on one of the wind farms. Technical plant and machinery, and advance payments for assets under construction increased from TEUR 313 572 to TEUR 319 665. Cash and cash equivalents decreased in the year under review to TEUR 13 305 (previous year: TEUR 17 892), largely due to settlement of liabilities.

On the liabilities side, provisions increased from TEUR 3 594 to TEUR 3 914, which largely represented provisions for dismantling amounting to TEUR 2 867 (previous year: TEUR 2 436) and tax provisions of TEUR 821 (previous year: TEUR 864).

Loans and liabilities to banks remain at the same level as the previous year: TEUR 224 000. This includes TEUR 63 700 taken out in loans and TEUR 63 700 in loan repayments. Investments made in the year under review were predominantly financed through operational cash flow.

ewz Deutschland Group has set itself the goal of maintaining an equity capital ratio of at least 40%. As previously, we define the subordinated loans from ewz (Zurich Municipal Electric Utility) in the amount of TEUR 31 000 (previous year: TEUR 22 300) as economic equity, and they are included when calculating the equity capital ratio. Subordinated loans of minority shareholders of TEUR 15 674 (previous year: TEUR 13 678) are also included in the calculation of the equity capital ratio. These loans were granted in full as hedging for the ewz (Deutschland) GmbH. The resulting equity ratio for 2021 is 46% (previous year: 43%) – in excess of 40% as forecast.

Net debt decreased in the past financial year by TEUR 13 410 to TEUR 213 253.

* 2020 report: Amortisation expenses increased to TEUR 26 075 (previous year: TEUR 18 617) excl. amortisations on financial investments and loans to companies related through investment.

Profit and loss statement

2021

The key figure of net debt/EBITDA improved to 6.1 years (previous year: 7.3 years). This is mainly due to the reduction in debt on a higher EBITDA. There was no additional funding in 2021.

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. There are cash pooling agreements with all fully consolidated German wind farm companies.

In 2021, Zurich Municipal Electric Utility (CH) made no payments into the capital reserve of ewz (Deutschland) GmbH (previous year: TEUR 18 500). In addition, ewz (Deutschland) GmbH has an unused loan facility in the amount of TEUR 27 000 with the Zurich Municipal Electric Utility (CH).

Operating cash flow in 2021 amounted to TEUR 39 264 (previous year: TEUR 29 866). Cash flow from investment activities of TEUR –42 535 (previous year: TEUR –86 228) primarily reflects the increase in shareholding in France and a residual payment for the purchase of the ewz Måkaknuten Vind AS wind farm. Cash flow from financing activities of TEUR –1 315 (previous year: TEUR 62 104) largely reflects interest payments for external capital and dividend payments to minority shareholders.

The return on equity for 2021 fell to 1.3% (3.4% in 2020*). This is largely attributable to the low income situation following historically low wind levels in 2021.

Investments

In 2021, investments in the amount of TEUR 45 457 were carried out. The investments primarily encompassed the construction of the French wind farm SEPE Le Mont Duquenue SAS and a residual payment for the completion of the wind farm ewz Måkaknuten Vind AS.

Profit and loss statement	2021	2020
	TEUR	TEUR
1. Revenues	45 174	39 690
2. Other operating income	351	4 404
3. Cost of materials		
a) Cost of purchased services	– 10 415	– 9 365
4. Depreciation and amortisation on intangible assets on fixed assets and property, plant and equipment	– 25 912	– 18 578
5. Other operating expenses	– 1 204	– 4 859
6. Income from affiliated companies	897	929
7. Earnings from investments	160	120
8. Earnings from loans of financial assets	671	746
9. Other interest and similar earnings	151	1
10. Depreciation and amortisation of financial assets	– 163	– 38
11. Interest and similar expenses, <i>of which from affiliated companies</i>	– 4 217 – 372	– 3 792 – 355
12. Taxes on income and earnings	– 1 216	– 1 672
13. Net income after taxes	4 278	7 586
14. Other taxes	– 1 572	– 816
15. Consolidated annual net profit	2 706	6 770
16. Profit(–)/loss from non-controlling interests	– 133	– 807
17. Consolidated net profit	2 573	5 963

* 2020 report: Return on equity 2020 4.2% excl. subordinated loans from ewz (Zurich Municipal Electric Utility) in the amount of TEUR 22 300 and from minority shareholders, TEUR 13 678. Starting in 2021, subordinated loans will be included in the calculation of the equity capital ratio.

Balance sheet

2021

Consolidated balance sheet	31/12/2021	31/12/2020
	TEUR	TEUR
A. Non-current assets		
I. Intangible assets		
1. Paid concessions, industrial property rights and similar rights and assets, as well as licences to such rights and assets	39 268	41 859
2. Goodwill	10 246	11 656
	49 514	53 514
II. Property, plant and equipment		
1. Land, land rights, and buildings including buildings on third-party land	864	947
2. Technical plant and machinery	292 918	313 572
3. Advance payments and assets under construction	26 747	0
	320 528	314 519
III. Financial assets		
1. Shares in affiliated companies	34 546	33 665
2. Other investments	7 557	7 557
3. Loans to companies related through investment	23 216	22 741
4. Other loans	684	707
	66 003	64 670
	436 045	432 704
B. Current assets		
I. Receivables and other assets		
1. Trade accounts receivable	9 501	7 306
2. Receivables from companies related through investment	756	350
3. Other assets	4 451	1 030
	14 708	8 686
II. Cash on hand and cash at banks	13 305	17 892
	28 012	26 578
C. Deferred income	809	797
ASSETS	464 866	460 078

Consolidated balance sheet	31/12/2021	31/12/2020
	TEUR	TEUR
A. Equity capital		
I. Subscribed capital	25	25
II. Capital reserve	164 313	164 313
III. Loss carried forward	- 11 309	- 17 272
IV. Consolidated net profit	2 573	5 963
V. Non-controlling interests	10 036	7 875
	165 639	160 904
B. Provisions		
1. Tax provisions	821	864
2. Other provisions	3 093	2 730
	3 914	3 594
C. Liabilities		
1. Loans	30 000	40 000
2. Liabilities to banks	194 000	184 000
3. Trade accounts payable	7 857	3 134
4. Liabilities to shareholders, <i>of which to non-controlling shareholders of subsidiaries</i>	48 136 17 136	35 978 13 678
5. Other liabilities, <i>of which taxes</i>	5 441 1 290	22 442 1 320
	285 435	285 554
D. Deferred income	53	71
E. Deferred tax assets	9 826	9 955
LIABILITIES	464 866	460 078

Cash flow statement

2021

Consolidated cash flow statement from 1 January to 31 December 2021		2021	2020
		TEUR	TEUR
1.	Period result (consolidated annual net profit including profit share of other shareholders)	2 706	6 770
2.	+/- Depreciation and amortisation/appreciation on non-current assets	26 075	18 617
3.	+/- Increase/decrease in provisions	363	532
4.	+/- Other non-cash expenses/earnings	- 192	448
5.	-/+ Increase/decrease in inventories, trade accounts receivable as well as other assets not included under investment or financing activity	-5 131	1 210
6.	+/- Increase/decrease in trade accounts payable as well as other liabilities not included under investment or financing activity	14 450	548
7.	+/- Interest expenses/income	3 394	3 044
8.	- Other investment income	- 1 057	- 1 049
9.	+/- Income tax expenses/income	1 216	1 672
10.	-/+ Income tax payments	-2 559	- 1 925
11.	= Operating cash flow	39 264	29 866
12.	- Payments for investments in intangible assets	-20 199	0
13.	- Payments for investments in property, plant and equipment	-22 154	-82 124
14.	+ Payments from disposals of financial assets	2 630	2 605
15.	- Payments for investments in financial assets	-3 103	-7 016
16.	- Payments for additions to scope of consolidation	132	0
17.	+ Interest received	0	186
18.	+ Dividends received	160	120
19.	= Cash flow from investment activity	-42 535	-86 228
20.	+ Payments from additions to equity capital from shareholders in the parent company	0	18 500
21.	+ Payments from additions to equity capital from other shareholders	3 104	0
22.	+ Payments from issuance of bonds and raising of (financial) loans	63 700	49 000
23.	- Payments from proceeds of bonds and repayment of (financial) loans	-63 700	-2 000
24.	- Interest paid	-3 341	-3 004
25.	- Dividends paid to other shareholders	- 1 078	-392
26.	= Cash flow from investment activity	1 315	62 104
27.	Net change in cash and cash equivalents	- 4 587	5 741
28.	+ Cash and cash equivalents at beginning of period	17 892	12 150
29.	= Cash and cash equivalents at end of period	13 305	17 892



Mungseröd wind farm, Sweden, 2021

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 (Handelsgesetzbuch, HGB). With the balance sheet total and expected revenues from the 2021 financial year exceeding the threshold set out in section 293(1)(2), there is a statutory obligation to produce consolidated financial statements under the HGB from 2022.

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 German Commercial Code (HGB) for the first time as at 31 December 2018. The parent company of the largest and at the same time of the smallest scope of consolidation is ewz (Deutschland) GmbH, whose consolidated financial statements are submitted for publication to the operator of the Bundesanzeiger.

The consolidated balance sheet is structured in line with section 266 HGB. The consolidated profit and loss statement is structured using the total cost method in line with section 275(2) HGB.

The annual financial statements are prepared in euros, with amounts shown in thousands of euros (TEUR).

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 31/12/2021

Company	Location	Share in %	Consolidation
Holding company			
ewz (Deutschland) GmbH	Constance (DE)	n/a	n/a
Fully consolidated companies			
ewz Windpark Crussow GmbH*	Constance (DE)	100%	Full consolidation
ewz Windpark Dörmte GmbH	Constance (DE)	100%	Full consolidation
ewz Windpark Kleinbrembach 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 SAS	Schiltigheim (FR)	100%	Full consolidation
ewz parc éolien Autremencourt SAS	Schiltigheim (FR)	100%	Full consolidation
ewz parc éolien Vihiersois SAS	Schiltigheim (FR)	100%	Full consolidation
ewz parc éolien Graincourt SAS	Schiltigheim (FR)	100%	Full consolidation
SEPE Le Mont Duquenue SAS	Schiltigheim (FR)	70%	Full consolidation
SEPE Le Groseiller SAS	Schiltigheim (FR)	70%	Full consolidation
SEPE Fontaine le Sec SAS	Schiltigheim (FR)	70%	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
Affiliated companies			
ewz Offshore Borkum GmbH **	Constance (DE)	50.008%	At equity
SEPE Des Noues SAS	Schiltigheim (FR)	50%	At equity
SEPE La Garenne SAS	Schiltigheim (FR)	50%	At equity
SEPE Le Coqliamont SAS	Schiltigheim (FR)	50%	At equity
SEPE Les Beaux Voisins SAS	Schiltigheim (FR)	50%	At equity
SEPE Les Haillis SAS	Schiltigheim (FR)	50%	At equity
SEPE La Longe SAS	Schiltigheim (FR)	50%	At equity
SEPE Landes des Verrines SAS	Schiltigheim (FR)	50%	At equity
SEPE La Côte Ronde SAS	Schiltigheim (FR)	50%	At equity
SEPE Les Trente Journées SAS	Schiltigheim (FR)	50%	At equity
SEPE Les Havettes SAS	Schiltigheim (FR)	50%	At equity
SEPE Les Mottes SAS	Schiltigheim (FR)	50%	At equity
SEPE Sainte Beuve SAS	Schiltigheim (FR)	50%	At equity
Minority shareholdings			
wpd Butendiek Beteiligungs GmbH ***	Bremen (DE)	49%	Acquisition value principle
Jæren Energi AS	Stavanger (NO)	20%	Acquisition value principle
Tubo 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 Butendiek GmbH & Co. KG.

SEPE Le Mont Duquenne SAS, SEPE Fontaine le Sec SAS and SEPE Le Groseiller SAS have joined the scope of consolidation of fully consolidated companies. ewz (Deutschland) GmbH purchased a 50% stake in each of these three companies in 2020. In 2021 the investment stake increased to 70%. ewz Offshore Borkum GmbH, Constance, was first incorporated into the consolidated accounts as an affiliated company on 31 December 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. In 2021, 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 according to the equity method. There is no goodwill acquired through payment.

ewz Offshore Borkum GmbH	
Balance sheet	2021
	TEUR
Non-current assets	71 409
Current assets	9 097
Total assets	80 506
Equity capital	68 956
<i>of which annual profit</i>	<i>1 859</i>
Provisions	10
Liabilities	10 050
Deferred tax assets	1 490
Total liabilities	80 506

Profit and loss statement	2021
	TEUR
Other operating expenses	– 60
Other interest and similar earnings, <i>of which to companies</i> <i>related through investment</i>	2 770
Other operating expenses	– 502
Taxes on income and earnings	– 350
Annual profit	1 859

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 are 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 in euros as of 31 December 2021. 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 are largely 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 life of 15 to 20 years is 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 that are accounted for at their acquisition costs or their fair value. **Other loans** are generally stated at nominal value. Un-scheduled depreciation and amortisation is carried out on non-current assets if permanent impairments are expected.

Appreciation due to the requirement to reinstate original values is carried out up to the acquisition cost or amortised acquisition cost if the grounds for permanent impairment no longer apply. **Liabilities and other assets** are stated at nominal value. **Cash and cash equivalents** are stated at nominal value. Expenses recorded under **deferred charges** were recognised in the amount of the prepayment. Subscribed capital is stated at nominal value. **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 seven 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.



Camblain wind farm, France, 2021

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