Half-year report
2016
Extract from the
German original version

EnergieKontor
seit 1990

RETHINK – IT'S WORTH IT

SHORT PORTRAIT OF ENERGIEKONTOR AG

For the last 25 years, Energiekontor has stood for a sound approach to business and a wealth of experience in wind power. Formed in Bremerhaven in 1990, the Company was one of the pioneers in the industry and is now one of the leading German project developers. The Company's core business covers the planning, construction and operational management of wind farms in Germany and abroad, and was expanded to include solar power in 2010. In addition, Energiekontor also currently owns and operates 33 wind farms with a total rated power of around 269 megawatts (MW).

In addition to its headquarters in Bremen, Energiekontor also maintains offices in Bremerhaven, Hagen im Bremischen, Aachen, Bernau (near Berlin), Dortmund and Neubrandenburg. The Company also has subsidiaries in England (Leeds), Scotland (Glasgow) and Portugal (Lisbon). Our track record speaks for itself: 102 wind farms completed with around 580 turbines and a total rated power of just under 850 MW. This corresponds to an investment volume of over EUR 1.3 billion.

The Company went public on 25 May 2000. Energiekontor AG (WKN 531350/ISIN DE0005313506) is listed in the General Standard segment of the Frankfurt Stock Exchange and the Energiekontor shares can be traded on all German stock exchanges.

INVESTOR INFORMATION (OVERVIEW)

Stock exchange listing	Deutsche Börse, Frankfurt (traded on the Frankfurt Stock Exchange, Xetra and all other German trading venues)
Market segment	General Standard
Class of shares	Bearer shares
Sector	Renewable Energy
Initial listing (IPO)	25 May 2000
WKN (German securities identification number)	531350
ISIN	DE0005313506
Reuters	EKT
Shareholder structure	71.2 % management and supervisory bodies; 28.8 % free float
Research	Dr Karsten von Blumenthal, First Berlin
Designated Sponsor	Oddo Seydler Bank AG
Financial calendar	31 August 2016: Publication of H1/2016 Interim Report 15 November 2016: Publication of Q3/2016 Interim Report 21 November 2016: German Equity Forum, Frankfurt a. M.
Investor Relations	Dr Stefan Eckhoff; phone: +49 (0)421-3304-0 e-mail: IR@energiekontor.de; website: www.energiekontor.de

»CONSOLIDATED KEY FIGURES

Income statement

in EUR million	01.01.–30.06.2016	01.01.–30.06.2015
Revenue	43.3	30.2
Total output	55.6	67.6
EBITDA (EBIT plus depreciation and amortisation)	23.6	20.3
EBIT (EBT plus financial result)	14.2	12.3
EBT (earnings from ordinary activities)	4.8	2.5
Interim consolidated income	3.4	1.8
Number of no-par value shares outstanding on 30 June (EUR 1) in units	14,599,220	14,632,010
Earnings per share (EPS) in EUR	0.23	0.12

Balance sheet

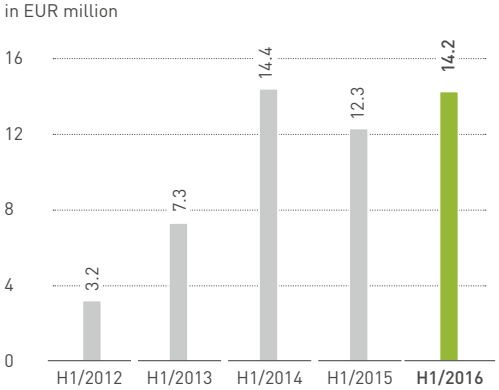
in EUR million	30.06.2016	31.12.2015
Property, plant and equipment	220.9	223.8
Total assets	383.3	399.1
Equity	45.1	50.5
Equity ratio in %	11.8	12.6

Cash flow

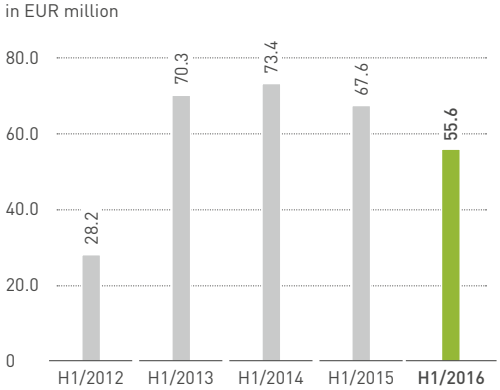
in EUR million	01.01.–30.06.2016	01.01.–30.06.2015
Cash flow from operating activities (operating cash flow)	–14.7	–20.4 *
Cash and cash equivalents at end of period	84.5	59.3

* Adjustment to previous year's figure pursuant to item II.2 in the Notes 2015

EBIT for the first half year

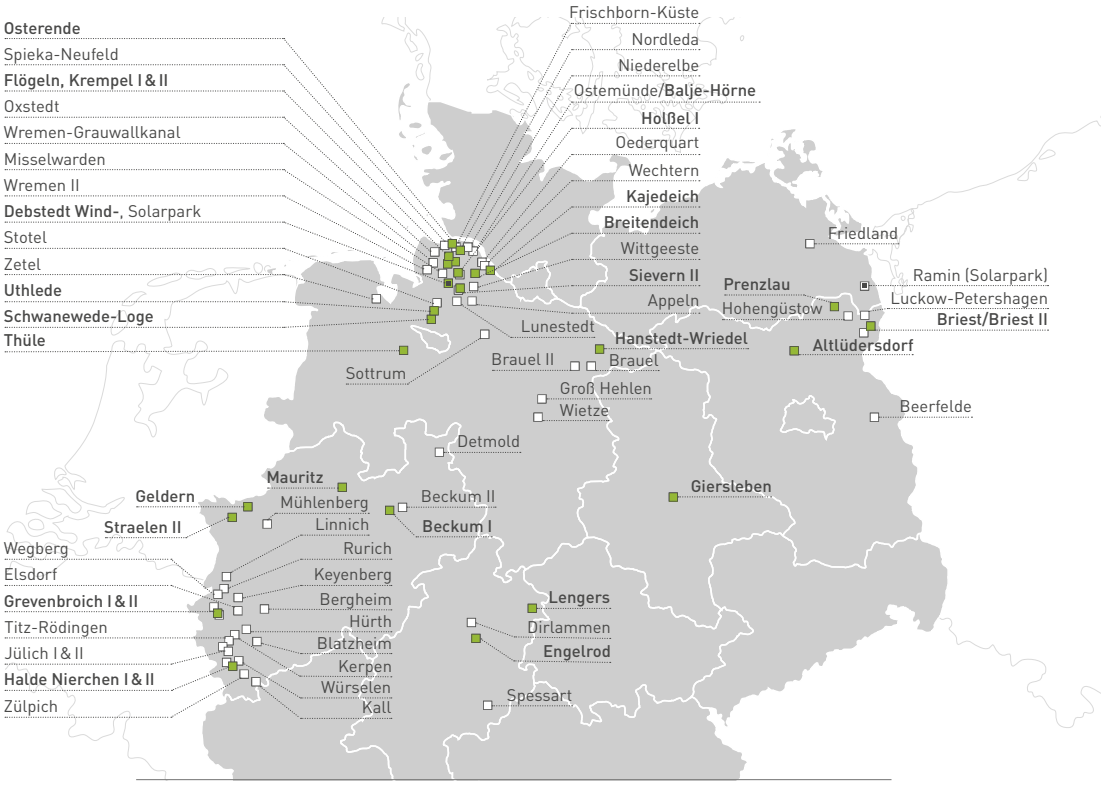


Total output for the first half year



REALISED WIND FARMS AND SOLAR PARKS

Germany



Great Britain

Portugal

■ **Group owned** □ Sold ▣ Solar ▣ both **Group-owned** and third-party-owned

Our mission statement

100 % RENEWABLE ENERGY

As a pioneer of renewable energy, Energiekontor is actively shaping thetransition to 100 % renewables. Concentration on our core competences and innovation will drive our business to a successful future.

INDIVIDUAL RESPONSIBILITY AND AUTONOMY

We support a high level of individual responsibility and create room for autonomy at all levels as they are the precondition for creativity, flexibility and achieving our goals.

TEAM SPIRIT AND COLLEGIALITY

We encourage team spirit and collegiality as they are the key to our success.

FINANCIAL STABILITY AND SUSTAINABLE GROWTH

The financial stability of our Company is the basis for sustainable growth and plays a key role in our long-term strategy.

EnergieKontor
since 1990

THE ENERGIEKONTOR SHARES

For a summary of key investor information, please also see the table in the cover of the Annual Report.

Share capital

The Company's subscribed capital (share capital) as entered in the commercial register amounts to EUR 14,653,160 as at 30 June 2016 and is divided into 14,653,160 bearer ordinary shares.

Authorised capital

Following expiration of the existing authorised capital on 24 May 2016, new authorised capital was created at the Annual General Meeting on 26 May 2016. This enabled the Company to issue preferred shares as well in the case of future capital increases.

Subject to the consent of the Supervisory Board, the Management Board was authorised to increase the Company's share capital by up to EUR 7,326,580 on one or several occasions until 23 May 2021 through the issue of up to 7,326,580 new bearer ordinary and/or preferred shares with or without voting rights for cash and/or contributions in kind (authorised capital 2016).

The authorisation includes the authority to, if preferred shares are issued on multiple occasions, issue additional preferred shares (with or without voting rights) that precede the previously issued preferred shares or rank equally to them in the distribution of profits or Company assets. Here, the shareholders must generally be granted a subscription right. However, subject to the consent of the Supervisory Board, the Management Board is authorised to exclude shareholders' legal subscription right (for the exact terms and conditions, see resolution in the invitation to the Annual General Meeting on 26 May 2016 at www.energiekontor.de > Investor Relations > Hauptversammlung),

This authorisation has not been used to date.

Contingent capital

The General Meeting on 28 May 2014 resolved to grant options for a total of 500,000 new bearer ordinary shares and to thus increase the Company's contingent share capital by a total of EUR 500,000.00 (contingent capital 2014 I). The contingent capital increase will only be realised to the extent that holders of subscription rights granted by the Company under the 2014 stock option plan actually exercise their subscription rights and the Company does not use treasury shares to fulfil such subscription rights. The new shares start participating in the Company's profits from the start of the financial year in which the corresponding option is exercised. Pursuant to the 2014 stock option plan, subscription rights for up to 500,000 Company shares may be issued exclusively to members of the Management Board until 31 December 2018. Subject to the subscription right conditions issued by the Supervisory Board, each subscription right entitles its holder to acquire one bearer ordinary share of Energiekontor AG.

100,000 subscription rights were issued to the Management Board under the stock option plan in 2014.

Share buy-back programme

In line with the resolution of the General Meeting on 25 May 2011, a total of 178,550 shares were repurchased by Energiekontor AG between the date the resolution was passed and 30 June 2015, 13,180 thereof in the 2016 financial year; the purpose was to retire treasury shares and thus reduce share capital. After the decrease of share capital in September 2014, Energiekontor AG held 54,100 shares on 30 June 2016.

Directors' dealings

The Company's management and supervisory bodies did not carry out any share transactions in the first half of the 2016 financial year.

The member of the Supervisory Board Darius Oliver Kianzad and the members of the Management Board Peter Szabo (Chairman) and Günter Eschen did not hold any shares of the Company in the period under review.

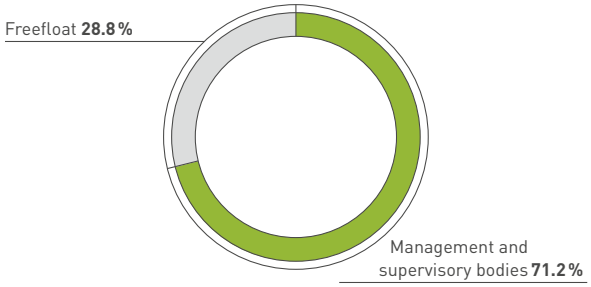
Shareholder structure

The Management Board is not aware of any direct or indirect shareholdings (Sec. 315 (4) No. 3 German Commercial Code (HGB)) in excess of ten percent, with the exception of the shareholdings stated below:

Dr Bodo Wilkens (Chairman of the Supervisory Board)	5,214,335 shares
Günter Lammers (Deputy Chairman of the Supervisory Board)	5,217,974 shares

Energiekontor AG therefore had the following shareholder structure as at 30 June 2016:

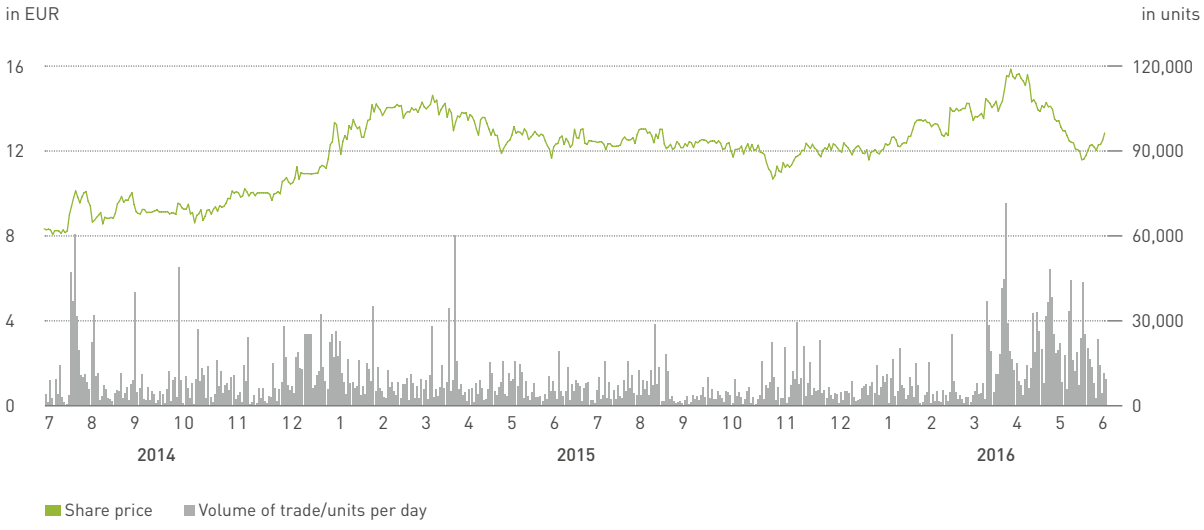
Shareholder structure as at 30 June 2016



Share price development and trading volume of Energiekontor AG since H2/2014

The following chart shows the development of the closing price of the shares in Frankfurt (green) as well as the total daily stock trading volume of Energiekontor AG at all German exchanges (grey) over a period of two years starting 1 July 2014.

Share price development and trading volume of Energiekontor AG since H2/2014



GROUP MANAGEMENT REPORT

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SECTOR AND MARKET TREND

The renewable energy sector is facing new challenges throughout Europe. The goals set across the continent for power generated sustainably are pitted against a decline in subsidy programmes and restrictions on the expansion of renewable energy. Wind farms and solar parks in particular are expected to prepare for the free market conditions and adapt their new installations to the expansion of distribution networks.

The German Renewable Energy Sources Act (EEG) forms the framework for the expansion of renewable energies. Since the EEG was introduced, the share of renewable energies has increased from 6 percent of gross electricity consumption in 2000 to exceed 30 percent in 2015. The German federal government hopes to improve this to 45 percent by 2025 in the course of the energy transition.* According to the Federal Ministry for Economic Affairs and Energy (BMWi), the expansion of renewable energy sources focuses on cost-efficient technologies such as wind energy and solar power.

The competitive conditions for profitable implementation of renewable energy projects have become much harder since the revision of the EEG in 2014. The next step in the amendment process was decided on 8 July 2016 with the 2017 EEG. The aim is to bring the technologies in line with the conditions of the free market. The most important new aspect of the 2017 EEG is the introduction of an auctioning procedure to determine the amount of subsidies that will be granted. These rate auctions, which are already in place in the photovoltaic (PV) sector, are expected to replace the legally guaranteed compensation practice.

The first auction for all power generation technologies was held in the UK at the end of 2014. The goal was to reduce carbon dioxide emissions, make subsidy programmes more cost-efficient and ease the strain on consumers. There has been a degree of uncertainty over the future of the general legal conditions since the UK's parliamentary election in May 2015, which has also not changed much with the political shifts following the Brexit vote.

Wind

In **Germany**, the new EEG will take effect starting 1 January 2017. With the transition rules of the 2014 EEG, onshore wind turbine systems that are approved by the end of 2016 and will go into operation in 2017 or 2018 can still get the legally stipulated compensation. The subsidy amount will be lowered by 1.05 percent per month between 1 March and 1 August 2017 in order to ensure continuous expansion.

In future, the expansion will be controlled via the auctioning volume. A total of 2,800 MW will be tendered each year from 2017 to 2019 and 2,900 MW per year will be tendered starting in 2020. Germany will be split into two grid regions. In the regions with the most realised wind farms to date (Schleswig-Holstein, Lower Saxony and parts of Hesse), no more than 58 percent of the wind farm capacity put into operation on average between 2013 and 2015 may be tendered. The other German states make up the rest.

If a project receives an award, the compensation will be geared towards the respective bid (pay as bid) corrected for a location-dependent factor. This is determined with the help of a new, single-tier reference yield model. The subsidy rate then applies over a period of 20 years. The bids will relate to a 100 percent reference site that is defined via the average expected wind speeds. Depending on the concrete project's site quality, the actual tariff amount results from the adjustment factors along the reference yield curve. The Federal Network Agency will determine a price ceiling of EUR 7 cents/kWh in the first auction round in May 2017 for the 100 percent reference site.

The aim of the reference yield curve is to shift profitability in favour of sites with weaker winds, which pays heed to the desire of expanding wind energy to southern Germany. The requirements for successful project realisation already increased with the 2014 EEG amendment for many sites, especially for places with very strong winds. The economic implementation of repowering projects in particular has become more difficult at certain locations.

* Website of the Federal Ministry for Economic Affairs and Energy (BMWi)

From the point of view of Energiekontor and other leading representatives of the wind energy sector, determining a price ceiling stands the entire auctioning procedure on its head, as it can prevent "actual" free competition on prices.

Energiekontor looks positively at the prerequisites concerning participation in auctions. The projects submitted must be approved. Moreover, financial collateral of EUR 30,000 per megawatt of installed rated power is required. Energiekontor welcomes this condition as it prevents strategic bidding and secures project realisation.

The legislation on subsidies for renewable energies in the **UK** is in the throes of upheaval after the parliamentary elections in May 2015. The situation also has not changed much with the change of some political offices following the Brexit decision. The aim of the new government is to restrict the expansion of onshore wind power. This mainly affects England, as Scotland insists on its own independent planning rights and can determine its own targets for the expansion of renewable energies. Wind energy is still being supported in Scotland despite the fact that the remuneration system for the whole of the UK is determined in London. Given Scotland's good wind conditions, it is now already possible to realise the projects financially without any government-subsidised feed-in tariffs.

Originally, a transition to a new remuneration system, also with auctions, was planned for the period between 2015 and 2017. It was based on so-called Contracts for Difference (CFD), a structure similar to the German market bonus scheme that remunerates the differential value between the market price and a fixed cap (award price). The difference amounts are to be determined in an auctioning procedure, which increases competitive pressure and is also likely to lead to lower feed-in tariffs.

The previous system was far more complex than the German EEG and also contains many remuneration elements that take into account the environmental benefits of renewable energy sources. In the UK, it is still customary to conclude power purchase agreements (PPAs) that usually form the contractual basis for transactions between operators and energy suppliers. In the case of the Energiekontor projects, however, PPAs are negotiated directly by operators and end users, usually large industrial conglomerates. The PPA determines the basic remuneration for the electricity generated over a certain period of time. In addition, the project company used to receive the certificates commonly awarded to renewable energy plants, i. e. renewable obligation certificates (ROCs) and embedded benefits, a financial bonus for power plants not feeding electricity to a high voltage transmission network but only using the medium-voltage grid. The so-called levy exemption certificates (LECs) were generally abolished in the summer of 2015. On balance, the resulting remuneration per kWh thus used to be considerably higher than in Germany, for example.

The new conservative government moved the cancellation of this ROC scheme forward by one year. This expired at the end of the first quarter 2016. Only those projects that were already undergoing the public hearing process (inquiry) on 15 June 2015, have received approval and will go into operation by the end of January 2018 have a chance at compensation according to the ROC scheme.

Otherwise the provisions for obtaining planning permission have become stricter in the UK. In the future, projects will apparently only receive permission if they are located in an area that is designated as a wind area in the development plan. This does not apply to Scotland, though. Moreover, the local communities are being considered more in the permitting process (community backing). As is also the case in Germany, the aim is to raise the attractiveness of wind farms for the local population and municipalities, for instance by opening up the possibility to invest. In addition, subsidies in the form of feed-in tariffs are to be cancelled for projects with more than 1.5 MW rated power.

The CFD model with all the limitations described above is only relevant for Energiekontor if onshore wind projects are also admitted to future auction rounds. It is as yet unclear, though, in how far this will be the case. It has, however, become clear in the meantime that onshore wind will not be included in the 2016 auction round, although Parliament is discussing whether onshore wind farms are to be admitted to the auctions again as early as 2017 in the scope of the so-called market stabilisation mechanism.

Regardless, in addition to selling the power at the respective market price on the electricity exchange, there would still be the possibility of concluding PPAs with terms of several

years directly with a utility or a major industrial customer, albeit without the previously granted certificates (ROC). This business model requires the concentration on large project locations with strong wind.

The effects of the economic and financial crisis are still felt in **Portugal**. While there are first indications of an improvement of the conditions for promoting wind power, investment activity continues to be slow. As in Germany, energy suppliers in Portugal are legally obliged to purchase wind energy. New tendering procedures for the allocation of network licenses have not yet been announced.

Solar

Since 2015, the PV remuneration tariffs for ground-mounted solar arrays in **Germany** are determined via auctions in the pay-as-bid process (see above). One exception was the auction in December 2015, during which the uniform pricing model was tested. In the case of uniform pricing, the highest bid to which overhead is applied is the award value for all successful bids by participants. The new installation rate is controlled by the total rated power tendered in the case of wind. In 2015, three test auction rounds were conducted with a total capacity of 500 MW. A total of 400 MW is being tendered in 2016. The 2017 EEG stipulates tenders totalling 600 MW annually, which is twice the originally intended 300 MW for 2017.

Although the new auctioning procedures open up new possibilities for developing ground-mounted solar arrays, the potential locations are limited basically to conversion areas and areas along highways and railway tracks. One of the essential factors in calculating profitability is the distance to the nearest grid connection point.

Larger companies such as Energiekontor AG can actually benefit from the new auctioning system, as they have more flexibility compared to smaller developers. Subject to the remuneration amounts resulting from the auctions, the procedure in combination with the expansion of solar power generation abroad could lead to a slight revival of the German PV market.

In analogy to wind energy and similar to Germany, the ROC scheme in the **UK** is also being replaced by the auction-based contracts for difference (CFD) procedure (see section "Wind"). All of the solar parks under 5 MW that go into operation after the end of the first quarter of 2016 will fall under the new CFD system. The ROC subsidy scheme for solar parks over 5 MW expired on 1 April 2015.

Portugal also regulates feed-in tariffs, but only for small and medium-sized PV plants. Feed-in tariffs for larger plants in particular are determined here in tender procedures, in which participants bid for apportioned grid connections. Given Portugal's high irradiation values, it can be assumed that in principle the PV market would even be competitive here without government subsidies. However, there are currently no tenders for available grid capacities. The euro debt crisis still hampers investment in renewable energy sources on the Iberian Peninsula. In view of mixed economic prospects, it is difficult to project how the situation will change in the next few years.

In all, both wind and solar power are expected to be independent of charged levies and subsidies and to prepare for the free market conditions. This will increase the cost and margin pressure along the entire value chain and intensify competition. Concepts such as direct marketing and power purchase agreements directly with consumers (PPAs) will be at the centre of focus for larger turbines in particular. The electricity price in the medium to long term and assumptions of this will have a major influence on the success of implementation, but also on the utilisation of further cost reduction potential as well as the risk tolerance of financing banks and other financing partners/financial backers.

THE COMPANY

The Energiekontor AG business model

Energiekontor AG specialises in wind power project development and wind farm operation in both Germany and abroad. As one of the pioneers in this area, the Company can call on 25 years of experience and covers the entire value chain in the onshore wind farm segment, from business and project development over financing and turbine installation to operational management of the completed facility.

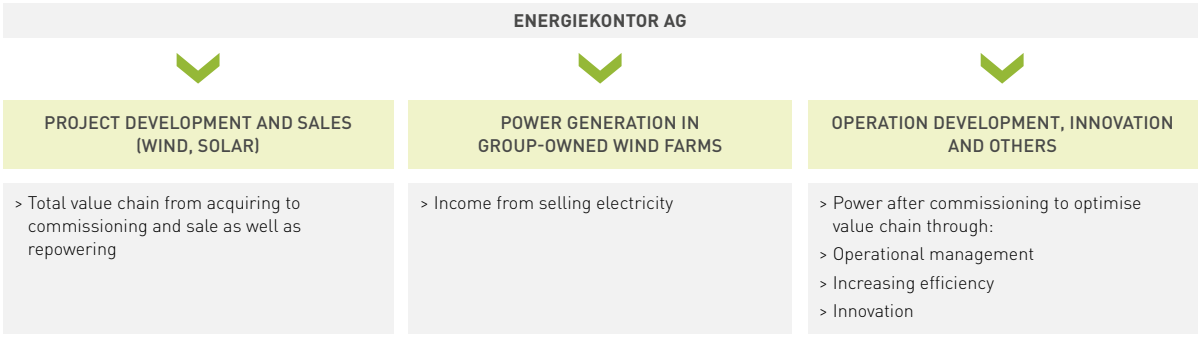
A few years ago, the Company's business model was also expanded to include the project development of solar parks. The markets in France and the US in particular are being reviewed for this purpose.

At the time of publication of this interim report, the Energiekontor Group had developed and installed a total of 580 wind turbines with a total rated power of nearly 850 MW at 102 wind farms in Germany, the UK and Portugal, as well as ground-mounted solar arrays rated at around 9 MW in Germany. Total capital spending on these projects amounts to over EUR 1.3 billion.

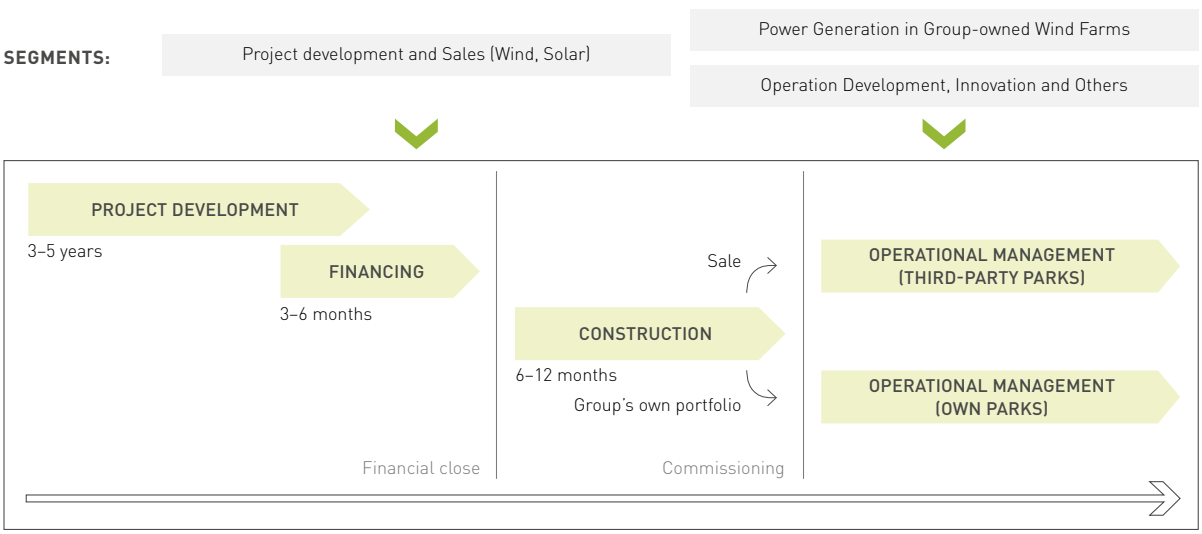
Complementing the sale of turnkey projects, the Energiekontor Group also operates a steadily increasing number of Group-owned wind farms as an independent power producer. Owner-operated facilities currently amount to around 269 MW.

Business operations of the Energiekontor Group are handled by three divisions. Segment reporting also follows this same structural model:

a) Project Development and Sales (Wind, Solar)
b) Power Generation in Group-owned Wind Farms
c) Operation Development, Innovation and Others



Energiekontor's activities taking onshore wind farms as an example (simplified)



a) Project Development and Sales (Wind, Solar)

The Project Development and Sales (Wind, Solar) segment comprises project development for onshore wind farms and solar parks for sale outside the Group. This division handles the entire value chain from business development, planning and financing through to construction and/or repowering and the final sale of the plants. It also covers the solar power project development business. Buyers for wind farms and solar parks include domestic and international institutional investors, private turnkey system buyers and members of local communities. An independent project company is formed for each wind farm or solar park project.

The repowering of old sites – i. e. the replacement of old facilities with new, more powerful turbines – is a key part of business planning for the Energiekontor Group. The Group completed its first repowering projects as early as 2001/2002.

b) Power Generation in Group-owned Wind Farms

This segment comprises the generation of power in Group-owned wind farms. In expanding its portfolio of owner-operated wind farms, the Group is seeking to increase its independence from government policy and changes in interest rates or the prices of raw materials, while generating income to cover ongoing business costs if individual projects are delayed. The Group's owner-operated turbines also constitute hidden reserves. If required, these turbines could be sold, thus releasing the respective tied-up financial resources plus the associated hidden reserves. Additional potential lies in the possibility of upgrading the Group-owned wind farms, for example through repowering or efficiency increasing measures such as the rotor blade extension classified in the third segment and described under item c).

The first addition to the Energiekontor Group's wind farm portfolio was made in 2002. Since then, the portfolio has seen regular expansion. On the one hand, this is done by assuming final ownership of projects that the Group has developed itself. Another strategy is to acquire attractive business propositions offered by operational wind farms. Such wind farms may either be projects that Energiekontor developed itself and sold at an earlier point in time or projects developed and operated by other companies. The total rated power of the wind farms operated by Energiekontor in Germany, the UK and Portugal currently amounts to 269.05 MW.

Group-owned wind farms, reference date 30 June 2016

Name of the wind farm	Total rated power/MW
Debstedt (Tandem I)	11.0
Breitendeich (Tandem I)	7.5
Sievern (Tandem II)	2.0
Briest (Tandem II)	7.5
Briest II	1.5
Geldern	3.0
Mauritz-Wegberg (Energiekontor holds 88.52 %)	7.5
Halde Nierchen I	5.0
Halde Nierchen II	4.0
Grevenbroich II (Energiekontor holds 96.2 %)	5.0
Osterende	3.0
Nordleda (Energiekontor holds 51 %)	6.0
Kajedeich	4.1
Engelrod	5.2
Krempel	14.3
Schwanewede	3.0
Giersleben	11.25
Beckum	1.3
Balje-Hörne	3.9
Hanstedt-Wriedel	16.5
Lengers	4.5
Krempel II	6.5
Prenzlau	1.5
Flögeln	9.0
Altlüdersdorf	13.5
Thüle	14.0
Marão	10.4
Montemuro	10.4
Penedo Ruivo	13.0
Mafomedes	4.2
Hyndburn	24.6
Withernwick	18.5
Gayton le Marsh	16.4
Wind farms in Germany	*171.55*
Wind farms in Portugal	*38.0*
Wind farms in the UK	*59.5*
Total	**269.05**

c) Operation Development, Innovation and Others

The Operation Development, Innovation and Others segment brings together all of the various activities aimed at improving the operating profit margin following the commissioning of the wind farm or solar park. Such activities include in particular:

- Operational management of wind farms (technical and commercial)
- All activities aimed at reducing costs, extending service life and increasing yields, e. g.
  - predictive, preventive maintenance
  - direct marketing of the generated power
  - rotor blade extension

Regardless of whether the developed projects are sold or remain in the Group's portfolio, Energiekontor typically assumes responsibility for commercial and technical operational management, thus generating an ongoing cash flow for the Company.

Commercial activities include in particular the settlement of accounts with the energy supplier, the service/maintenance companies and the facility lessors. Other activities include communicating with banks, insurance companies and investors.

Apart from wind turbine monitoring and data reporting and analysis, the technical services provided mostly involve the coordination of repairs and servicing teams working on-site, as well as the planning and implementation of preventive maintenance work. This preventive maintenance work can substantially extend the service life of both individual turbines and the overall site, while simultaneously achieving considerable savings in costs for repairs of primary components.

Another key topic within operational management is direct power marketing, which has become legally binding for all new wind farms in Germany since the amended German Renewable Energy Sources Act (EEG) was passed in mid-2014. Unlike the previous market bonus scheme, no bonuses (management bonus or remote control bonus) are now paid for new power systems. These bonuses have since been rolled up into the payment of the current EEG tariff.

Technical innovations such as rotor blade extension also form part of activities designed to optimise performance, yield and cost savings. This extension process invented and patented by Energiekontor is a technique for lengthening the rotor diameter that has now been tested and implemented successfully in the field for some four years. Installation is carried out with the blade attached, i. e. without dismantling the blade. This concept allows crane costs and downtimes to be kept at a minimum. Currently, manufacturing of the rotor blade extension for serial operation is being prepared.

Goals and Strategy

In the 25 years since the formation of our Company, the renewable energy market has undergone ongoing change and continuous development. Back in 1990 when the first Electricity Feed-in Act (StrEG) was introduced, renewable energies were still widely regarded as a rather crazy eco-idealist idea. Especially the large power companies that now play a major role in renewable energies were initially highly critical of these modern technologies. Today, a quarter of a century later, renewable energies have evolved into sophisticated, established and recognised technologies, making a significant contribution to energy production in many industrial nations. In Germany alone, the share of renewable energies accounted for 30 percent of the total energy produced in 2015. The higher the share of renewable energies in meeting demand, the more sustainable and environmentally friendly the entire energy supply.

New self-perception of the pioneering role

Energiekontor's vision is to generate all the energy we need from renewable resources. In order for this to become reality and for renewable energies to gradually and sustainably attain stronger market penetration, they have to be economically comparable with conventional energy production. This requires further developments concerning technology and efficiency. As was the case when renewable energies were launched in the predominately fossil technological landscape of the early 1990s, Energiekontor is once again aware of its pioneering role and wants to realise the most efficient projects in the area of wind and solar in its industry, thus making a substantial contribution on the path to 100 percent renewable energy.

A solid foundation for sustainable growth

The growth model of Energiekontor AG is closely linked to the Company's mission statement. The intensified regional approach and the diversification to new markets is aimed at strengthening organic company growth in order to continue actively accelerating the expansion of renewable energies, also in a more intense competitive environment. The management believes in employee involvement and development and creates the organisational framework required for achieving this goal. Basis and foundation of Energiekontor's growth strategy is its financial stability. This stability is predominately based on the steady surplus cash from Power Generation in Group-owned Wind Farms and from commercial and technical operation management activities.

Intensifying the regional approach

Energiekontor has always emphasised the importance of the regional approach. This allows close collaboration with local authorities and regions as well as a bespoke regional approach with a high level of local acceptance. At the same time, it generates a competitive advantage in each region and accelerates project development. In terms of organisation, the regional approach is implemented by local Energiekontor teams with far-reaching discretionary powers. This principle shall continue to be intensified by increasing the number of regions in Germany and also extending the regions abroad. Falling costs in the solar industry mean that solar power generation should soon be on an economic par with conventional energy sources.

Tapping into new foreign markets

One major element of the Energiekontor growth strategy is the gradual expansion of the existing portfolio of countries (Germany, UK, Portugal) through increased internationalisation and diversification to new foreign markets in order to develop additional growth potential for the coming years. Simultaneously, the expansion of the solar area is to be driven, especially in countries with favourable irradiation conditions and the correspondingly low electricity generation costs. The countries, which we are currently exploring

- the Netherlands (wind)
- France (wind, solar)
- and the U.S. (wind, solar),

whereby this country preselection may be extended or reduced within the course of the further market review process.

There is no direct market entry and cost-intensive project development planned in the individual countries; instead, a systematic review, analysis and selection process is being carried out to analyse and evaluate the specific conditions for wind and solar projects in these countries (legal, political, subsidy systems, grid connection regulations, authorisation etc.). Furthermore, the intention is to identify and, if suitable, take under contract the first partners for site acquisitions and further market development in order to create the structural prerequisites for a possible market entry at an early stage. The aim of this gradual and inexpensive review process – which can mainly be carried out by existing employees – is to identify the foreign

A solid foundation for sustainable growth

markets that are best suited for market entry. Setting up local branches, employing own local staff and local project development will only begin once the final market entry decision has been made. This approach will improve the chances of success for developing the market while reducing the risk of misallocating resources.

Innovation and efficiency measures

Energiekontor intends to realise the most economically viable projects in its industry, thus contributing to the 100 percent renewables vision. At the same time, this ensures the Company's competitive position in an increasingly market-oriented environment. Energiekontor will continue to strengthen its measures to increase innovation and efficiency in this environment. Innovation may refer to technical in-house developments such as e.g. rotor blade extension. However, innovation mostly refers to the fastest possible adaptation of new technologies and methods to benefit Energiekontor's projects. There are three approaches: increasing the economic viability of projects planned by Energiekontor, increasing profits of Group-owned wind farms and accelerating project development solution finding. These measures are closely linked to broadening the decentralised organisation, the decentralised project organisation led by employees and creating a culture of development.

Room for initiative and organisational decentralisation

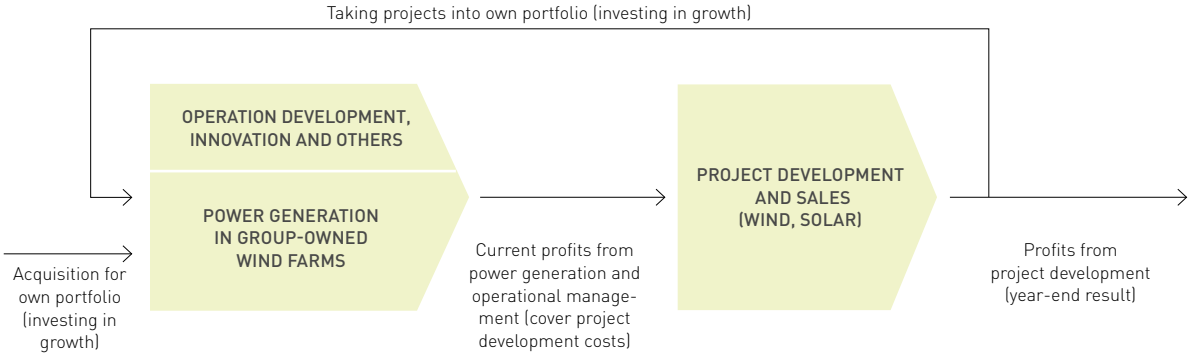
Innovation and efficiency are not necessarily restricted to technical innovations. For Energiekontor, broadening the decentralised organisational structure also contributes to increasing the Company's efficiency. Thus, the management deliberately focuses on a strong decentralisation of the working and decision-making processes with flat hierarchies in order to avoid unnecessary bureaucratisation and to ensure flexibility and fast decisions, even with a growing number of employees. At the same time, the Company creates room for creative and flexible problem-solving approaches and motivates each individual employee to act autonomously to establish an environment in which economic, legal and technical innovations can evolve.

Owner-operated wind farms as a reliable growth driver

Expansion of power generation from Group-owned wind farms is the driving power behind and the central element of the growth model. Steady income is generated by selling the power generated on our own wind farms. Another source of steady income is the provision of management services for completed and operational wind farms by specialised teams from the Energiekontor Group – possibly extending to solar parks in the future. This applies not only to the wind farms owned by the Group but also to turnkey facilities that have been sold to energy suppliers, strategic investors or financial investors. The provision of operational management services to the Company's facility buyers ensures that Energiekontor AG can retain the majority as customers, thus securing regular income from these wind farms well beyond their project completion dates.

Together with the steady income from the operational management of own and third-party farms, the income from selling electricity ensures financial stability and builds the basis for the Company's sustainable growth. Energiekontor covers most of the costs of project

Growth model of Energiekontor AG



development including Group-wide personnel and overhead costs with the surplus cash generated by its own farms and operational management. Income from selling in-house developed wind farms and solar parks drive net income and are used to pay taxes and dividends and as liquidity reserves.

Our strategy of expanding power generation in Group-owned wind farms includes

- retaining projects we have developed and completed within the Group;
- acquiring operational wind farms and solar parks;
- repowering Group-owned facilities; and
- optimising and increasing the efficiency.

We intend to transfer around half of the projects that we develop to Group ownership. The other half is earmarked for sale. The management reserves the right to adjust this ratio depending on the Company's business situation.

Varying growth dynamics

Company growth varies in the individual segments. In the area of project development, Energiekontor drives growth by increasing site acquisitions and the regional approach as well as by expanding to new markets. In contrast, growth in the Power Generation in Group-owned Wind Farms division is based on the incorporation of projects from project development into Company ownership and/or acquisition of external operational wind farms. The more wind farms become Group-owned wind farms, the higher the surplus cash that is generated by the Group's own wind farms and operational management. Thus, more funds are available for project development in order to promote growth. Further growth is thus mainly supported by additional expansion of the Group-owned farm portfolio and the increase in surplus cash by the operation of own wind farms and operational management. This organic growth process is supported by accompanying innovation and efficiency measures that lead to further rises in profits and that further increase the surplus cash from power generation in group-owned wind farms.

One positive side effect of this growth strategy is the fact that it reduces dependency on project selling and proceeds from project sales. Even if it were not possible to generate income from project sales, the Group's liquidity and the financing of the project development (including the Group-wide personnel and overhead costs) is covered by the surplus cash generated from power generation in Group-owned wind farms and operational management. Financial risk is thus minimised to the greatest possible extent. The Energiekontor growth model thus differs from many competitors' business models in the industry that do not have a comparable portfolio of Group-owned wind farms.

Business objectives

Energiekontor plans to use this strategy to increase project development EBIT in a stable and sustainable manner to around EUR 30 million per year in the medium term. This figure already accounts for the elimination of profit from the construction of wind farms intended for Group ownership arising from Group consolidation; it is therefore not recognised in Group profit.

The intention behind expanding the portfolio of Group-owned wind farms is to establish Energiekontor as a medium-sized producer of renewable energy while effectively minimising dependency on general developments in the market. In the medium term, the Company plans to expand its wind farm portfolio to around 500 MW, so as to ensure long-term EBITDA of EUR 70–80 million in this segment. This is equivalent to a segment EBT of some EUR 25 million.

The expansion of the Group-owned wind farm portfolio will be sourced from the Company's own projects, the repowering of existing portfolio assets and the acquisition of third-party facilities. The Company will finance this new tranche of capital spending with project financing loans, project-related bonds, equity capital and regular surplus cash from existing portfolio wind farm operations.

Energiekontor has spent the last few years creating an environment that favours a stable and sustainable growth trajectory, and is extremely well placed to face the challenges of the future in a highly competitive market.

BUSINESS DEVELOPMENT BY SEGMENT

a) Project Development and Sales (Wind, Solar)

The first half of 2016 went according to Energiekontor AG's plan. The Onshore **Wind** division saw the following developments in **Germany**:

In the key region of **Lower Saxony**, the activities so far have focused mainly on the district of Cuxhaven, where the planned restrictions for repowering projects were eased with the second draft of the regional planning programme to such an extent that Energiekontor was ultimately able to obtain planning permission and secure the financial close for the repowering project in Debstedt in December 2015. In the course of 2016, eight of the total of eleven existing 1 MW wind turbine systems are to be replaced by three to four new turbines with rated power of 4.5 MW each at this coastal location in the district of Cuxhaven. Progress on construction of the first three turbines is on schedule. Permission for the fourth was obtained in the second quarter of 2016. At the end of May 2016, the contract for the sale of the Debstedt repowering project was signed with the Hamburg-based solar park and wind farm operator Capital Stage, which is listed on the SDAX.

Energiekontor is also carrying out another repowering project, Breitendeich, in the Stade district. The Company received planning permission for Breitendeich at the end of the first quarter 2016. The financial close, which is required for construction to begin, was secured in April 2016. Shortly after the end of the reporting period, this repowering project was also sold to Capital Stage AG at the conditions precedent that are usually seen on the market. The Breitendeich wind farm consists of two turbines with a total of some 6.4 MW rated power and is south of the Elbe estuary. Progress in the construction is also on schedule here.

In the key regions of **North Rhine-Westphalia**, the Hürth wind farm (8.55 MW), which had been approved at the end of 2015, was built in the first few months of 2016 and went into operation in April 2016. Shortly thereafter, Energiekontor signed the contract to sell this project. The buyer is the listed wind farm and solar park operator Chorus Clean Energy AG from Neubiberg near Munich. The Hürth wind farm, located southwest of Cologne, consists of three turbines with rated power of 2.85 MW each.

Energiekontor had already received the planning permission for a third repowering project near the city of Grevenbroich back in the first quarter of 2016. With total rated power of 7.5 MW, this project is also in the intended construction phase.

In February 2016, we concluded a new cooperation agreement with Thüga AG on joint wind farm development and construction projects, with a focus on the Lippe district in North Rhine-Westphalia. Currently, projects with a total volume of about 50 MW are being examined. The first permissions are expected to be granted in 2017. Construction is not expected to commence before early 2018.

Permission for the Klein Woltersdorf project in the key region **Brandenburg** was obtained at the end of 2015. This was followed by the financial close at the end of February 2016 for the project consisting of a single turbine with rated power of 2.4 MW. The turbine now sold is currently being built.

Once the review of the **Mecklenburg-Western Pomerania** region revealed that the potential for projects that could be implemented financially is limited in this region, the activities were merged with those of the Brandenburg key region. In future, they will be coordinated from Bernau near Berlin.

Energiekontor is currently looking into a commitment in **Thuringia**. This German state offers good conditions for realising efficient onshore wind projects. The Thüringer Energie- und GreenTech-Agentur (ThEGA) had already awarded Energiekontor the seal of "Fair Wind Energy Thuringia" for adhering to the guidelines on cooperation and transparency when it comes to the state's citizens, municipalities and companies.

Including the repowering projects, acquisitions in Germany in 2016 until publication of this report resulted in areas being contractually secured for a total of around 240 MW in wind energy power.

Subsidies for onshore wind in the **UK** are still up in the air. Following the end of the certificate-based ROC regime in April 2016, the Contracts for Difference auctioning system (CFD) now applies. However, no auctions are scheduled for onshore wind this year.

At the end of June 2015, the Hyndburn II wind farm, i. e. an expansion of the already existing Hyndburn wind farm, received permission. Four wind turbine systems with rated power of 2 MW each are to be erected in Hyndburn II. Given the unanswered questions with the air traffic control authority, however, implementation of the project has been delayed.

Regardless, a number of projects in the UK are in the permitting process. Planning permission for Pencarreg (2 x 2.5 MW) in Wales was obtained in the first quarter of 2016. In order to improve the profitability of this project, new permission with improved parameters is being sought out at the moment.

Areas for roughly 200 MW were secured in the UK as a result of acquisitions from the start of 2016 until publication of this report. Total rated power for the projects for which the Energiekontor Group secured exclusivity in England and Scotland has thus climbed to around 600 MW. The majority of this area is in Scotland.

In **Portugal**, the activities of the Energiekontor Group are still mostly limited to the management of existing turbines as well as rotor blade extension (see item c) Operation Development, Innovation and Others).

In the **Solar** division, the Company had two successful cases in the first few months of 2016. The Nadrensee project (about 9 MWp) obtained its financial commitment, having emerged as one of the winners from the first **German** auction round for PV ground-mounted solar arrays in the spring of 2015. Construction of the solar park began in early summer.

On the other hand, the Energiekontor Group received the award for another project in the solar auction held in early April 2016. This project, Garzau-Garzin, is in Brandenburg and has rated power of around 10 MWp; it is currently in area development planning.

Furthermore, the activities to acquire and secure sites for ground-mounted solar arrays were enhanced to be able to submit more projects to upcoming auctions. In addition to the ongoing solar activities in Germany, the acquisition of projects in neighbouring countries that have already received permission has become an option.

The Energiekontor Group has strengthened its personnel resources in order to explore the new markets of the Netherlands, France and the US. An office was opened in the Dutch town of Nijmegen at the end of the first half-year with the aim of coordinating project development activities for wind farms with national experts there. The first sites have already been identified. The team in the Netherlands is expected to grow gradually to secure these and other locations.

In France, Energiekontor is initially focusing on the field of solar. Experienced native speakers will also be of help here when it comes to acquiring sites and establishing the Company's own office in the country. To this end, a number of talks were held with French experts in the field of renewable energy.

Both options of Wind and Solar are being looked into in the US. Energiekontor has selected suitable states and possible sites here. As in the other markets examined, there are also plans to establish the Company's own office in the US.

b) Power Generation in Group-owned Wind Farms

In the first quarter of 2016, Energiekontor was able to successfully place the step-up bond IX with a volume of nearly EUR 12 million. This bond was issued to finance the acquisition of the Portuguese Mafomedes wind farm and to refinance the Breitendeich wind farm in Lower Saxony. As agreed in the contract, the Mafomedes wind farm (4.2 MW) was incorporated into the Group's own portfolio on 1 January 2016. The number of wind farms operated by Energiekontor AG thus increased to 33, with total rated power of around 269 MW.

Moreover, the Withernwick wind farm operated by Energiekontor in England was refinanced in order to make use of the current low capital market interest level. This measure is one of the options to improve efficiency and thus earnings from Group-owned wind farms. Refinancing of other wind farms in the Company's own portfolio is currently being looked into.

Overall in the first half-year of 2016, the levels of wind averaged across all months and sites was lower than the comparable previous year periods. Despite strong winds in February, yields have to date fallen short of expectations, especially in Germany.

Several wind farms on the market were assessed based on technological, economical and legal considerations to evaluate their eligibility for the further expansion of the portfolio.

c) Operation Development, Innovation and Others

Income from ongoing operational management has continuously increased in recent years thanks to the expansion of the Group-owned wind farm portfolio. Efficient market observation and the resulting agreements for direct power marketing under the German Renewable Energy Sources Act (EEG) contributed to improving the income situation. It was possible to place almost the entire German wind farm portfolio with reputable direct power marketers. Energiekontor has achieved attractive marketing conditions here so far. Direct power marketing and the remuneration regulations incorporated therein were introduced in the amended EEG as of 1 January 2012; the latest amendment of the EEG made direct marketing obligatory as from August 2014.

The innovative rotor blade extension method is gaining significance within the segment. To date, this technology is being used in the Debstedt wind farm as well as in Portuguese wind farms. In addition to the extension of the AN Bonus turbine model (1 MW), further development for the 1.3 MW class has meanwhile been completed and certified.

Permission for converting 26 wind turbines in Portugal was already granted in November 2013. After the first successful test phase and two turbines being equipped with further optimised rotor blade extensions, five turbines have now been retrofitted at two different wind farms.

At present, Energiekontor is developing two new prototypes that are intended for the rotor blade extension of other turbines.

» FINANCIAL POSITION, FINANCIAL PERFORMANCE AND RESULTS OF GROUP OPERATIONS

Result of Group operations
(with notes to the key items of the statement of comprehensive income)

As in the previous years and as usual for the wind power sector, the majority of the profit contribution is realised in the second half of a financial year. This is when construction is completed for nearly all projects relevant to income, so the actual sale and thus the effect on income is first seen in the second half. One exception in the half year under review is the realisation of the Hürth project, with the correspondingly positive profit contribution. As in the same period of the previous year, the Group is reporting the ensuing positive results in the first half of the financial year.

in T€	30.06.2016	30.06.2015
EBT (earnings from ordinary activities)	**4,765**	**2,461**
EBIT (EBT plus financial result)	**14,190**	**12,275**
EBITDA (EBIT plus depreciation and amortisation)	**23,629**	**20,271**

Group revenue rose year-on-year to EUR 43,326 thousand (previous year EUR 30,190 thousand). The increase is largely owed to the realisation of the Hürth project. As a result, revenue in the Project Development and Sales (Wind, Solar) segment climbed to EUR 13,731 thousand (previous year EUR 1,031 thousand). In addition, revenue from the Power Generation in Group-owned Wind Farms segment amounting to EUR 28,038 thousand (previous year EUR 27,782 thousand) in particular contributed to consolidated revenue. Given the wind farm built by the Company itself in the previous year and the two additional wind farms acquired, the inventory in this segment has increased, while revenue remains nearly unchanged as a result of the lower wind volumes in Germany and UK than in the previous year. Revenue from the Operation Development, Innovation and Others segment, which is mostly comprised of proceeds from the operational management of external and Group-owned wind farm operators, rose marginally to a total of EUR 2,529 thousand (previous year EUR 2,346 thousand). This segment's contribution to Group revenue adjusted for

consolidation effects comes out to EUR 1,556 thousand (previous year EUR 1,377 thousand).

Other operating income increased in the period under review, particularly as a result of income from foreign currency translation, to EUR 2,540 thousand for the Group as a whole (previous year EUR 1,536 thousand).

Changes in inventory of finished goods and works in progress amounting to EUR 12.321 thousand (previous year EUR 37.433 thousand), which were down year-on-year, are a result of the lower inventory from the sold and deconsolidated Hürth wind farm despite the more or less consistently high numbers of planning projects both at home and abroad as well as the wind farms and solar parks being built.

The cost of raw materials and supplies, at EUR 21.088 thousand (previous year EUR 33.455 thousand), was in line with the project-related construction progress in Germany and the UK, especially for the Project Development and Sales (Wind, Solar) segment.

Personnel costs for the Group rose moderately versus the first half of the previous year to EUR 5.189 thousand (previous year EUR 4.820 thousand).

Depreciation and amortisation of intangible assets and property, plant and equipment amounted to EUR 9,439 thousand (previous year EUR 7,996 thousand). The vast majority of this was a result of the scheduled depreciation and amortisation of the Group's wind farms in the Power Generation in Group-owned Wind Farms segment in the amount of EUR 9,417 thousand (previous year EUR 7,971 thousand). The growth over the previous year is attributed to the scheduled depreciation and amortisation of the new wind farm operators added to the Group.

Other **operating expenses** for the Group declined to EUR 8,281 thousand (previous year EUR 10,612 thousand). This item in the previous year showed EUR 2,329 thousand worth of expenses from foreign currency translation, which did not accrue in the period under review.

The **financial result** came out to EUR –9,425 thousand (previous year EUR –9,815 thousand). In addition to interest on the bonds issued, this was primarily influenced by the scheduled interest expenses for the long-term financing of Group-owned wind farm operators. Interest income for the Group is negligible in relation to interest expenses against the backdrop of historically low, and at times negative, capital market interest rates.

Financial performance of the Group
(with notes to the key financial positions of the abbreviated consolidated balance sheet)

Cash and cash equivalents for the Group fell in the period under review, primarily as a result of investments in ongoing projects and the distribution of dividends.

In EUR thousand	30.06.2016	31.12.2015
Cash and cash equivalents	**84,470**	103,957
Securities	**10,338**	10,278
Cash and cash equivalents and securities	**94,808**	**114,235**

The portfolio of **securities**, primarily German federal bonds, is nearly unchanged at EUR 10.338 thousand (31 December 2015: EUR 10.278 thousand).

Non-current financial liabilities (incl. liabilities to non-Group minority interests) declined in the reporting period to EUR 244,416 thousand (31 December 2015: EUR 248,898 thousand) and include the issued bond capital of Energiekontor AG as well as the financing companies in the course of step-up bonds being issued. The period under review saw the issue of additional bond capital by Energiekontor Finanzanlagen IV GmbH & Co. KG in the amount of EUR 10,950 and the scheduled repayment of bond capital from the 2011 bond by Energiekontor AG in the amount of EUR 6,600 thousand.

A major portion, EUR 202,199 thousand (31 December 2015: EUR 201,078 thousand), is a result of the financing of Group-owned wind farms in the Power Generation in Group-owned Wind Farms segment.

Current financial liabilities rose to EUR 48,876 thousand (31 December 2015: EUR 31,871 thousand). The increase affects the Project Development and Sales (Wind, Solar) segment above all due to the financing of wind farm and solar park operators currently being built and those intended for sale in the short term.

Financial position of the Group
(with notes to the key financial positions of the abbreviated consolidated balance sheet)

Consolidated equity decreased to EUR 45,100 thousand (31 December 2015: EUR 50.460 thousand), particularly as a result of the dividend paid from net income for the 2015 financial year, offset against the positive consolidated income in the period under review and other changes in the fair value of foreign exchange and interest rate futures to be offset against capital reserves.

In relation to the slight reduction in total assets versus 31 December 2015 (EUR 399,118 thousand) of EUR 383,322 thousand, the equity ratio dropped to 11.8 percent (31 December 2015: 12.6 percent). Expenses from share buybacks (13,020 units) amounting to EUR 174 thousand accrued in the period under review (EUR 236 thousand in the first half of the previous year for 17,150 units).

Non-current assets decreased only marginally to EUR 227,529 thousand (31 December 2015: EUR 232,263 thousand).

Other intangible assets came out to EUR 17 thousand (31 December 2015: EUR 23 thousand) and included software to be amortised regularly.

Property, plant and equipment was primarily made up of Group-owned wind farms in operation (wind turbine systems, access, grid connection, wiring, etc.) in the amount of EUR 220,759 thousand (31 December 2015: EUR 223,439 thousand). It is recognised at cost of acquisition or production less scheduled depreciation. One new addition to property, plant and equipment in the reporting period was a purchased Portuguese wind farm. In addition to land and land improvements in the Operation Development, Innovation and Others segment where the group-owned portfolio reduced to EUR 0 thousand due to disposals (31 December 2015: EUR 233 thousand), there is, to a lesser extent, operational and office equipment mostly pertaining to the Project Development and Sales (Wind, Solar) segment in the amount of EUR 112 thousand (31 December 2015: EUR 118 thousand).

Non-current receivables and financial assets amounting to EUR 75 thousand (31 December 2015 EUR 70 thousand) are largely comprised of receivables from affiliated companies worth EUR 32 thousand (31 December 2015: EUR 32 thousand) as well as deposits and advance payments to be capitalised. Furthermore, **deferred taxes** worth EUR 6,513 thousand are capitalised (31 December 2015: EUR 8,327 thousand).

Current assets less cash and cash equivalents and other securities already explained in the report on the financial performance amount to EUR 60,985 thousand (31 December 2015: EUR 52,620 thousand) due to the increase in inventory offset against lower accounts receivable.

Inventory recognised in current assets amounted to EUR 45,192 thousand (31 December 2015: EUR 32,871 thousand) and primarily pertain to the Project Development and Sales (Wind, Solar) segment. The item includes expenses capitalised there for projects to be realised in Germany, the UK and Portugal. **Current receivables and financial assets** amounting to EUR 14,210 thousand (31 December 2015: EUR 18,124 thousand) primarily include the ongoing receivables for power generation and sales recognised in the Power Generation in Group-owned Wind Farms segment in the amount of EUR 11,338 thousand (31 December 2015: EUR 14,947 thousand), as well as prepaid expenses and accrued income and other financial assets.

Current **tax receivables** include VAT refunds, creditable capital gains tax and corporation tax refunds.

In addition to the non-current financial liabilities already described in the report on the financial performance, **non-current liabilities** amounted to EUR 24,074 thousand as at the reporting date (31 December 2015: EUR 23,596 thousand). In the Power Generation in Group-owned Wind Farms segment, these include provisions for decommissioning and restoration of Group-owned wind farm operators amounting to EUR 13,365 thousand (31 December 2015: EUR 12,861 thousand) and deferred tax liabilities in the amount of EUR 7,942 thousand (31 December 2015: EUR 7,914 thousand).

Other provisions coming out to EUR 10,966 thousand (31 December 2015: EUR 16,282 thousand), accounts payable at EUR 3,572 thousand (31 December 2015: EUR 4,480 thousand) and other liabilities and tax liabilities amounting to EUR 6,049 thousand (31 December 2015: EUR 16,614 thousand) on the whole produce **current liabilities** (not including the financial liabilities already explained in the financial performance report) of EUR 20,856 thousand (31 December 2015: EUR 44,292 thousand). On 30 June of the current year, limited or unlimited guarantees by Energiekontor Group companies to the benefit of third parties came out to EUR 597 thousand (30 June 2015: EUR 0.00 thousand).

» POST-CLOSING EVENTS

In mid-July Energiekontor AG sold another wind farm with the repowering project Breitendeich to SDAX-listed Hamburg-based solar park and wind farm operator Capital Stage AG.

Nearly a month later, the third repowering project realised by the Company this year, Grevenbroich, was also sold to Capital Stage AG under conditions precedent usually seen on the market.

Just before this interim report was published, the Nadrensee solar project (ca. 10 MWp) was also sold to a strategic investor. The solar park is in the completion phase.

» FORECAST REPORT

The outlook for the current financial year takes into account Energiekontor AG's growth plans based on a solid business model, with a view to the upcoming regulatory changes in the remuneration of electricity from renewable sources. In principle, nothing has changed concerning the expectations for the current financial year with regard to the statements in the 2015 annual report. The outlook for the full year is as follows:

a) Project Development and Sales (Wind, Solar)

The Management Board of Energiekontor AG continues to expect a positive performance of the Project Development and Sales (Wind, Solar) segment in the 2016 financial year. This is to be supported by the implementation of wind farm and solar park projects in Germany and the UK, which have already reached the permit stage or financial close, which are currently under construction or which are in the final pre-construction stages.

Since the beginning of the year 2016, the Debstedt repowering projects (ca. 13.5 MW) with three turbines of 4.5 MW has been under construction in **Lower Saxony**. Another repowering wind farm in the Stade district is currently being built, namely Breitendeich (7.5 MW). Both projects are still scheduled to be commissioned in 2016. The permission for a fourth 4.5-MW turbine was also issued in Debstedt. This is scheduled for completion in 2017.

In Lower Saxony, planning permissions for three other projects with total rated power of approximately 15 MW are targeted for 2016. These projects should be commissioned in 2017.

Following commissioning of the Hürth wind farm (8.55 MW), the Energiekontor Group has now started the permitting process for several other smaller and medium-sized wind farms in **North Rhine-Westphalia**. All in all, the Group intends to get planning permission for projects totalling more than 25 MW in the course of 2016; commissioning is scheduled in 2017.

Following the successful commissioning and sale of the Luckow-Petershagen wind farm (11.0 MW) in the key region of **Brandenburg** at the end of 2015, we are still awaiting a decision by the regulatory authority regarding the application for a fifth 2.75 MW turbine. This is expected in the autumn of 2016.

The approval of the 2.4 MW turbine in Klein Woltersdorf was followed by the financial close in February 2016. The aim is to finish the construction work now begun by the end of the year.

Three projects in Brandenburg with a combined capacity of around 15 MW are also undergoing the permitting process at the moment. The planning application for another project with rated power of approximately 16 MW is expected to be submitted in the third quarter of 2016.

The acquisition of new sites is also crucial for the Energiekontor Group's long-term expansion of wind power. Germany, however, is starting to show signs of excessive lease charges, which could prove a heavy burden for future projects. However, the cooperation between the Energiekontor Group and Thüga AG is bound to have a positive effect. The first planning permissions for projects under this cooperation that initially targets projects in the range of about 50 MW in the Lippe district in North Rhine-Westphalia are expected to be obtained in 2017. Energiekontor is now in negotiations with other potential partners, including in Thuringia, where the company is pursuing its first acquisitions. Energiekontor expects that these cooperations will not only bring an expansion of the project pipeline because of joint investment and the might of a strong group with common interest, but also create stronger regional ties and cooperation with the municipalities and their inhabitants.

The pipeline for the development of new projects in Germany is continuously being expanded. Only the projects that are highly likely to be realised are being included in the pipeline. Energiekontor Group has a total pipeline for projects in **Germany** covering nearly 740 MW in various project phases.

Option agreements were concluded for all of these projects. Some of the projects have already entered the planning permission or permitting process, while others have already been approved or are under construction. The Company thus has sufficient provisioning for its medium-term growth targets in Germany.

Project development in the UK was rendered more difficult in 2015 by the uncertainty regarding subsidies following the elections in May. Following expiration of the ROC scheme at the end of the first quarter of 2016, the extent to which the government in London will continue to subsidise onshore wind remains to be seen.

The events surrounding Britain's decision to leave the European Union (Brexit) have put these discussions on hold for the most part. The Brexit itself is having an impact on Energiekontor AG's business to the extent that the potential reintroduction of customs duties and interest rate fluctuations could increase costs for the construction of wind farms and the financing thereof. These kinds of effects are already priced in to the profitability calculations for Energiekontor's development projects. Currency fluctuations would have a significant impact on the income from British wind farms in the company's own portfolio. However, it should be noted here that the British pound had already been at a very high level in the months prior to the Brexit.

In sum, the short term will be plagued with a degree of uncertainty over the possible effects of Brexit on the domestic European market, and investments could potentially be withheld prematurely. In the medium term, however, Energiekontor does not expect it to have any lasting effects on the project business in the field of renewable energy sources.

With this in mind, Energiekontor is clearly focusing on **Scotland** at the moment and maybe **Wales**, where the development of onshore wind farms is clearly welcome and receives political support. The Scottish government has expressed its commitment to the expansion targets for renewable energy previously defined. Energiekontor secured locations for a total of about 600 MW by means of exclusivity agreements and option agreements with landowners. Roughly three quarters of these are in Scotland. Given the excellent wind conditions, wind farm projects in Scotland and, in select cases, in England can even be economically feasible without a tariff system and auctioning procedure by concluding direct power purchase agreements with the respective contracting partners.

Energiekontor further assumes that there will be further possibilities for successfully implementing wind projects in the future. Even if onshore wind projects will not be included in the auction round planned in 2016, onshore wind farms might be readmitted to the auctions again as early as in 2017, in the scope of the so-called market stabilisation mechanism. Parliament is currently discussing a corresponding proposal.

The situation in **Portugal** has not changed materially. There are first signs of an improvement in the business environment, but the government has not announced any new procedures for tendering grid capacities as yet.

In the **Solar** market, both Germany and the UK introduced an auctioning system. In **Germany**, the Company is concentrating on the key regions of Brandenburg and Mecklenburg-Western Pomerania. Two Energiekontor Group projects there, Nadrensee (approx. 9 MW) and Garzau-Garzin (approx. 10 MW), have already received an award in the first auctions in Germany. Shortly before this report was published, the contract for the sale of the Nadrensee solar park, currently in the completion phase, was signed. The project is also in the midst of the sales process. Garzau-Garzin is scheduled for completion in 2017.

With the two awards in the solar auctions, the Company has shown itself to be in a position to realise projects financially despite the increasing degree of pricing pressure. Energiekontor intends to become involved in future auctions with other projects in the planning phase.

In the **UK**, Energiekontor is contemplating expanding its position in 2016 by acquiring project rights or developing its own projects. However, the remuneration tariffs levelled out at such a low level in the last auction rounds that the prospects for economically feasible projects are rather dismal at present.

The Company also wants to expand its solar activities on the French market. In both the UK and France Energiekontor is currently negotiating with potential cooperation partners.

The general objective of the Energiekontor Group is to stabilise and sustainably increase the level of project realisations, which has been varying from year to year in the past. Roughly half of revenue and earnings are to be generated abroad in the future.

b) Power Generation in Group-owned Wind Farms

The Power Generation in Group-owned Wind Farms segment is to be further expanded systematically in order to decrease the Group's dependence on the volatile project development market. In addition to the acquisition of external wind farms and the inclusion of Energiekontor projects in the Group's own portfolio, the option of repowering Group-owned wind farms is also reviewed regularly. The objective is to optimise the use of current locations and boost profits by exchanging existing turbines for modern, more powerful wind turbines.

Since the repowering bonus was abolished in the amendment to the German Renewable Energy Sources Act (EEG) in August 2014 and the reference yield model was adapted with the consequence that sites with strong winds receive lower remuneration, this way of enhancing the efficiency of Group-owned wind farms was further restricted. Therefore, Energiekontor has decided to focus more strongly on innovative technologies like the in-house developed rotor blade extension. The management expects that the output can thus be increased by several percent at comparably low cost.

The expansion of Energiekontor's own wind farm portfolio is based on the takeover of projects developed by the Company itself and the acquisition of operational wind farms. After the purchase of the Mafomedes wind farm (4.2 MW) in Portugal at the beginning of 2016, there are no plans to expand the Company's own farm portfolio any further this year. The total capacity could even decline temporarily with the sale of individual repowering projects. However, net income (EBT) from this segment is of primary importance for the Company. This also gets a boost from innovation and efficiency measures and the planned reduction of the interest burden.

c) Operation Development, Innovation and Others

Despite fluctuating income due to changing wind years, the coming years should see a rising liquidity and earnings trend. This is supported by the continuously climbing number of wind farms under operational management. Even operations of wind farms sold are usually still managed by the Energiekontor Group. It is also conceivable that this will be expanded by taking over operational management of external wind farms.

One of the focal areas in expanding the technological innovations area is the patented rotor blade extension process for existing wind turbines. Based on the successful development for a 1 MW wind turbine, additional promising turbine types will be adapted in the future. Based on the conversion of now five 1.3 MW wind turbines in Portugal, the remaining 21 of 26 approved turbines are to be equipped with rotor blade extensions over the course of the year. Moreover, market research and feasibility studies support the development of rotor blade extensions for additional turbine types. However, it is becoming increasingly difficult to equip new turbines with extended rotor blades in Germany because of regulatory height limits that apply to many locations and concerns of the financing banks.

The Portuguese and Spanish markets still appear to offer the largest implementation potential for rotor blade extensions, as these regions have more of the relevant wind turbines in place than Germany, where in most cases profitability of existing systems cannot be enhanced substantially by repowering. On the Iberian Peninsula, on the other hand, it is usually not profitable to replace existing turbines with more powerful ones, as in most cases the grid capacity required to feed in all electricity generated cannot be expanded. This means that income improvements can only be achieved through better utilisation of the wind farms, supported by technical optimisation such as rotor blade extension.

Group-level

A sustainable and reliable regulatory environment for wind and solar power in our current target markets is essential for the further growth of the Group. The amendment to the EEG in Germany has created investment security until 2016. This should continue beyond 2017, as the current remuneration structure applies to all projects approved until the end of 2016 and implemented by the end of 2018. Starting in 2018, the management expects to see the financial impact of the auction system, although Energiekontor has prepared for this for years by developing a sustainable growth strategy described in detail in the chapter "The Company". This has been combined with an innovation and cost-cutting programme.

The situation in the UK has changed substantially. As explained above, it is unclear since the parliamentary elections in May 2015 to what extent onshore wind projects will receive support in the future. The Brexit decision has not exactly made things easier overall for the time being. The effect of Britain leaving the EU in the medium term, however, should be marginal for Energiekontor AG's business. By concentrating on regions with very strong winds in Scotland, England and Wales, Energiekontor is already set to continue planning and constructing wind farms in the UK without subsidies on a market price basis (electricity exchange, PPAs).

Thanks to many years of diversification of its activities across different countries, key regions and energy carriers as well as the portfolio of Group-owned wind farms, the Energiekontor Group has a solid base for continued success in coming years, despite changes in the regulatory environment and the downward feed-in tariff trend.

The continuation of the Group's integrated and proven structures and work processes such as flat hierarchies and cost-conscious management as well as the utilisation of diverse banks, financial instruments, turbine manufacturers, service providers and consultants contribute to the Group's sustainable and long-term future success. In addition, the strong liquidity position of the Group creates room for flexible actions in order to operate successfully in the market.

Wide-ranging project-pipelines have been established in recent years in order to generate stable and sustainable future company growth. In addition to regulatory uncertainty, project-specific or situation-specific issues can lead to delays, however – as has been the case in the past – with regard to permit approvals, financing of already approved

projects and commissioning. The main risks and critical external factors are delays in permitting processes and in project implementation (e. g. for weather reasons, delays in supply or insufficient availability of erection devices). These types of external developments cannot be ruled out for the future either.

In the Solar division, in-house development and turnkey implementation of projects in Germany has considerably lost appeal in recent years due to decreasing feed-in tariffs and fixed module prices in the Far East because of punitive tariffs. The auctioning system will bring new opportunities in Germany. Moreover, the management plans to expand the scope for the further implementation of PV projects by reviewing opportunities to develop the Company's own projects or take over project rights from third parties in the UK as well as in new markets such as France. The Group is also investigating the possibilities of working together with potential cooperation partners from within the industry.

The Power Generation in Group-owned Wind Farms segment is of crucial importance for the further growth path of the Energiekontor Group. Despite wind-related fluctuations in income, revenue generated in this segment is easier to forecast than revenue generated in project development. Income from the sale of energy is generally a stable foundation for liquidity planning in the Group. Even in times of economic difficulties, overall operations could be covered by such income. As a consequence, the portfolio of Group-owned wind farms is a strategic key element at Energiekontor AG. Surplus liquidity generated in the operations of Group-owned wind farms is to be steadily increased in coming years by expanding the existing portfolio of own facilities. Both the purchase of existing wind farms and the takeover of new development projects carry potential here. The prerequisite in both cases is that the turbines can be operated profitably and sustainably in the long term. The decision to take over wind farms into the Group's own portfolio always depends on situational and project parameters.

The management's objective is to continue improving the basis for sustainable company growth by gradually and sustainably increasing total output and Group EBT in the coming years. The key measures planned include intensifying the acquisition efforts in all planning areas (Germany, Solar, Repowering, UK), gaining a foothold in new foreign markets (other larger markets, e. g. the U.S., are also being investigated in addition to France and the Netherlands) and increasing efficiency by implementing commercial and technical optimisation measures, especially in the field of electricity generation in Group-owned wind farms and operational management. At the same time, headcount is to be gradually expanded in the key growth areas in a targeted fashion. Even though the growth process will not follow a straight line in the next few years due to policy changes and the conversion of the remuneration systems in all the relevant target markets, and income fluctuations cannot be ruled out either, Energiekontor is pursuing a growth strategy that enables the Company to gradually and sustainably reach its growth targets, thereby maintaining a solid financial basis.

All in all, the Management Board expects a positive business performance and net income in the 2016 financial year, at the AG level as well as for the Group. The course set in the last few years will also be adhered to in the 2016 financial year. The top objective is to maintain the income level of 2015 despite the imminent changes to the regulatory environment in Germany and the unclear remuneration situation in the UK or to even to achieve a slight improvement. The Group confirms that it has the relevant projects and potential needed to achieve these objectives. Risks are mainly related to potential project delays that could have a negative effect on commissioning and the sales of the projects planned for 2016. One concrete requirement for reaching the net income target is the successful commissioning of all projects sold and under construction in the current financial year as well as the contract yet to be signed for another major wind farm, which is currently still in the sales process.

Expectations for the individual segments can be summarised as follows:

The Project Development and Sales (Wind, Solar) segment strives to increase EBT over the previous year.

The Power Generation in Group-owned Wind Farms segment will most probably not see an increase in profits compared to the previous year. The reason for this is a below-average wind level in Germany during the first six-months of 2016 as well as overall poorer wind conditions in the UK year-on-year. Depending on this year's yield in the seasonally strong wind months, we assume segment EBT at year-end will, at the most, be at the same level as the previous year.

Revenue and EBT in the Operation Development, Innovation and Others segment is expected to be unchanged or to see a slight increase.

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Condensed consolidated cash flow statement (IFRS)

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Consolidated statement of changes in equity

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR thousand	01.01.2016–30.06.2016	01.01.2015–30.06.2015
Revenue	**43,326**	**30,190**
Changes in inventories and other work performed and capitalised	12,321	37,433
Total output	**55,647**	**67,623**
Other operating income	2,540	1,536
Total operating output	**58,187**	**69,158**
Cost of raw materials and supplies and purchased services	–21,088	–33,455
Personnel expenses	–5,189	–4,820
Other operating expenses	–8,281	–10,612
EBITDA	**23,629**	**20,271**
Depreciation and amortisation	–9,439	–7,996
EBIT	**14,190**	**12,275**
Interest and similar income	24	44
Interest and similar expenses	–9,449	–9,859
Earnings from ordinary activities before tax (EBT)	**4,765**	**2,461**
Income tax expense	–1,350	–650
Interim consolidated income	**3,415**	**1,810**
Other income (changes in value not affecting income net of tax)	3,073	–3,033
Total comprehensive income	**6,489**	**–1,223**

Both consolidated comprehensive income and total comprehensive income are attributed in full to shareholders of the parent company.

Earnings per share in EUR	0.23	0.12
Shares outstanding in units as at 30 June	14,599,220	14,632,010
Average shares outstanding in units in H1	14,605,941	14,643,844

CONDENSED CONSOLIDATED BALANCE SHEET (IFRS)
as at 30 June 2016

ASSETS	30.06.2016 EUR thousand	31.12.2015 EUR thousand
Non-current assets		
Other intangible assets	17	23
Property, plant and equipment	220,871	223,789
Investments	53	53
Non-current receivables and financial assets	75	70
Deferred tax liabilities	6,513	8,327
Total non-current assets	**227,529**	**232,263**
Current assets		
Inventory	45,192	32,871
Current receivables and financial assets	14,210	18,124
Tax receivables	1,583	1,624
Securities	10,338	10,278
Cash and cash equivalents	84,470	103,957
Total current assets	**155,793**	**166,855**
Total assets	**383,322**	**399,118**

EQUITY AND LIABILITIES	30.06.2016 EUR thousand	31.12.2015 EUR thousand
Equity		
Issued capital (nominal)	14,599	14,612
Capital reserves	40,315	40,308
Other reserves (not affecting earnings)	–5,678	–8,751
Retained earnings	16,260	16,421
Accumulated income	–20,396	–12,130
Total equity	**45,100**	**50,460**
Non-current liabilities		
Other provisions	13,365	12,861
Financial liabilities	244,416	248,898
Other liabilities	2,767	2,821
Deferred tax liabilities	7,942	7,914
Total non-current liabilities	**268,489**	**272,495**
Current liabilities		
Provisions for taxes	269	6,915
Other provisions	10,966	16,282
Financial liabilities	48,876	31,871
Accounts payable	3,572	4,480
Other liabilities	6,048	16,492
Tax liabilities	1	123
Total current liabilities	**69,732**	**76,163**
Total equity and liabilities	**383,322**	**399,118**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (IFRS)

EUR thousand	01.01.2016–30.06.2016	01.01.2015–30.06.2015
Consolidated income	3,415	1,810
Net proceeds from disposal of assets	36	0
Depreciation and amortisation	9,439	7,996
Adjustment of non-cash currency result	–1,788	2,448
Change in provisions (including deferred taxes)	–11,021	–7,439
Change in inventories and payments made	–12,321	–37,433
Change in receivables (offset against payments received on account) and other assets	5,960	11,595
Change in liabilities	–11,528	3,666
Other non-cash expenses/income	3,081	–3,025
Cash flow from operating activities *	**–14,727**	**–20,382**
Payments for investments in fixed assets	–7,156	–15,496
Payments for/proceeds from purchase/sale of securities	–60	–10,220
Cash flow from investing (divesting) activities	**–7,216**	**–25,717**
Change in non-current external funds	–4,482	15,546
Change in current external funds	17,005	19,701
Payouts/dividends	–11,682	–8,781
Expenses for repurchase of treasury shares	–174	–236
Cash flow from financing activities	**667**	**26,230**
Total cash flow	**–21,276**	**–19,869**
Currency-related changes to cash and cash equivalents (valuation)	1,788	–2,448
Financial resources as at as at 1 January	103,957	81,594
Cash and cash equivalents as at 30 June	**84,470**	**59,278**

This value equals the balance sheet item "cash and cash equivalents" as at 30 June.

* Adjustment to previous year's figure pursuant to item II.2 in the Notes 2015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

01.01.2016–30.06.2016 EUR thousand	Subscribed capital	Capital reserves	Reserve for changes recognised directly in equity	Retained earnings	Accumulated income	**Total**	Number of shares
as at 01.01.2016	**14,612**	**40,308**	**–8,751**	**16,421**	**–12,130**	**50,460**	**14,612**
Repurchase of treasury shares	–13			–161		–174	–13
Differences from fair value measurement			3,073			3,073	
Differences from stock option plan measurement		8				8	
Dividend payment					–11,682	–11,682	
Consolidated income in H1					3,415	3,415	
as at 30.06.2016	**14,599**	**40,315**	**–5,678**	**16,260**	**–20,396**	**45,100**	**14,599**

01.01.2015–30.06.2015 EUR thousand	Subscribed capital	Capital reserves	Reserve for changes recognised directly in equity	Retained earnings	Accumulated income	**Total**	Number of shares
as at 01.01.2015	**14,649**	**40,293**	**–7,388**	**10,112**	**–17,511**	**40,154**	**14,649**
Repurchase of treasury shares	–17			–218		–236	–17
Differences from fair value measurement			–3,033			–3,033	
Differences from stock option plan measurement		8				8	
Dividend payment					–8,781	–8,781	
Consolidated income in H1					1,810	1,810	
as at 30.06.2015	**14,632**	**40,300**	**–10,421**	**9,893**	**–24,483**	**29,922**	**14,632**

Segment report (IFRS)

The following provides information on the result, assets, liabilities and investments for the individual segments described previously.

The Energiekontor Group's segment reporting follows the provisions of IFRS 8 "Business segments", whereby the so-called Management.

Approach is used once the structure and contents of the segment reporting have been adapted to the reports regularly presented to internal decision-makers. The Management Approach is intended to give the target audience of the external accounting a glimpse into the Company from the perspective of the Management Board ("chief operating decision-maker").

In accordance with the IFRS 8 criteria, there are three business segments, namely Project Development and Sales (Wind, Solar); Power Generation; and Operation Development, Innovation and Others.

The evaluation complies with the provisions on external accounting. Reconciliation of the indicated segment information to the figures in the consolidated financial statements is therefore not necessary.

Prices, which are also agreed upon with third parties, are essentially based on the business relationships between the Group's companies.

Segment assets and liabilities that are broken down in the following segment report relate to gross assets and liabilities as follows:

EUR thousand	30.06.2016	31.12.2015
Gross assets as per the balance sheet	383,322	399,118
Deferred and current tax assets	–8,096	–9,952
Segment assets	**375,226**	**389,166**
Gross liabilities as per the balance sheet	338,222	348,657
Neutralisation of cash flow hedges from wind farm financing (interest and interest/currency hedges)	–8,152	–12,439
Deferred and current tax liabilities	–8,212	–14,952
Segment liabilities	**321,858**	**321,267**
Gross net assets as per the balance sheet	45,100	50,460
Neutralisation of cash flow hedges from wind farm financing (interest and interest/currency hedges)	8,152	12,439
Deferred and current net taxes	116	5,000
Net segment assets	**53,368**	**67,899**

Segment result

	Project development and Sales (Wind, Solar)		Power Generation in Group-owned Wind Farms	
EUR thousand	H1/2016	H1/2015	H1/2016	H1/2015
Revenue				
Revenue	13,731	1,031	28,038	27,782
Revenue with other segments	0	0	80	104
Total revenue	**13,731**	**1,031**	**28,118**	**27,886**
Changes in inventories and other work performed and capitalised	12,231	37,339	0	–16
Total output	**25,962**	**38,370**	**28,118**	**27,870**
Other operating income	2,143	1,080	394	455
Total operating output	**28,105**	**39,450**	**28,512**	**28,325**
Cost of raw materials and supplies and purchased services	–20,855	–33,296	–130	0
Personnel expenses	–4,256	–4,208	–488	–372
Other operating expenses	–1,439	–4,240	–7,212	–6,772
EBITDA	**1,555**	**–2,294**	**20,682**	**21,181**
Depreciation and amortisation of intangible assets and property, plant and equipment	–21	–21	–9,417	–7,971
EBIT	**1,534**	**–2,314**	**11,265**	**13,210**
Interest and similar income	20	38	4	6
Interest and similar expenses	–2,344	–3,219	–7,101	–6,628
EBT	**–790**	**–5,496**	**4,168**	**6,588**

	Operation Development, Innovation and Others		Total before reconciliation/consolidation		Reconciliation		Energiekontor Group	
	H1/2016	H1/2015	H1/2016	H1/2015	H1/2016	H1/2015	H1/2016	H1/2015
	1,556	1,377	43,326	30,190	0	0	43,326	30,190
	973	970	1,053	1,074	–1,053	–1,074	0	0
	2,529	**2,346**	**44,378**	**31,263**	**–1,053**	**–1,074**	**43,326**	**30,190**
	90	110	12,321	37,433	0	0	12,321	37,433
	2,619	**2,456**	**56,699**	**68,696**	**–1,053**	**–1,074**	**55,647**	**67,623**
	3	0	2,540	1,536	0	0	2,540	1,536
	2,622	**2,456**	**59,239**	**70,232**	**–1,053**	**–1,074**	**58,187**	**69,158**
	–102	–159	–21,088	–33,455	0	0	–21,088	–33,455
	–445	–239	–5,189	–4,820	0	0	–5,189	–4,820
	–682	–673	–9,333	–11,686	1,053	1,074	–8,281	–10,612
	1,393	**1,384**	**23,629**	**20,271**	**0**	**0**	**23,629**	**20,271**
	–1	–4	–9,439	–7,996	0	0	–9,439	–7,996
	1,391	**1,380**	**14,190**	**12,275**	**0**	**0**	**14,190**	**12,275**
	0	0	24	44	0	0	24	44
	–4	–12	–9,449	–9,859	0	0	–9,449	–9,859
	1,387	**1,368**	**4,765**	**2,461**	**0**	**0**	**4,765**	**2,461**

Segment assets

	Project development and Sales (Wind, Solar)		Power Generation in Group-owned Wind Farms	
EUR thousand	30.06.2016	31.12.2015	30.06.2016	31.12.2015
SEGMENT ASSETS				
Non-current segment assets				
Other intangible assets	17	23	0	0
Property, plant and equipment	112	117	220,759	223,439
Investments	53	53	0	0
Non-current receivables and financial assets	51	47	24	23
Total non-current segment assets	**232**	**240**	**220,784**	**223,462**
Current segment assets				
Inventory	44,596	32,365	122	122
Current receivables and financial assets	2,277	2,576	11,338	14,947
Securities	10,338	10,278	0	0
Cash and cash equivalents	74,471	99,979	9,048	3,711
Total current segment assets	**131,682**	**145,198**	**20,507**	**18,780**
Total segment assets	**131,914**	**145,438**	**241,291**	**242,242**

	Operation Development, Innovation and Others		Energiekontor Group	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	0	0	17	23
	0	233	220,871	223,789
	0	0	53	53
	0	0	75	70
	0	**233**	**221,016**	**223,935**
	475	385	45,192	32,871
	594	601	14,210	18,124
	0	0	10,338	10,278
	951	267	84,470	103,957
	2,021	**1,253**	**154,210**	**165,231**
	2,021	**1,486**	**375,226**	**389,166**

Segment liabilities

	Project development and Sales (Wind, Solar)		Power Generation in Group-owned Wind Farms	
EUR thousand	30.06.2016	31.12.2015	30.06.2016	31.12.2015
SEGMENT LIABILITIES				
Non-current segment liabilities				
Other provisions	0	0	13,365	12,861
Financial liabilities	33,834	35,147	202,199	201,078
Other liabilities	0	0	2,767	2,821
Total non-current segment liabilities	**33,834**	**35,147**	**218,331**	**216,760**
Current segment liabilities				
Provisions	9,623	14,728	1,339	1,533
Financial liabilities	36,159	16,991	12,713	14,880
Accounts payable	2,862	3,692	680	774
Other liabilities	5,767	16,492	256	0
Total current segment liabilities	**54,410**	**51,902**	**14,988**	**17,186**
Total segment liabilities	**88,244**	**87,050**	**233,319**	**233,946**
Net segment assets	**43,670**	**58,388**	**7,973**	**8,296**

Capital expenditure by segment

	Onshore Project Development and Sales (Wind, Solar)		Power Generation in Group-owned Wind Farms	
EUR thousand	H1/2016	H1/2015	H1/2016	H1/2015
SEGMENT CAPITAL EXPENDITURE				
Segment capital expenditure	**3**	**67**	**7,153**	**15,429**

	Operation Development, Innovation and Others		Energiekontor Group	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	0	0	13,365	12,861
	231	234	236,264	236,459
	0	0	2,767	2,821
	231	**234**	**252,395**	**252,141**
	5	22	10,966	16,282
	5	0	48,876	31,871
	30	14	3,572	4,480
	25	0	6,048	16,492
	64	**36**	**69,463**	**69,125**
	295	**270**	**321,858**	**321,267**
	1,726	**1,216**	**53,368**	**67,899**

	Operation Development, Innovation and Others		Energiekontor Group	
	H1/2016	H1/2015	H1/2016	H1/2015
	0	**0**	**7,156**	**15,496**

LEGAL INFORMATION

Note on pro-forma key figures (EBIT, EBITDA, cash flow)

The EBIT and EBITDA figures used in this report as well as the cash flow figures are examples of so-called pro-forma key figures. Pro-forma key figures are not governed by national accounting rules, the German Commercial Code (HGB) or the international financial reporting requirements pursuant to the International Financial Reporting Standards (IFRS). As this terminology is not legally defined, other companies may not calculate pro-forma key figures in the same way as the Energiekontor Group; therefore, the Energiekontor Group's pro-forma key figures are only comparable to a limited extent with such or similarly named information from other companies. The pro-forma key figures stated in the Annual Report should, therefore, not be considered in isolation or as an alternative to operating profit, net income, consolidated net income or other Energiekontor Group figures presented in the financial statements.

Forward-looking statements

This report contains forward-looking statements. These statements, including information regarding the expectations and views of the management of Energiekontor AG, do not constitute historical facts. They are based on current plans, assessments and forecasts of the Company management. Investors should not place unqualified trust in these statements. Forward-looking statements must be interpreted in connection with the time and the environment in which they were made. The Company does not assume any obligation to update the forward-looking statements in this report to account for new information or future events. This does not affect the Company's obligation to comply with its legal disclosure and reporting duties. Forward-looking statements always carry a certain degree of risk and uncertainty. Numerous factors may cause actual or future events to differ significantly from the forward-looking statements in this report.

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