W.E.B
web.energy

2020

The climate crisis won’t wait

WEB Windenergie AG

2020 Integrated Sustainability and Annual Report

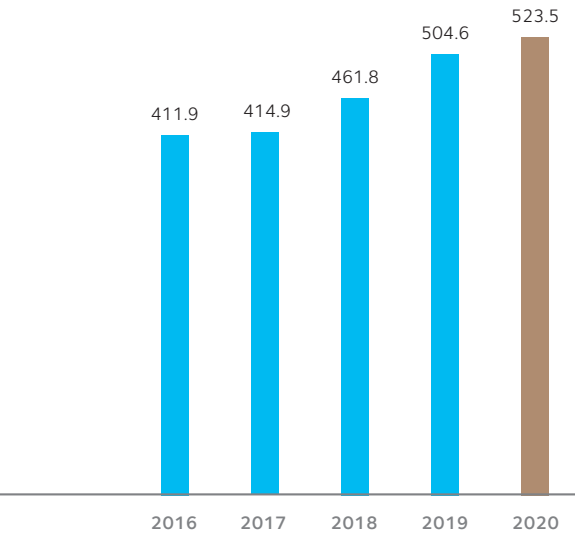
W.E.B Group KPIs

Financial KPIs	2016	2017	2018	2019	2020
EUR million					
Revenue	66.3	88.4	85.5	104.2	106.2
Operating profit	16.8	27.5	24.0	32.2	28.6
Financial result	–7.3	–8.4	–10.1	–10.4	–8.6
Profit before tax	9.5	19.1	13.8	21.8	20.0
Profit after tax	6.6	15.9	10.6	16.5	15.5
Earnings per share (EUR)	17.1	48.0	27.5	45.9	41.5
Total assets	519.9	510.4	550.2	627.5	610.3
Equity	129.3	124.3	140.7	150.3	150.0
Equity ratio (%)	24.9	24.4	25.6	24.0	24.6
Net cash provided by operating activities	38.6	56.4	50.5	64.1	68.5
Investments	117.9	22.3	70.0	78.5	44.1
Return on equity (%)	5.6	12.5	8.0	11.4	10.3

Electricity generation	2016	2017	2018	2019	2020
MWh					
Wind power	704,523	991,599	949,253	1,186,684	1,272,488
Solar power	12,534	13,642	19,046	21,833	22,450
Hydropower	7,389	6,177	6,138	6,739	7,196
Total electricity generation	**724,446**	**1,011,418**	**974,437**	**1,215,256**	**1,302,135**

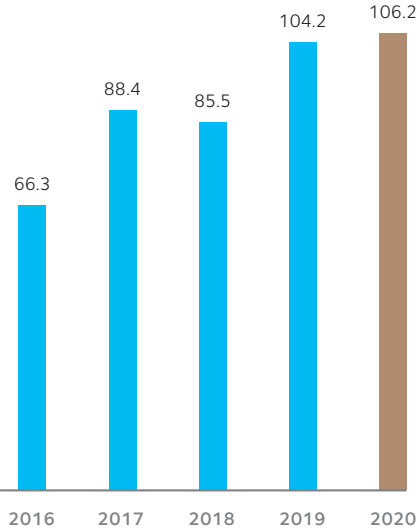
Installed capacity	2016	2017	2018	2019	2020
MW as of 12/31					
Austria	205.4	207.5	228.4	230.1	230.9
France	63.2	63.2	84.8	84.8	102.8
Germany	96.9	97.7	96.3	99.7	99.7
Canada	21.8	21.8	21.8	39.8	39.8
Italy	6.4	6.4	12.3	32.1	32.1
Czech Republic	9.1	9.1	9.1	9.1	9.1
USA	9.1	9.1	9.1	9.1	9.1
Total generation capacity	**411.9**	**414.9**	**461.8**	**504.6**	**523.5**

Power plants	2016	2017	2018	2019	2020
Number as of 12/31					
Austria	124	130	137	138	142
Germany	52	53	53	48	48
France	33	33	39	39	44
Canada	20	20	20	25	25
Italy	2	2	4	10	10
Czech Republic	8	8	8	8	8
USA	5	5	5	5	5
Total power plants	**244**	**251**	**266**	**273**	**282**



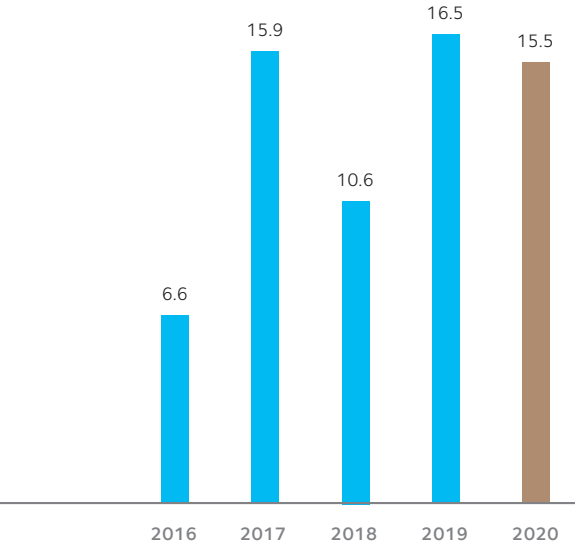
Installed capacity

MW



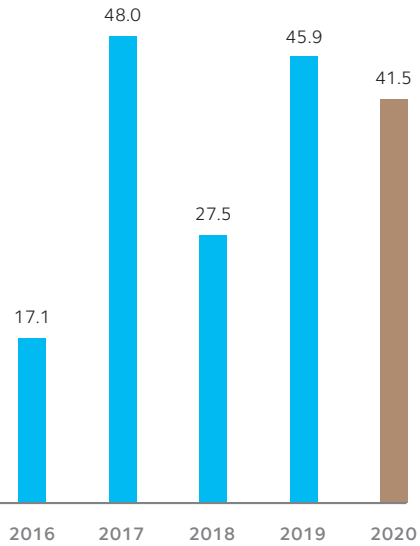
Revenue

EUR million



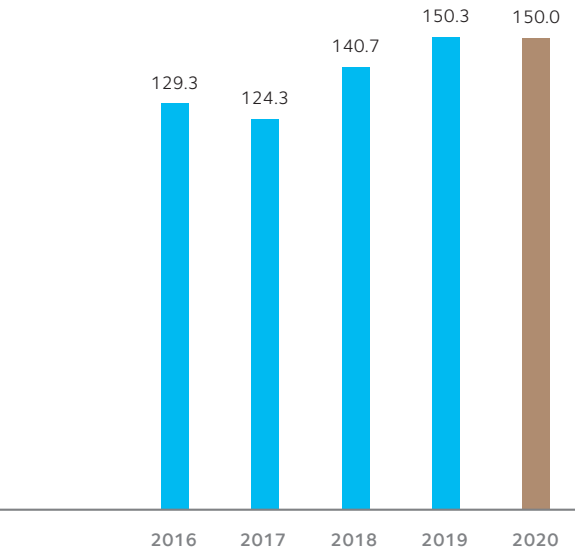
Profit after tax

EUR million



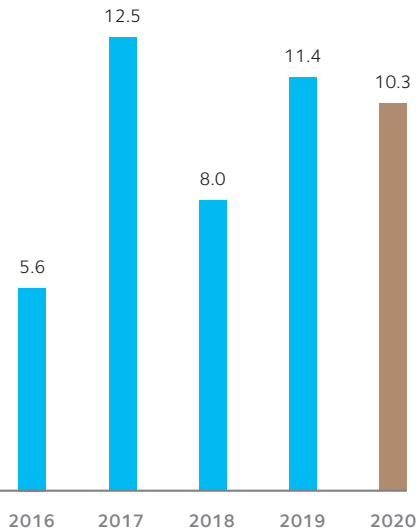
Earnings per share

EUR



Equity

EUR million



Return on equity

%

The climate crisis won't wait

2020 was a good year commercially for W.E.B. Nonetheless, we venture to include the word "crisis" in the title of our Annual Report, because 2020 was also the year a natural event—a virus—fundamentally changed all our lives, just like that, from one day to the next.

The fact that, after about a year, we are starting to glimpse an end to the COVID crisis, is thanks to the efforts of many people: everyone doing their part to prevent the spread of infection; the researchers who are developing vaccines and treatments at lightning speed; all those who care for the sick; the politicians who put measures in place even when they're unpopular, because they make finding solutions to the crisis their top priority; and, last but not least, companies providing products and services to help overcome the crisis.

W.E.B implements solutions for phasing out fossil energy sources, providing one essential factor for overcoming the climate crisis. Therefore, in this Annual Report, we invite you to think about ways we can escape the threat of global warming.

2020

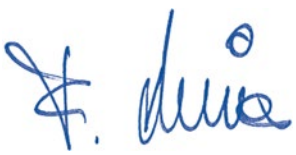
Key performance indicators »

A solid year despite the pandemic, and many opportunities for the future

The past year has clearly demonstrated humanity's capacity to quickly adapt to unforeseen challenges and meet them effectively. After a brief moment of shock at the beginning of the COVID-19 pandemic, safety restrictions and countermeasures on an unprecedented scale were put into place very quickly, accompanied by a huge scientific effort to research the new virus and develop tests, treatment options, and vaccines. Such a degree of international coordination and cooperation has seldom been seen before. And what applies to the world on a grand scale also applies to W.E.B on a small scale: thanks to the combined efforts of our global team, we have done a good job so far of responding to challenges posed by COVID-19 with steadiness. Last but not least, the many local jobs at W.E.B have proven reliable and dependable, even during the pandemic.

All of this strengthens our optimism about the climate crisis. Politicians in many parts of the world have long since committed to the energy transition. Now it is a matter of actually implementing this commitment and following up these words with action. The economic reconstruction after the COVID crisis offers the perfect opportunity to set a course for sustainability in the economy and the energy supply. If we can approach the decarbonization of our society with as much dynamism and resoluteness as we have the fight against COVID, then the solution is already within reach.

In any case, W.E.B will do its part and maintain its active commitment to expanding renewable power generation and developing innovative models for the energy system of the future. In 2020, we made greater use of project development, both in Austria and in our international markets, expanding our project pipeline to almost 2,000 MW of capacity. We are supported in this by the confidence of our shareholders, and we welcomed more than 250 new people to our circle of owners. This is evidence of a global trend towards sustainable investment that will continue to provide a strong impetus for the path to a sustainable future.



Frank Dumeier
Chairman of the Management Board

Michael Trcka
Chief Financial Officer

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2020 at a glance

REVENUE

EUR 106 million

CONSOLIDATED PROFIT

EUR 15.5 million

ELECTRICITY GENERATION

1.3 TWh

highest ever in W.E.B's history

INCREASE IN CAPACITY

over **20 MW**

newly installed capacity

1 wind farm

5 solar projects

25 years Michelbach

The first W.E.B turbine celebrated its **anniversary** and continues to turn

In 2020 ...

... we demonstrated stability in challenging times.

2020 turned out very different from what we had all expected. But despite novel circumstances and many challenges, some things stayed the same: W.E.B supplied wind and solar power and continued on its sustainable course even in 2020. In France, the completion of the Tortefontaine wind farm coincided with the early days of the COVID-19 pandemic; despite a brief construction freeze, the five turbines began operating after less than a year of construction. In Austria, five solar projects were connected to the grid.

We have taken this year as an opportunity for intensive preparation for 2021, since it will definitely be one of construction: we have both national and international projects, with capacity totaling more than 150 MW, ready to go.

W.E.B office in Graz

FOR THE 4TH TIME IN A ROW

Driver of the Electricity Future

in the Austrian
Green Energy Ranking

Over
750,000
kilometers
driven in **electrical** vehicles

+19 %

increase in the
annual average price of the share

Over
250
new shareholders

first virtual Annual General Meeting

... together we took a big step towards a sustainable future.

Finding a solution to the climate crisis requires working together. W.E.B now also has an office in Graz, which is meant to serve as the main contact point for customers and partners in southern Austria. In addition, in 2020 W.E.B set an excellent example for clean road transport: 50 of our employees drove electric vehicles this past year.

In times of uncertainty, W.E.B remained a reliable partner for its shareholders—and vice versa. The share price increased by 19% compared with the previous year, and more than 250 new shareholders joined W.E.B.

INTERVIEW WITH THE W.E.B MANAGEMENT BOARD

Frank Dumeier and Michael Trcka

"The COVID-19 crisis is an opportunity to phase out fossil fuels."

Dr. Frank Dumeier and DI Dr. Michael Trcka, the two members of the W.E.B Management Board, discuss a new production record, exciting projects, further growth—and COVID-19, of course.

After a very unusual year, let's start right off with the question: how did W.E.B fare in the first year of the COVID-19 pandemic?

Frank Dumeier: Although it sounds a bit strange, given the suffering and uncertainty that COVID-19 has caused for so many people, we actually had a good year and were able to set a new production record. Of course, the pandemic also affected our operations in many ways—but it couldn't stop the wind. And therefore, in 2020, we generated 1,302 GWh of electricity, 7.1% more than the previous year, even though wind levels were actually slightly below the long-term average. However, that required efforts at all levels—the extensive restrictions hardly made our day-to-day operations any easier.

In what areas have you seen the most significant effects of pandemic-related restrictions?

Michael Trcka: Like many other companies, we shifted office activities to work-from-home wherever possible when the first lockdown began. At headquarters, we divided the team into two groups, both to reduce the risk of contagion and to make sure we'd always have a reserve team available. Due to our international orientation, we already had years of experience with videoconferencing. We're used to meeting online with our colleagues from Germany, the Czech Republic, Italy, France, Canada, and the USA, so we had a head start in that regard. What was new for us was having everyone meet virtually, not just our colleagues from abroad; this may even have helped bring our team closer together.

Frank Dumeier: The fact that the Internet almost always worked perfectly helped a lot, of course—for communication and coordination, as well as for control of our plants, which are all connected to headquarters. So our ongoing business operations continued to work quite well despite the lockdowns. However, activities that require equipment and employees on-site—certain projects that were still in the construction phase, as well as service work—demanded flexibility and unconventional solutions due to the travel restrictions. But we were very successful in meeting these challenges too. Once again, our employees have demonstrated their commitment, creativity, and team spirit. Even the construction work on our new Tortefontaine wind farm in France was delayed by just four weeks.

Where COVID cost us the most time was in new project development. Due to the lockdowns and travel restrictions, our own employees, as well as

our external contacts—from landowners and community representatives, to experts and planners—faced restrictions on their activities; and some of the public approval procedures we had planned on were not able to happen. We're assuming an average of up to nine months of lost time, depending on the specific project, but we hope to make that up as soon as possible.

And how did 2020 look from a business perspective?

Michael Trcka: The new production record I mentioned above obviously provides a good basis for our sales and earnings performance. In this respect, 2020 basically went according to plan, with COVID having little impact on our figures. Although the lockdowns had a short-term effect on electricity prices, their impact on our revenue was limited, since the majority of our electricity is governed by long-term purchase agreements. We specifically rejected the option of reducing our work hours and instead actively prepared for what comes after the pandemic. However, we are taking advantage of the investment subsidy provided by the Austrian federal government to mitigate the impact of COVID-19—we aim to utilize the entire EUR 50 million amount.

Overall, we achieved a sales volume of EUR 106 million in 2020. This also puts us above the EUR 100 million mark again, which we reached for the first time in 2019. At EUR 15.5 million, the profit was slightly below the previous year's level.

In 2019, you commissioned around 60 MW of new generation capacity—what did plant capacity growth look like in 2020?

Frank Dumeier: Growth was not as strong as in the previous year, but it was still very satisfactory. In addition to the Tortefontaine wind farm in the French department of Pas-de-Calais I already mentioned, with 18 MW of capacity, five solar power plants with a total capacity of just over 2 MW_p were connected to the grid in Austria in 2020. In total, we commissioned more than 20 MW of new capacity, bringing our total generation capacity to 523 MW.

The environment for your business model is becoming more and more positive—I'm thinking of the "European Green Deal" and the "Next Generation EU" project, for example. The new American president recently also announced that the USA will rejoin the Paris climate agreement.

Frank Dumeier: On the one hand, it's true: more and more countries are committing to climate protection and the energy transition and are setting clear targets for the decarbonization of our society. In this respect, the initiatives and steps you mentioned are also very important incentives and point the way forward. But what's even more important is getting the general population to really understand the fundamental, existential importance of climate protection. This will require a variety of steps that go far beyond political commitments. In this respect, it's quite regrettable that the COVID-19 pandemic put the brakes on the "Fridays for Future" movement around Greta Thunberg to such a great degree. Her voice in public life would be more important than ever right now.

Nevertheless, we hope it will indeed be possible to orient the post-COVID economic reconstruction towards sustainability as planned. Different countries are moving at different speeds. Italy, for example, has invested significant portions of the COVID economic aid from the EU in reducing administrative complexity, proving a pioneer in this regard. That will significantly simplify the procedures for renewable energy projects. And we'll also benefit from that, by the way: we're currently in the process of significantly increasing our installed capacity, and with it future electricity generation, in the Ariano wind farm project through conversions and expansions, without the need for a costly new approval process.

What do you think of the amendment to the Renewable Energy Act (Erneuerbare-Energien-Gesetz) in Germany?

Michael Trcka: It's a step in the right direction, because the amendment introduces a number of improvements, such as simplifications of land-use planning and approval procedures, and a moderate successor tariff after the subsidy expires. Another very positive incentive is the plan for local communities to share in the income from the plants: they'll be able to get up to 0.1 cents per kilowatt hour of electricity generated, which can add up to quite a lot for larger plants. This is a crucial step towards greater acceptance by the population. These days, the economic efficiency of wind farms and solar power plants actually matters less than the willingness of politicians, local authorities, and communities to approve them, so we see this incentive for the communities as a very positive development.

The fact that the USA is now openly advocating for climate protection once again is, of course, very gratifying. But it's important to remember that, even under President Trump, many US states set very ambitious climate goals, including Republican-led ones. Under Joe Biden, we believe this momentum will grow even more. So we'll definitely continue to intensify our efforts in North America.

You said "intensify"—what are the growth prospects like?

Frank Dumeier: Our growth strategy remains the same, and we actually plan to expand in the coming years. Even though we lost a few months in project planning due to the pandemic, 2021 will be the strongest year of construction in our history so far. A total of eight power plant fleets with a capacity of more than 150 MW are under construction or about to start construction, namely: three wind farms in Austria (Grafenschlag II, Matzen-Klein-Harras II, and Spannberg III), a wind farm (Silver Maple) and two solar power plants (Brookfield and Brimfield) in the USA, and a wind farm in Italy (Ariano). We are also acquiring a solar power plant in Italy (Venafro). These projects, most of which are scheduled for grid connection in 2022, will add around 390 GWh to our annual output. The investment for this amounts to about EUR 150 million.

> Our growth strategy remains unchanged.

So that's what the short-term growth in our power plant portfolio looks like; as far as our medium- and long-term growth is concerned, our 2020 project pipeline continued to expand significantly, despite the delays I mentioned before. At the Annual General Meeting in September 2020, we were still talking about 1,500 MW or so; now we're pursuing projects with capacity close to 2,000 MW—though at very different stages, mind you. By the way, we're focusing more and more on hybrid projects, meaning the combination of wind and solar power. One current example of this is Grafenschlag in the Waldviertel region, where, in addition to the wind farm currently being built, we also want to build a solar power plant—without additional grid capacity at the existing wind power feed-in point.

By the way, in view of our positive experience with international projects, the overall trend in our pipeline is towards more powerful plants and larger projects. And the development process for these involves just as much care and close consultation with all the affected stakeholders as previous projects. In the area of solar power in particular, we're preparing for large projects beyond 100 MW, in view of highly competitive upcoming international tenders.

The proportion of the electrical output generated at your foreign sites continued to rise in 2020 and is now at 62%. What's the background of this significant internationalization?

Michael Trcka: Obviously we're becoming involved more and more in countries where conditions are better for us than in our home market. We would love to invest more in Austria, too, but the general conditions would have to be right. We can only hope a consensus will soon be reached on the planned Renewable Energy Expansion Act (Erneuerbaren-Ausbau-Gesetz), so the ambitious goals of generating 100% of Austria's electricity from renewable sources by 2030 and making the country climate-neutral by 2040 will have effective legislative support. In any case, we're ready and standing by.

Did you make further progress in direct marketing in 2020 as well?

Frank Dumeier: We did indeed—by the end of 2020, we were supplying W.E.B green electricity directly to more than 6,500 metering points. In 2020, we also succeeded in professionalizing our internal electricity marketing procedures and processes to a significant degree. This lays a very good foundation for future marketing of the electricity volume that will no longer be covered by subsidized tariffs. And we can offer our stakeholders—both communities and investors—very attractive packages.

Has there been any progress on your "Austria 2040" project at W.E.B headquarters in Pfaffenschlag?

Frank Dumeier: Yes, we also took important further steps in 2020 on this exciting lighthouse project, which is meant to provide a real preview of the energy industry of 2040. Our goal is to link solar power, wind energy, battery storage, and all the energy consumers, as well as electric vehicles as reservoirs, with central energy and load management. In 2020, we installed an additional 500 kWh battery. This plays an important storage/buffer role for charging our employees'

electric vehicles, which now number around 50. Furthermore, we built a solar power installation with a capacity of 500 kW_p and a new mounting system as a way to get experience with the technology and operating procedures in this segment—a sort of laboratory for the larger projects we're preparing for that I mentioned before.

I cordially welcome anyone who's interested to visit our "Austria 2040" project in Pfaffenschlag to see for themselves how the energy transition can work. We explicitly recommend any imitation!

Let's take a quick look at the capital market. How will you finance the investments you mentioned earlier?

Michael Trcka: We're planning capital measures for 2021 in any event. The share price has remained at a stable, high level, even through the turbulent year of 2020. That demonstrates a keen interest on the part of investors to hold shares of W.E.B's equity, for which we regularly receive requests.

The last capital increase was eleven years ago, and COVID forced us to postpone one we had planned for 2020. So at the Annual General Meeting, we want to ask our shareholders to approve a capital increase. In view of the high share price, we would also consider a 1:10 stock split reasonable. However, that's for the shareholders to decide at the Annual General Meeting. In addition, a bond issue is also planned.

We'll probably have to hold the May 2021 Annual General Meeting virtually. That already worked very well in 2020, but unfortunately it doesn't give us the opportunity for personal contact with our shareholders.

As soon we can, we want to hold face-to-face events again, because personal contact with as many of our shareholders as possible is very important to us.

What else can your stakeholders expect in 2021?

Frank Dumeier: What will make 2021 a milestone for our company in any event is the construction of plants with around 150 MW of generation capacity. Never before have we worked on bringing so many plants of such magnitude into being at the same time. So the ongoing construction projects will definitely be the central focus of the company's activities. In addition, we'll of course continue to focus on the stable operation of the existing plants and intensive processing of our project pipeline. This will continue to ensure a high level of dynamism at W.E.B.

> **We are planning capital measures for 2021 in any event.**

INTERVIEW

Marcus Wadsak, Meteorologist, Head of ORF Weather Department

“Renewable energies are the big solution”

© ORF Stars

The ORF chief meteorologist looks at the climate developments that resulted in the current climate crisis. At the same time, Marcus Wadsak points the way to a sustainable future and sees a leading role for renewable energies.

We are in the midst of a very serious climate crisis of our own making, although this issue has taken a bit of a back seat recently due to COVID. How has the climate changed in recent years and decades, and how does this trend differ from past climate changes?

It's getting hotter and hotter. The global mean temperature has risen by about 1°C since the industrial revolution. This warming is having an even bigger effect on Austria—here the temperature has already risen by more than 2°C. Compared with other climate changes in the past, two major differences stand out. First of all, the current global warming is the first one caused by humans. Secondly, we also see a significant difference in the speed of warming. At the end of the last ice age, the temperature rose 5°C over 10,000 years, whereas the current warming is progressing about twenty times as quickly. At this speed, nature is barely able to adapt, and we humans are encountering ever more serious problems too.

Let me ask: how directly do specific weather patterns reflect climate change? Have you noticed any changes since you started your career? What kind?

I started studying meteorology in 1990 and have been predicting the weather on ORF for 25 years. In this period, the weather in Austria has also already changed significantly. Since 2000, we've had excessive heat every single year. In 2013, we hit 40°C and above in Austria for the first time—that had never happened before. Of the ten warmest years in Austria (and we've been measuring here for 250 years), nine of them have been since 2000. One outlier that occurred before that was in 1994—not very long ago either. If I compare the weather during my childhood with today's weather, the changes are even clearer: in 1975, when I was a little kid, the temperature in Vienna never broke 30°C on a single day throughout summer. These days, we now have summers with over 40 days where the thermometer tops 30°C—and this trend is continuing steeply upwards.

What dangers does the climate crisis entail? We're interested in the global situation, but let's also specifically look at Austria.

As a result of global warming, extreme weather events are becoming more prevalent worldwide, including in Austria. Dry spells are occurring more often than they did in the past and lasting longer. Rainfalls are becoming greater and greater, and concentrated in a single location over a shorter time. Sea levels are rising, polar ice is melting, and in Austria, the glaciers will have disappeared forever before the end of this century. In Austria, drought and severe storms are also causing

problems in agriculture more and more often, including total crop failures. But ultimately, it also affects our health. In the summer of 2003, 70,000 people died in an extraordinary heat wave in Europe. This also affects us in Austria, where there were more than 1,000 cases of heat-associated excess mortality in 2015. This means that in Austria too, heat is already killing people before their time.

How do you respond to claims that the climate crisis is not man-made?

The best response is figures, data, and facts. There is a clear scientific consensus that the current global warming is exclusively the result of human activity. There are other factors that can change the climate and have in the past: these include changes in solar radiation and deviations in the Earth's orbit, as well as major volcanic eruptions or the like. We can observe or measure all these factors, and we can tell they've played no role in the past 200 years and are not affecting our climate and the temperature of the Earth. The only explanation that remains is human activity and our greenhouse gas emissions.

> But ultimately, it also affects our health.

The USA has rejoined the Paris climate agreement, the Green Deal has been presented in the EU, and the new Renewable Energy Expansion Act (EAG) has been drawn up at national level. Climate protection measures are high on the agenda despite the COVID crisis. Will they suffice in order to reach the internationally agreed-upon 1.5 degree target?

The USA rejoining the Paris climate agreement was a very important step in a symbolic sense, but not much more than that. At present, these political declarations of intent are leading us to a rise of 3°C, or perhaps even 4°C, by the end of the century, clearly missing the target of "well below 2°C". With warming on this scale, the climate crisis will very quickly become a climate catastrophe. We need transition away from use of fossil fuels more quickly. We have already used up more than 90% of our CO_2 budget. If we continue on the same course, we won't even have ten years left before we're past the point where the Paris targets are even achievable.

In your view, what role will renewable energies play in preventing the climate crisis?

If we want to reduce our greenhouse gas emissions, we first have to understand where these emissions come from. There are basically three major areas where we're adding more CO_2, methane, and other climate-damaging gases to our atmosphere: our food, our transport, and our energy. In the latter two areas, renewable energies are the major solution. We can meet our energy demand through wind power, solar power, and hydropower.

Despite steps on the political level, it comes down to every individual. What in particular can people do to promote climate protection?

Since we know humans are causing the current global warming, it's also clear that we're the ones who can change things. From the three areas I mentioned before, we can see where each of us can start immediately. In the energy sector, we have to focus on sustainable energy. For transportation, we have to move away from cars and towards public transport. Rail offers the best form of electric mobility. And for food, it's important to maybe reduce meat consumption as a first st for fruits and vegetables, it's important to fo on seasonal flooding, local food, and, if possible, organic food.

Are there any lessons we can draw from the COVID crisis and apply to the climate crisis?

I'm unable to see anything positive in the COVID crisis, not even lessons for the fight against climate change. Emissions fell by only 14% for a short period of time, even during the strictest global lockdown. After that, we went right back to the "old normal"—again reaching extreme CO_2 concentration values in our atmosphere. I think this shows clearly that what we need is not to do less of everything, but rather to do things differently. A better future will require that we change our habits.

What do you think of the fact that Greta Thunberg has become much quieter since the onset of the COVID pandemic? What could be done to help Fridays for Future or similar movements gain momentum?

The pandemic has radically changed all our lives. The COVID restrictions made mass movements such as Fridays for Future, like many other activities, impossible. Greta Thunberg continues her strike, and in recent weeks demonstrations and climate strikes have also resumed around the globe. I also think these young people have made their legitimate concerns about their future loud and clear. It's now up to all of us to take these concerns seriously and to work for a livable climate in our future—we have to do everything in our power to keep the climate crisis from becoming a climate catastrophe. Together, we can do this.

Marcus Wadsak, ORF

Marcus Wadsak is a meteorologist and radio and television presenter. After studying meteorology at the University of Vienna, he joined ORF (The Austrian Broadcasting Corporation), was the weather anchorman of "Ö3-Wecker" for many years, has hosted ZiB weather since 2004, and has headed the ORF weather department since 2012. In 2019, he was named Journalist of the Year in the Science category. He is a founding member of Climate without Borders.

INTERVIEW

Angela Köppl, Economist,
Austrian Institute of Economic Research (WIFO)

"Focus on climate policy measures"

Climate protection, and with it renewable energies, will play a central role in the economic reconstruction after the COVID crisis. The WIFO economist stresses the importance of resilient structures in the fight against the climate crisis.

The climate crisis has taken a bit of a back seat to the COVID crisis in the public's mind. What are the arguments for prioritizing environmental concerns in Europe's economic reconstruction and implementing specific climate targets in the process?

The challenge of limiting climate change and taking appropriate steps hasn't gone away, though for many people, the COVID crisis is currently the focus. The nationally and internationally defined climate targets continue to apply. That means we're facing a profound structural change, for which today's policies are setting the direction. So it makes sense to take advantage of the economic reconstruction to implement effective structural measures. The European reconstruction fund, for example, is also future-oriented and has a clear focus on climate policy measures. It requires 37% of the measures in the national development and resilience plans to support environmental restructuring.

How can a "green" reconstruction succeed?

The COVID crisis has led to a sharp rise in unemployment. The "green" reconstruction should be based on multiple considerations. One aim is to increase the resilience of society and limit climate change, but another is to help people find employment again.

So the use of public funds for reconstruction should be linked to appropriate criteria. These also include strengthening innovation, which is particularly relevant in connection with infrastructure decisions related to buildings, mobility, and the energy supply, but also for industry. It's important to ensure that the short-term use of funds for economic stimulus is determined to a large degree by the long-term impact on climate change and the resilience of the economy and society. The "green" reconstruction should therefore be guided by the following criteria: the long-term environmental impact, employment effects, and distributional effects.

The European Green Deal points precisely in the direction of a "green" reconstruction. What is your assessment of this pan-European project for a sustainable future from an economic perspective?

Correct; both the Green Deal and the European reconstruction fund are headed in this direction. In other words, what matters here is proactive investments in climate-friendly infrastructure, proactive qualification measures for new requirements, and requalification for workers affected by structural change and the COVID crisis.

What opportunities does the COVID crisis offer for Austria's economic and environmental future?

Handling the economic crisis associated with the COVID crisis will require significant investments, and with those come job opportunities. One example is the transformation of the mobility system: the expansion of public transportation, a range of flexible, demand-based mobility services, especially in rural areas, and broad expansion of footpaths and bicycle trails. A transformation program of similar scope is needed in the building sector—making neighborhoods and urban districts climate-neutral, implementing innovative energy concepts for heating and cooling for entire districts, and actively integrating buildings into the energy system as energy generation and storage devices.

What economic lessons for the climate crisis can we learn from the COVID crisis?

COVID-19 has shown how vulnerable existing structures are and how important it is to strive for resilient structures. This is equally true of the climate change threat. The development of vaccines has brought home the importance of innovation. Innovation will also play a crucial role in environmental structural change. And ultimately, the pandemic has also shown that prosperity goes beyond the goods measured in GDP.

What role will renewable energies play in our future economic system?

An energy system that is geared to the requirements of the Paris climate agreement and the EU climate targets, i.e. that aims to achieve the goal of climate neutrality by 2040 as set out in the government program, must pursue two objectives: first, increasing energy efficiency, and second, providing energy without fossil fuels. In this regard, renewable energies will play a central role in the future.

What's your assessment of the new Renewable Energy Expansion Act (Erneuerbaren-Ausbau-Gesetz, EAG), and what impact will it have on the Austrian economy?

The EAG is a very complex law, and I can't give a quick assessment of its economic impact. But it's likely to bring significant changes to the energy system. There is room, for example, for innovative technological changes, but also for establishing energy communities.

Investments in sustainability have been rising sharply in recent years. Why do more and more people and institutions see sustainability as a good investment?

There are probably multi-faceted reasons for this. First of all, growing awareness of climate change and its consequences is altering investor preferences, yielding a selection of sustainable investment vehicles that is constantly increasing. Secondly, awareness of climate risks is growing among financial investors and financial service providers. And finally, regulatory requirements also play a role.

> Renewable energies will play a central role in the future.

Angela Köppl, WIFO

Angela Köppl is a senior economist in WIFO's "Environment, Agriculture, and Energy" research area. She is vice president of the Austrian Chapter of the Club of Rome and contributed significantly to the establishment of Climate Change Center Austria (CCCA) as a member of its management board in its early years. Her key areas of research are climate change issues and the restructuring of the energy system, economic tools of climate policy such as green taxes and emissions trading, and Austrian and EU energy and climate policy.

W.E.B at a glance

As of 12/31/2020

Austria's **largest company focused on community participation** in the renewable energies sector

523 MW
installed capacity

249
wind farms

30
solar farms

3
hydropower plants

W.E.B ...

... is building a sustainable future ...

Generating renewable power where it is used is key. We primarily harness energy from the wind and sun to produce clean, regional green electricity.

... and doing so by broadly involving the community.

Climate action takes a major collaborative effort. This is why we want to engage as many people as possible in this project in all of the countries in which we do business. More than 6,100 investors are currently on board for W.E.B's journey into a sustainable future.

6,100 investors
of which **4,100** are shareholders

Sustainable energy generation
for **25** years

2 continents

8 countries

Office locations

- Pfaffenschlag (headquarters; AT)
- Boston/Natick (USA)
- Brno (CZ)
- Halifax (CA)
- Hamburg (DE)
- La Spezia (IT)
- Paris (FR)

177 employees

40% women

37

average employee age in years

We stand for ...

... energy transition and innovation, ...

Whenever possible, energy should be generated and stored where it will also be used. And we are continually working on innovative ideas to reach this goal.

... stability and growth.

Environmental reasons are not the only ones that make renewable energy sources the best option for the energy supply. Their economic profile is clearly positive as well. The market is growing, and we want to grow with it, reinforce what we have achieved, and turn our experience into improvements.

We work ...

... regionally and internationally, ...

We have regional roots thanks to our employees and business partners. Together, they form an international network of experts that can react flexibly to changing requirements.

... in an environmentally and economically sustainable way.

We are confident that the energy needs of the world's population can be met from renewable sources—and it can already be done more cost efficiently than if fossil fuels or nuclear energy are used.

The vision of W.E.B

We are leading the way in the lo and regional energy transition.

For W.E.B, the energy transition represents a complete shift away from fossil fuels toward renewable energy sources. Our leadership is based on three main pillars: project development, power plant operations, and electricity marketing. Broad community participation is the foundation on which these activities are built.

Project development

Efficient project development helps us ensure that projects are profitable for the long term, even in competitive markets.

- Our focus is on wind energy—W.E.B's core competence for many years—and on solar power as our second high-growth division.
- We develop new markets when we have identified the critical mass required for entry and sufficient potential for growth.
- In addition, repowering allows us to continue to use existing facilities sustainably.

Power plant operations

Our operating model sets benchmarks in terms of costs and plant availability.

- Resource-efficient, long-term use of our facilities is a core element of our operating strategy.
- State-of-the-art remote monitoring and data mining permit early identification of defects and unlock potential for continual improvement.
- We achieve high plant availability levels with fast, thorough servicing of our most important plant types.

Electricity marketing

Following the path from electricity generator to consumer, we are implementing new marketing models to decentralize the energy transition.

- The direct sale of our green electricity and accompanying services is aimed at our stakeholders among the residential customers as well as business customers.
- We consider the integration of electricity marketing and project development as key elements in the energy markets of the future.
- We are investigating the potential for new business models, developing these, and rapidly implementing them in the market.

Community participation

Community participation allows many people to take part in the energy transition directly. We aim to realize it in all of W.E.B's core markets.

- W.E.B shares are unlisted shares broadly held in free float. They are the foundation of W.E.B's community participation effort.
- Bonds are another option for green investment that broadens our base of investors without requiring capital increases.
- We additionally promote community participation in our international markets with investment opportunities targeted at local investors.

PROFILE OF W.E.B

Overview

W.E.B is an international company focusing on the energy transition and community participation. The Company develops power plant projects from design to construction and operates power plants using renewable energy sources with an emphasis on wind and solar power. We sell the electricity we generate both indirectly—through electricity traders, electric utilities, and, if the legal conditions are in place for green electricity, via national exchanges—as well as directly to businesses and residential customers.

Headquartered in Pfaffenschlag near Waidhofen an der Thaya, Austria, WEB Windenergie AG is the parent company of the W.E.B Group. It is unlisted, and its shares are held broadly in free float.

W.E.B operates in eight countries in Europe and North America: Austria, Germany, France, Italy, the Czech Republic, Slovakia, Canada, and the United States. W.E.B has installed local teams in these countries that primarily develop new projects or acquire projects in various stages of development. Power plant operation in all the countries is coordinated centrally from Austria.

W.E.B is a member of national interest groups for wind energy and solar power in the countries where it operates, such as IG Windkraft and Photovoltaik Austria in Austria.

The stakeholders of W.E.B are (in alphabetical order):

- Business partners: Co-owners (power plants)
- Competitors
- Customers
- Employees
- Governmental organizations and agencies
- Investors (shareholders, bond subscribers) and banks
- Landowners (power plants)
- Local communities (power plants)
- Non-governmental organizations
- Our Supervisory Board
- Politics
- Suppliers

The key issues related to sustainability are:

- Contributing to sustainable environmental development
- Protecting the landscape and habitats during planning, implementation, and operation of power plant projects
- New market conditions for project development
- Innovative services for electricity
- International growth

Three core activities: project development—operations—sales

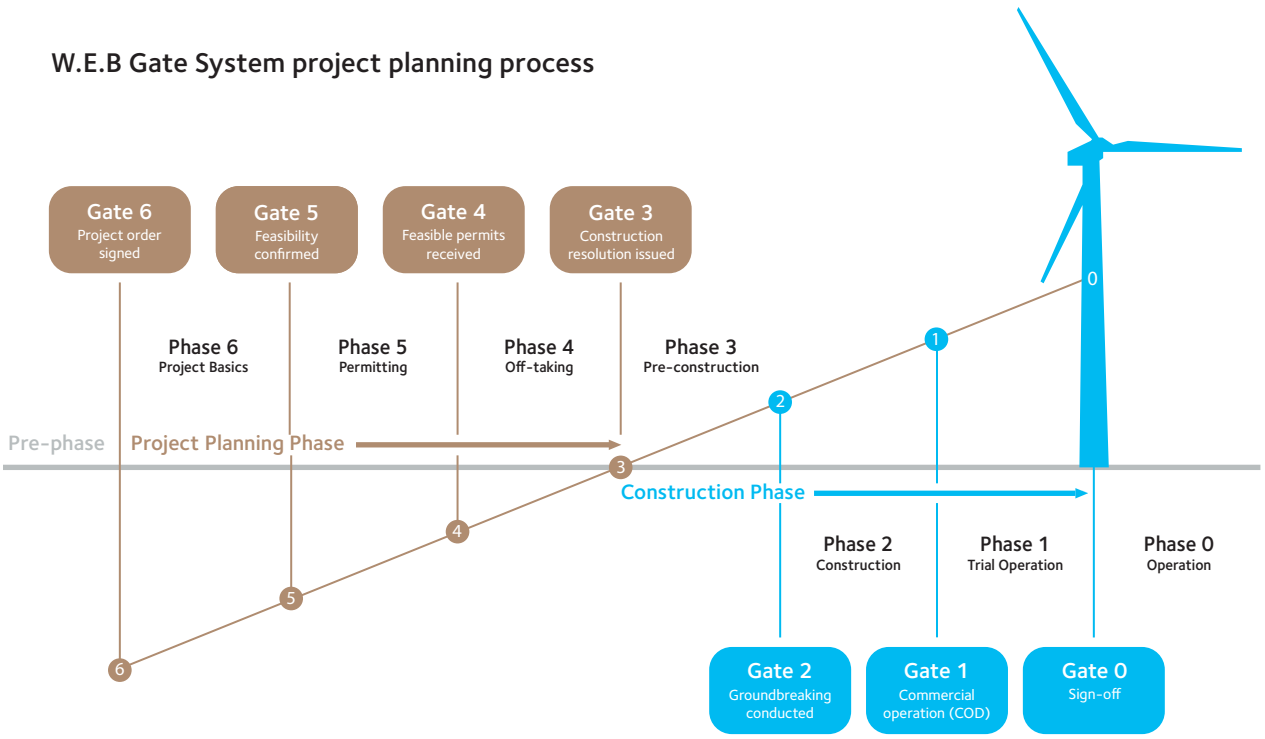
Project development

In the countries in which it operates, W.E.B coordinates all steps of project development mapped in W.E.B's Gate System.

Technical feasibility, primarily defined as estimating the future supply of wind and solar power, and economic feasibility are reviewed in detail by the Company's in-house experts. The marketing of the electricity generated is ensured prior to the start of the construction phase.

W.E.B carries out many project steps with regional partners, such as environmental impact studies and construction work on roads, foundations, power lines, and substations. The majority of the land on which our power plants are built is leased for the long term; only a few parcels are owned by W.E.B.

W.E.B Gate System project planning process



A significant component of our projects is the involvement of the population in the region beyond just what is required by law.

Wind turbines are installed by the manufacturers or by W.E.B itself. The vast majority of W.E.B's turbines are produced by global market leader Vestas. To date, the turbines have been designed for a lifecycle of at least 20 years, but maintenance allows us to extend the operating life of these turbines to 25 years or more. Because of the variety of suppliers of photovoltaic systems, W.E.B is able to respond flexibly and always install high-quality, state-of-the-art technology.

Despite the increasing potential operating life of the turbines, W.E.B must refurbish existing wind farms at the requisite time. This process is called "repowering": old equipment is replaced with higher-capacity, more efficient, more technically advanced equipment, so that more electricity can be generated on the same footprint with a smaller number of turbines. The legacy turbines are usually resold in secondary markets and recommissioned in other countries.

W.E.B not only develops its own power plant projects, but also acquires projects in various stages of development, in addition to power plants already in operation.

The projects are financed using a combination of equity, bank loans, and corporate bonds.

Power plant operations

All of W.E.B's power plants worldwide are monitored by the Company's headquarters in Pfaffenschlag, which also coordinates maintenance. If on-site work is required, regional plant operators are involved in the process. In the event of more complex disruptions, the specialized technical expertise required for the repair work is provided either by the W.E.B service team or by technicians sent by turbine manufacturers.

W.E.B pursues a preventive servicing and maintenance strategy to avoid costly repairs as much as possible. The maintenance plan stipulates activities, including a regular analysis of turbine data to optimize the early detection of defects, along with regular turbine inspections and the preventive replacement of major components such as gearboxes or generators.

In order to enable the fast replacement of major components when necessary and therefore keep downtime to a minimum, a sufficient number of spare parts is kept on hand in a central warehouse.

Electricity marketing

For electricity generated from wind and solar power, we receive government-specified feed-in tariffs in many countries in which W.E.B operates. The terms of these tariffs range between 13 and 25 years, depending on the country. Increasingly, fixed tariffs for new power plants are being replaced with more flexible models, which depend on the regulatory framework in the respective country or region. The following are examples of possible alternatives: fixed prices determined by tender; tariffs composed of a fixed base price and a variable premium; and certain mandatory percentages of renewable energy sources defined for the energy mix with prices set freely but agreed for long periods.

Based on the subsidy environment, the sale of the electricity generated was exclusively indirect up to just a few years ago. Direct sales to business and residential customers under the W.E.B Green Energy brand, which W.E.B started to offer in Austria in 2013 and Germany in 2020, are becoming steadily more important, however. W.E.B is also active in the field of charging infrastructure in Austria under the ella brand. In the green energy business customer segment in particular, W.E.B focuses not only on supplying electricity, but also on comprehensive energy solutions that contribute positively to the energy transition, and therefore works toward businesses' own electricity generation and storage, as well as combining electricity, heating, and transportation.

The foundation

Community participation

W.E.B was founded by people that were so convinced of the opportunities offered by renewable energy sources that they financed their first turbines almost solely with their own funds. WEB Windenergie AG was formed in 1999 from the merger of community-based companies like this and, as it has grown, it has remained committed to the idea of encouraging the broad economic participation of the public in electricity production.

The Company grew in the following decade based on an expansion of its equity resources achieved with share issues and, since 2010, by issuing corporate bonds. Through bonds, W.E.B provides an opportunity to invest for investors with a lower risk appetite as well.

As far as possible and economically feasible, W.E.B offers additional regional investment options at project levels in the countries in which it operates.

Ready for the future

W.E.B also took advantage of 2020 to intensify its planning activities. Although the measures taken to combat the pandemic and social distancing restrictions have complicated the approval procedures, community events, and the land acquisition process, it has still been possible to initiate new planning. We have also been able to advance existing projects.

With almost 100 projects in various stages of development and nearly 2,000 MW of potential capacity, the W.E.B project pipeline boasts considerable volume as of the end of 2020. In order to achieve the climate targets agreed at COP21, renewables will have to be expanded much faster still—which will open up enormous growth potential for everyone involved.

The development and approval of new wind farms and solar power plants now take many years, as the associated procedures have become more and more complex in most countries and involve extensive conservation assessments and public participation procedures. In this way, all projects combine conservation and climate protection in a significant manner, because CO_2-free power generation is the only way to guarantee that our climate will continue to provide the ideal basis for the biodiversity of flora and fauna in the future. Even if not all project approaches ultimately prove feasible, through its pipeline, W.E.B has laid the foundation for making a positive contribution to accelerating the energy transition, which is urgently needed. Now it's up to the politicians to establish the legal preconditions for accelerating this expansion and to take a clear stance in favor of renewables. The W.E.B Group is part of the solution to the climate crisis and stands ready to make its contribution.

Regional differences

W.E.B's international project development uses a decentralized organization to maintain close contact with the relevant individuals and communities in the project areas. More than two thirds of W.E.B's project developers work outside of Austria. The national development offices outside of corporate headquarters are located in Paris, Hamburg, La Spezia, Brno, Halifax, and Boston/Natick. In addition, there are other decentralized development offices close to projects in the individual countries, such as the office we opened in Graz in 2020.

The critical milestones in the development of new wind and solar farms vary from country to country. While there is more land available for planning in the USA, for example, the grid connection and sale of the energy that will be produced are more challenging there than in many European markets. In Austria and Germany, there is relatively strong competition for land suitable for clean electricity production from wind and solar power, because land-use planning approves only highly restricted zones for such purposes. However, there is one commonality in all W.E.B markets: high demand for environmental studies and assessments for the approval procedures.

Expanded solar power expertise

Based on the 80/20 growth strategy, a portion of the new projects W.E.B started in 2020 now involve solar power installations. The main focus here was on the USA, France, and Austria, but Italy also offers sufficient hours of sunshine, so we have initiated planning steps there too. In 2021, W.E.B will also begin developing its first solar power installations on converted sites in Germany.

Renewable energy has consolidated its central position in society, and the COVID-19 pandemic has not changed that. There is no question that we need to find sustainable solutions for the future. With the increased expansion of the project pipeline in 2020, W.E.B has done its homework so it can continue to play an important role in the international energy transition.

The 80/20 strategy

Photovoltaics are rapidly becoming one of the most cost-effective forms of electrical energy generation. Therefore, in addition to its core focus on wind power, W.E.B has set itself the goal of further expanding its solar power planning. The focus of the installed capacity remains on wind power, as the new generation of 6 MW turbines in particular will allow even greater efficiency and lower power generation costs.

The two technologies complement each other very well. Wind farms are most profitable in the cold, stormy winter months, while solar power is, by its very nature, productive in the summer months, which tend to have calmer winds. In some cases, it is possible to combine wind farms and solar installations into hybrid power plants with a common grid connection. This not only saves money, but also results in much more consistent power generation. In the long term, the W.E.B Group aims to generate around 80% of its installed capacity from wind farms and 20% from solar power.

Tortefontaine: On-time commissioning despite challenges

The COVID-19 pandemic had an impact on the process of completing the Tortefontaine wind farm in France. But in the end, the team succeeded in bringing all five turbines, with a total capacity of 18 MW, online with a slight delay in June 2020. Everyone involved did a great job; from start of construction to completion, the project took less than a year. During the final construction phase, the COVID-19 pandemic was the dominant issue, and construction was temporarily halted. But at the end of April 2020, approval was finally granted for the delivery of the plant components. Needless to say, the wind farm was completed in accordance with strict safety rules for the good of all the workers.

One wind farm and five solar power projects

In addition to the Tortefontaine wind project, W.E.B commissioned five—fairly small—solar power installations last year. In January, a 0.11 MW_p photovoltaic installation went online on the roofs of the elementary school and kindergarten in Litschau, not far from corporate headquarters. Shortly thereafter, in February 2020, two solar power projects, each with a capacity of 0.10 MW_p, went into operation on the premises of energy transition partners Goldbeck and FH Wieselburg. These were followed by two ground-mount systems: W.E.B installed a solar power system with a capacity of 0.49 MW_p at W.E.B headquarters in September, and a 1.25 MW_p solar power system in Laa an der Thaya generated its first kilowatt hour of electricity in December. This was based on a power purchase agreement with Hans Brantner & Sohn Fahrzeugbaugesellschaft m.b.H.

W.E.B regional office established in Graz

The Austrian Renewable Energy Expansion Act is an essential element of an ambitious climate protection strategy. W.E.B wants to play a leading role in shaping it. For this reason, the company expanded southward within Austria, establishing an office location in Graz in the fall of 2020. W.E.B's aim is to shorten the distance to possible project locations while offering a contact point for all interested parties and partners from the southern states of Austria.

Three-year comparison of installed capacity

MW as of 12/31	2020	2019	2018
Austria	230.9	230.1	228.4
France	102.8	84.8	84.8
Germany	99.7	99.7	96.3
Canada	39.8	39.8	21.8
Italy	32.1	32.1	12.3
Czech Republic	9.1	9.1	9.1
USA	9.1	9.1	9.1
Total	**523.5**	**504.6**	**461.8**

International goal: Climate protection

2020 showed how quickly humanity can react to challenging situations. The climate crisis is a challenge that needs to be addressed as quickly as possible. A number of encouraging signs for climate protection appeared last year. The Green Deal, which had been introduced in 2019, gathered more and more momentum from the European Union. The aim is to become the world's first carbon-neutral economic area by 2050, and post-COVID-19 economic reconstruction should go hand-in-hand with climate protection targets.

At the national level, the Renewable Energy Expansion Act (Erneuerbaren-Ausbau-Gesetz, EAG for short), was introduced. Its goal is 100% renewable electricity by 2030, including a significant expansion of wind and solar power.

Another important signal came from the United States: after the presidential election in November 2020, the nation rejoined the Paris climate agreement right at the beginning of the year, as had been promised in the election campaign.

The usual high level

In 2020, the operation of the W.E.B plants was also dominated by the COVID pandemic. The government-imposed lockdown at the end of the first quarter brought great uncertainty. No one was able to gauge the magnitude of the situation at the outset. Nonetheless, in terms of plant operation, W.E.B did not enter this period unprepared.

As soon as the significant spread of COVID-19 became apparent, an emergency plan for maintaining power plant operations during the pandemic was drawn up in the Technology & Service departments and at headquarters, together with the W.E.B Management Board. On this basis, we undertook all the technical and organizational preparations necessary to allow us to switch to "pandemic mode" at any time—which then ultimately became necessary at the start of the first lockdown. Since we were well-prepared, we were able to maintain power plant operations at the same high level, even during this exceptional period.

Adjusting our day-to-day work

The top priority remained our ability to detect plant shutdowns and technical problems reliably and quickly, even under lockdown conditions, and to eliminate faults promptly. This was achieved through 24/7 power plant monitoring outside the control room, aided by our already high level of digitization. Finally, in the first lockdown, only one supervisor remained on-site at W.E.B headquarters in Pfaffenschlag, while his colleagues assisted from their home offices in the usual manner.

In the Technology & Service department, a precise assessment was made of the COVID-19 infection risk to W.E.B service technicians. On this basis, we developed stricter safety measures and managed to ensure operation of the wind power stations at full operational strength. In addition to the safety measures based on official requirements and recommendations, we put additional internal safety measures in place to protect service technicians: service teams were isolated from each other, and a handover zone was set up in the warehouse where components could be swapped out without contact with warehouse personnel.

Limited travel

W.E.B's power plant portfolio is very decentralized and international, so the travel restrictions in place in the various countries presented a major challenge. They changed almost weekly, making them hard to keep track of. In Canada and Italy, W.E.B teams even faced travel restrictions between provinces. Even where crossing national or provincial borders temporarily with appropriate documents was allowed, travel was still impossible in practice, since border crossings were often associated with quarantine periods. Thus, travel remained mostly limited to home countries or provinces. In Austria and Germany, where the service teams are stationed, operations continued as usual. In the other W.E.B countries, the on-site employees—the operations managers—always found new, creative solutions to every problem.

Strong partners, strong solidarity

Especially in a year like 2020, solidarity is essential, and such solidarity existed among W.E.B and its partners long before the COVID-19 pandemic. After all, it is barely possible to imagine operating W.E.B's power plants at such a high level of stability without reliable business partners. The plant operators provided untiring support to W.E.B in all countries, and our cooperation with the wind and solar power service providers was also extremely positive.

In 2020, W.E.B proved it can stabilize operation of all its plants at their usual high level, even in challenging times. The basis for this has always been a proactive approach and strong solidarity among everyone involved.

25 years of Michelbach

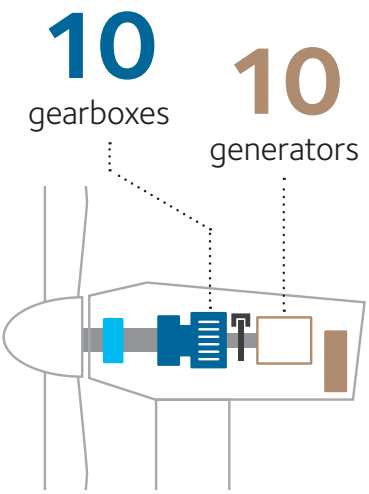
July 13, 1995, 10:02 p.m.: The generator of the third wind turbine to be connected to the grid in Austria supplies its first kilowatt-hour of electricity to the grid. In its 25 years of generation up to 2020, the system generated 20,437,934 additional kilowatt hours of clean green electricity. This is due in no small part to W.E.B's sophisticated maintenance and monitoring concept, which allows long-term operation of wind turbines without any problems.

By the way: the wind turbine in Michelbach has lots of life in it yet. On July 1, 2020, the turbine housing was removed and all the major components overhauled. Reassembly took place in February 2021. W.E.B's first wind turbine will thus continue to generate sustainable energy for a long time to come.

Four gearboxes and three generators replaced in ten days

Unusual situations often bring out outstanding performance—and that is true at W.E.B too. In a major operation at the Altentreptow wind farm in Germany, gearboxes and generators for four wind turbines were replaced within ten days under the leadership of Volker Köbis, head of the Technology & Service department. For such a large project, everything had to be perfect: the weather, the people, the technology—and it all worked out, despite the difficult conditions associated with COVID-19. This unusual situation arose because, in this case, not all the major components were being overhauled on a rotating basis; instead, a service provider had purchased the used non-defective gearboxes. W.E.B then equipped four turbines with new gearboxes as replacements, setting them up for many years of continued operation.

Major components replaced in 2020, work completed by W.E.B:



An unusual situation during COVID-19

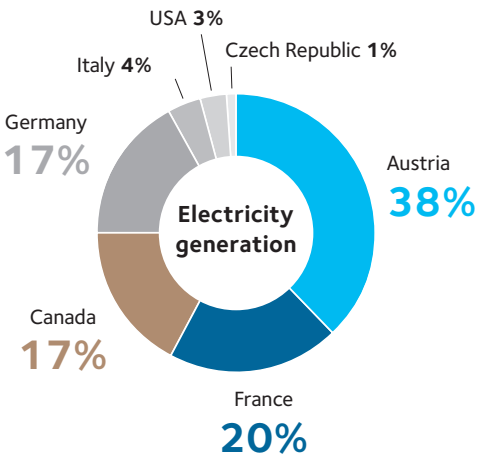
During a generator replacement on a wind turbine in Germany, the crane operator was picked up by the police in the middle of the assignment and escorted home, because he had unknowingly been declared an initial contact person and had to quarantine immediately. Without a crane operator, the construction site instantly came to a standstill. Fortunately, the next day one of the crane operator's coworkers hoisted the gearbox onto the housing.

Power generation in seven countries on two continents

The distribution of W.E.B's production sites is reflecting its international position more and more clearly. Although Austria is still the most significant W.E.B market, with 38% (2019: 46%) of production, the other countries are catching up. In 2020, for example, the French W.E.B plants were already responsible for around one fifth of our total production.

Electricity generation

in MWh	2020	2019	2018
Austria	495,615	560,335	450,743
France	262,108	214,679	160,374
Canada	223,892	158,070	145,685
Germany	218,521	195,929	157,229
Italy	56,692	38,360	13,409
USA	30,727	31,180	31,310
Czech Republic	14,579	16,180	15,687
Total	**1,302,135**	**1,215,256**	**974,437**



Simply innovative

With the Remote Monitoring Engine (RMNGin for short), W.E.B has modernized the data connections to its power plants over the past two years and brought them up to the state of the art. Every day, more than two million data records from W.E.B plants around the world are now stored in the central company database at headquarters.

With this data, the W.E.B Group can now analyze the operating behavior of each individual generation unit even more precisely and is well equipped to meet a wide range of future requirements for efficient operations management. Since RMNGin can communicate with all technologies (wind power, solar power, and hydropower) and all manufacturers, we created a uniform visualization, which significantly simplifies power plant monitoring.

Sustainable in the long term

More and more companies are choosing the path of sustainability for achieving their climate protection targets, focusing on electricity from renewable sources as a first step. W.E.B took advantage of 2020 to set up a selection of power purchase agreements (PPAs for short) for business customers.

We are in the midst of a far-reaching transformation. Fossil fuels are a key contributor to the climate crisis that is changing our living conditions before our very eyes. Many companies have seen the writing on the wall and are orienting their various business activities towards climate protection more and more. As different as these companies are, and as diverse as their demands are, they are united by the goal of a sustainable future. To achieve this in the long term, a power purchase agreement is the ideal solution for many. In the past year, W.E.B has worked intensively on this issue and built up comprehensive expertise so it can be a strong partner for companies.

What is a power purchase agreement (PPA)?

Under a power purchase agreement, a company enters into a long-term power supply contract with a power plant operator. More and more companies are incorporating this option into their energy procurement strategy to reduce the negative impact of their corporate activities on the climate through long-term guaranteed purchases of electricity from renewables.

> The power purchase agreement gives us the opportunity to work with companies to put their energy supply on a sustainable footing—for the long term. In addition to sustainability, planning security is particularly attractive for companies, because these models involve fixed price agreements, so customers avoid electricity price fluctuations. We look forward to using the expertise we built up in 2020 to help companies convert their energy supply from non-renewable energy sources to wind or solar, and to prepare them for the future through our strong partnerships.
>
> **Markus Amatschek**, Key Account Management for "Energy Transition Partners"

Adapting to the demands—two types of PPA

A PPA is by no means rigid; it can be precisely tailored to customers' options and needs. There are two main types of PPA: on-site PPAs and physical PPAs.

On-site PPAs are characterized by a direct connection. A wind or solar power installation is constructed on the consumer's property and then connected to the consumer by means of a direct line. W.E.B is responsible for the project development, and for construction and operation of the corresponding installations and infrastructure. The cleanly generated electricity is directly available to the consumer. If less energy is generated than required, W.E.B provides the required amount from its balancing group via the distribution grid. If the generation exceeds the customer's demand, the energy not consumed by the customer is fed into the W.E.B balancing group via the public grid.

In the physical PPA model as well, the consumer gets the electricity from a wind or solar farm, which W.E.B also develops and operates. This model differs from the on-site PPA model in that the customer does not receive the power from the wind or solar installations directly; instead, it is supplied to the purchaser through the public electric grid.

40 years of solar power

Laa an der Thaya is a good place for W.E.B. The northern Weinviertel region already hosted operating solar power installations with a total capacity of 1.4 MW_p on the premises of Hans Brantner & Sohn Fahrzeugbaugesellschaft m.b.H. In 2020, the ninth project was on the agenda: an expansion with a total capacity of 1.25 MW_p. It differed from the previous projects in that the new solar power installations were constructed under a power purchase agreement in a dedicated industrial area directly adjacent to the company's facilities. It is a showcase project for sustainability and a long-term approach, since the term of the contract is over 40 years. As a strong partner of W.E.B, Brantner thus demonstrates once again how we can make our future sustainable.

By the way: the project was implemented in record time. Construction work started in mid-October, and the installation was generating its first kilowatt hour of clean electricity by December 16, 2020.

A parking garage with solar energy, a storage system, and a charging option

Parking garages and sustainability—that does not have to be a contradiction. Vienna's main train station is home to a parking garage that boasts a number of sustainable elements, thanks to the energy transition partnership between WEB Windenergie AG and Goldbeck Parking GmbH, implemented in 2020. In the process, Goldbeck acquired extensive expertise from W.E.B and its subsidiary ella. To allow electric cars to charge while parked, four 22 kW charging stations were installed, which include load management that regulates the charging capacity so all cars get enough power when charging at the same time. An electricity storage device is also part of the infrastructure. The energy for it comes from the building itself, since there is a 100 kW_p solar power installation on the roof. If more electricity is produced than is currently needed, it is fed into the grid under the "W.E.B solar power supplier" contract, so other W.E.B green power customers can benefit from the cleanly generated energy. If the solar power system generates less electricity than required, Goldbeck receives the certified "W.E.B green electricity ecolabel". With a contract term running till 2040, this is a long-term arrangement for sustainability.

"Driver of the Electricity Future" once again

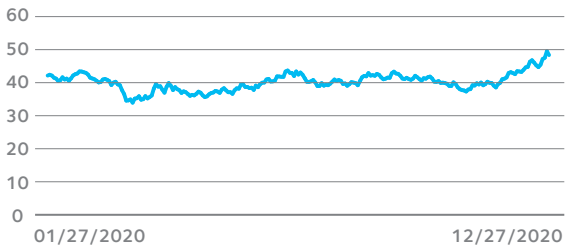
Since 2017, GLOBAL 2000 and WWF have assessed the sustainability of Austria's electricity providers—and W.E.B has been at the top of the rankings the entire time. These two environmental protection organizations examined a total of 148 electricity suppliers in 2020 too. Only five received the top rating as a "Driver of the Electricity Future"—including WEB Windenergie AG with its W.E.B green electricity.

Electricity prices at a stable level

What impact did COVID-19 have on electricity prices in 2020? No significant impact, as we can see in retrospect. Following the lockdown announcement in March, wholesale prices dipped briefly, but they recovered relatively quickly. If we look at the overall development in 2020, a quite stable electricity price level appears. A five-year comparison shows more significant electricity price fluctuations in the past than in this previous year, despite the global pandemic.

Electricity price trend 2016–2020

Electricity price performance 2020

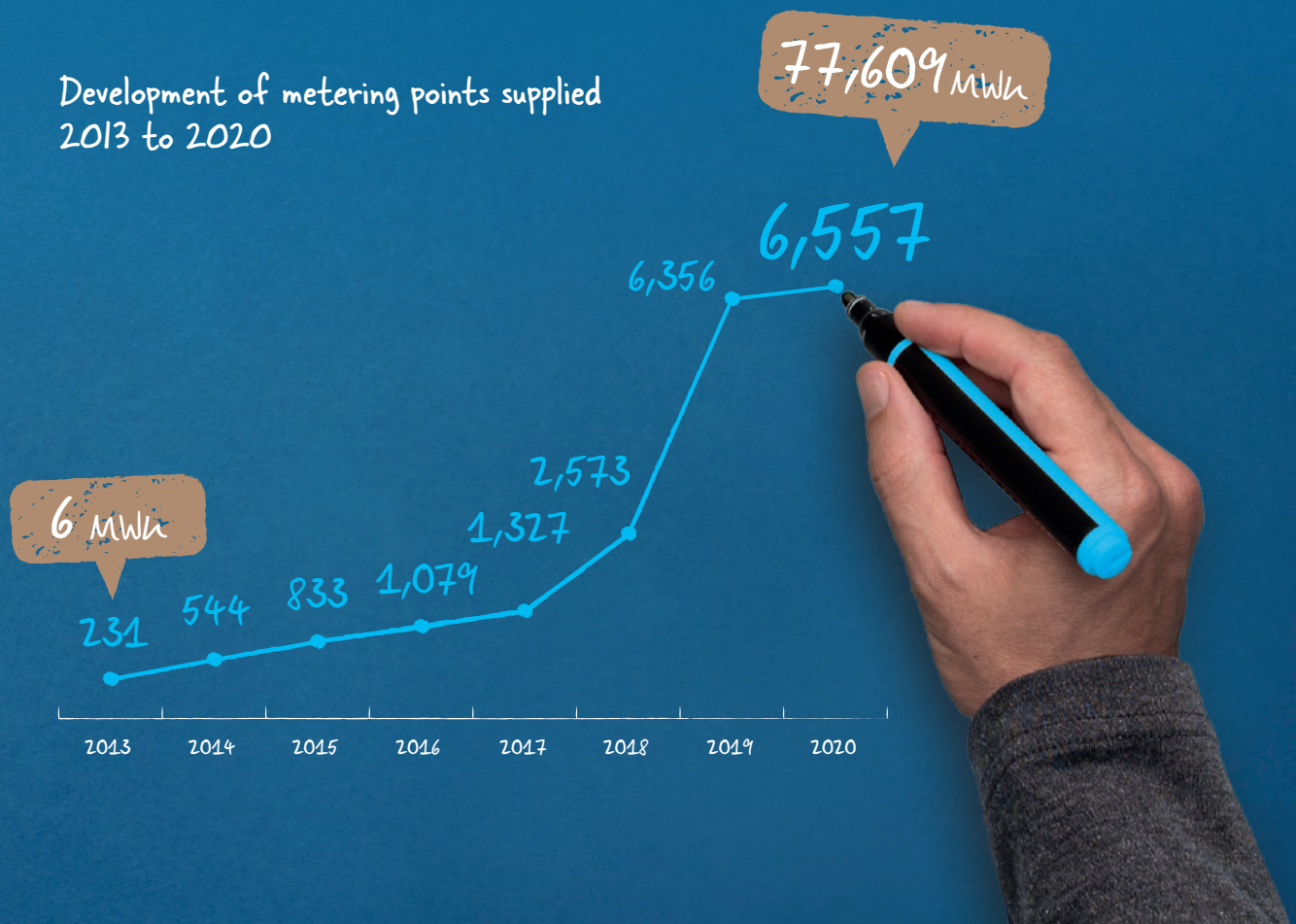


Source: Wholesale electricity price trend in EUR/MWh—Phelix Base Year Future 2016–2020 (EEX)

Demand for W.E.B green electricity continues to grow

In 2020 as in previous years, W.E.B was able to increase the amount of electricity supplied directly to end consumers. 77,609 MWh represents an increase of around 10%. The demand for renewable energy continues to increase, which shows that society has developed a permanent awareness of the issues, and also that customers appreciate a stable energy supplier.

In the year of the COVID-19 pandemic, W.E.B ensured its usual high quality of operations. Customers were unable to tell that W.E.B customer service was on lockdown—our employees provided the familiar level of support, just from their homes in many cases.



Investor Services

As an unlisted company, W.E.B is required to maintain and administer a stock register, i.e. a directory of its shareholders. This also means that W.E.B is always in direct contact with its investors, especially in connection with share purchases and sales. We know each other, and that's a good thing.

WEB Windenergie AG is an accessible company. That's not just because of the company's history—after all, W.E.B emerged from individual community participation projects that had come together around the creation of individual wind energy projects.

A lot has also happened since the stock corporate was founded in 1999. The number of shareholders increased from 268 to 4,390 during this period. In order to facilitate trading in the shares, a virtual "bulletin board" was created back in 2003, known as the "W.E.B Traderoom" (www.traderoom.at). Since then it has become very well established. To date, share transactions with a volume of approximately EUR 60 million have been initiated via this platform. W.E.B has to handle the administration of these transactions, in particular the maintenance of the stock register. Therefore, at W.E.B, investor relations are also investor services.

A directory of shareholders

Keeping a stock register also means keeping shareholder data up to date at all times. Thus, anyone who moves or changes their name or account details should inform the Investor Services team of these data changes. "Many shareholders do indeed do that," reports Michaela Weichselbraun, head of the Investor Services team. Therefore, all she can do is repeatedly appeal to all shareholders to report name, address, and account information changes to W.E.B as quickly as possible. Traderoom users can make the mailing address or account detail changes themselves in the new Traderoom.

Getting started with Traderoom

In recent years, interest in W.E.B shares and Traderoom has increased significantly. While W.E.B had just under 160 new shareholders in 2017 and 2018, there were nearly 500 in 2019 and 2020, and most of them came to their first shares through Traderoom. "Even though prospective shareholders are very familiar with digital portals, a platform for buying stocks is not commonplace. Therefore many of them have

called us for a detailed explanation of how Traderoom works. And they also wanted to know exactly what they have to do as buyers and what deadlines they have to meet. Although that can all be found in the Terms of Use, it's much easier to get across one-on-one. So we're happy to take the time for that," Weichselbraun says. Training videos have been created for the new Traderoom, which guide viewers through Traderoom step by step.

More self service

Share journals—i.e. a list of the shares held by the respective shareholders—are also among the standard requests the Investor Services team receives, sometimes via Traderoom, but also by email or telephone. Processing and mailing them out used to entail a possible delay for the shareholders between when they made the request and when the share journal was available. In this regard as well, the new Traderoom provides additional service quality and speed: Traderoom users can access their share journal directly via Traderoom.

Happy to be of service

The Investor Services team can be reached by phone at +43 2848 6336-20 Monday through Thursday from 8 a.m. to 4 p.m. and Friday from 8 a.m. to 12 p.m. You can also contact us via e-mail at investor@web.energy.

A successful virtual Annual General Meeting

Due to the COVID-19 pandemic, the 21st Annual General Meeting of WEB Windenergie AG at 4 p.m. on September 18, 2020 was held virtually for the first time. The procedure mostly resembled that of an in-person meeting, but the shareholders' questions were answered in the course of a general debate, not according to the individual items on the agenda as usual. W.E.B had received a large number of questions in advance already, and these were answered in the same way as those raised via e-mail during the Annual General Meeting. The four proxies were responsible for voting on the resolutions, as required by law. At the end, Josef Schweighofer emphasized that he hoped to be able to welcome W.E.B shareholders in person again next year. We now know that that probably will not be possible again until 2022.

Virtual investor events

Just as quickly as W.E.B switched from working at the office to working from home due to the pandemic, it also switched its interaction with investors from analog to digital channels. The first virtual event for investors took place on April 30, 2020 already, with more than 260 participants. They had the opportunity to address questions to the W.E.B Management Board in advance, but sufficient time was also left for the question round in the video conference. A virtue was made out of necessity: at the end of 2020, we initiated further events under the title "Fresh Energy", which cover special topics relating to W.E.B in depth.

A steadily growing base

Since the stock corporation was founded, the number of shareholders has continued to grow. In 1999, we started with 268 shareholders; six years later, this number had increased tenfold. From 2011 to 2020, the number rose from around 3,300 to almost 4,400—without capital increases.

Five bonds redeemed

After the five-year bonds issued in 2010, 2011, 2013, and 2014, the 2015 bond is now the fifth W.E.B bond to be redeemed in full. In total, W.E.B disbursed EUR 3.1 million in interest in 2020. As part of the annual partial redemption of bonds from 2013 to 2019, EUR 14.34 million was transferred to investors.

Matured W.E.B bonds

Year	Maturity	Interest	Repayment	Volume (EUR)
2010	5 years	5.00%	Final maturity	10,167,000.00
2011	5 years	5.00%	Final maturity	6,464,000.00
2013	5 years	4.00%	Final maturity	8,084,000.00
2014	5 years	3.50%	Final maturity	10,566,000.00
2015	5 years	2.75%	Final maturity	7,054,000.00

The new Traderoom

For Investor Services, 2020 was dominated by work on the new Traderoom. Together with the IT department and with the support of the Legal department, they optimized and modernized the processes. The changeover to the new system took place on March 4, 2021. The redesigned website was made more intuitive for users; at the same time, the new Traderoom allows quicker, easier processing of share trades.

The most important innovations at a glance:

- Fully digital processing of stock trades is now possible. This saves users a trip to the post office.
- Users are provided with an overview of their personal open stock trades, including the current status.
- Each user can download the share journal on their own.
- The Traderoom wizard can be used to select the share numbers digitally; it is not necessary to enter the share numbers manually on the purchase contract.

W.E.B Campus showcase project

At W.E.B headquarters in Pfaffenschlag, we use various projects to demonstrate how energy can be generated right on a company's site and used efficiently by means of sector coupling. In 2020, "Lighthouse 2040" was expanded to include another solar power installation and another electricity storage device.

Full solar power in Pfaffenschlag

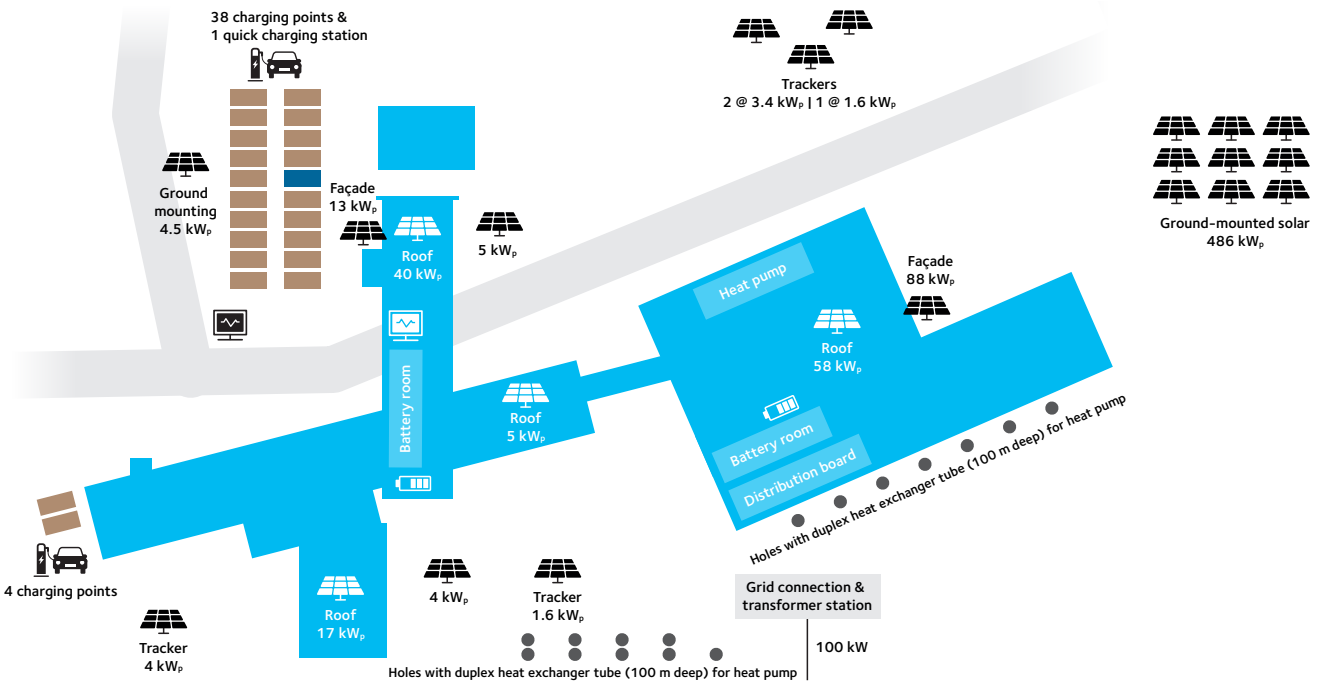
At headquarters, we have had solar trackers, roof-mounted installations, and solar modules integrated into the façade for some time. In mid-September 2020, another pilot project, the Pfaffenschlag IV solar project, went into operation. The new 486 kW_p solar power installation is expected to supply around 444 MWh of clean electricity per year. With it, W.E.B will have a total solar power output of almost 750 kW_p at the Pfaffenschlag site. Obviously, not all the electricity generated on sunny days is consumed immediately. But W.E.B has a solution for this, too: energy storage devices.

Energy storage at W.E.B headquarters

In order to achieve a 100% renewable energy supply, "the final equation of the energy transition" that remains to be solved involves the ability to store an arbitrary amount of energy. Our headquarters already had 90 kWh of storage capacity before 2020. In August of last year, a battery storage system with a capacity of 500 kWh was put into operation. With it, we can cover the power consumption at headquarters, including the charging station in Pfaffenschlag—either the total consumption, or just load peaks.

Electric mobility

Speaking of charging stations, W.E.B relies on electric mobility for road transport and has built up a considerable electric vehicle fleet for this purpose in recent years. More than 50 of W.E.B employees drive electric vehicles. The electric cars are supplied with power at a total of 43 charging points at W.E.B headquarters. A charging point control system implemented there prevents too much electricity from being consumed at once and makes sure no employee goes empty-handed.



Heating and cooling

In order to offer our employees an optimal indoor climate in the most resource-efficient way possible, W.E.B uses a heat pump with thermal output of 42 kW. For this purpose, 16 holes, each 100 meters deep, were drilled to extract the necessary energy. Nine of these were drilled in 2020. We also use heating and cooling buffers, each with a capacity of 3,000 liters. This system provides heating and cooling to the entire 2,410 m^2 office building.

Energy generation, energy storage, electric mobility, and resource-efficient heating and cooling: these four domains alone show the many different ways the various sectors interact to work towards a sustainable future. At W.E.B in Pfaffenschlag, this future is already a reality.

CO_2 footprint

In 2020, WEB Windenergie AG's carbon footprint was determined for the third time in a row in accordance with the requirements of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol). In the past year, W.E.B had a carbon footprint of 369 t CO_2e. The carbon footprint of W.E.B in Austria was also compared to the carbon handprint in 2020, i.e. the electricity from renewable sources fed into the Austrian grid. Our handprint was 234,466 t CO_2e.

Carbon footprint 2020
369 t CO_2e

Carbon handprint 2020
234,466 t CO_2e

Stability despite the pandemic

Again and again, COVID-19 presented our employees with temporary changes and challenges, on both professional and personal levels. This made it all the more important for W.E.B to react quickly and flexibly in times of lockdowns and pandemic-related restrictions to provide a suitable environment for professional duties and teamwork to proceed smoothly, as well as for combining professional obligations with personal obligations like childcare.

The pandemic-driven shift to work-from-home

COVID-19 impacted W.E.B in stages. For example, operations in Italy switched to work-from-home at the beginning of March already, but the other countries did not follow suit until later that month. When feasible, we gave our employees the opportunity to work from home. In doing so, we benefit from the technical equipment in all key areas which we as a global business need anyway and which enables flexible working from any location. Almost all employees are equipped with laptops, and, as an international company, W.E.B deals with video conferences every day. Teams were brought back into the offices in careful stages. In view of the development of the case numbers, we remained at only partial occupancy.

Even at an early stage, we supplemented the pandemic containment measures ordered by the authorities with additional steps. Since meetings with business partners and authorities are necessary, specifically in the domain of project development and green power sales, W.E.B started testing these teams for COVID-19 regularly. At the beginning of the new year, we also prepared in-house testing three times a week for the entire team in Austria, so employees can get antigen testing right at work. These tests are voluntary; during the first months of 2021, an average of two-thirds of the employees present on any given day took advantage of them.

Empower & Engage

In order to support W.E.B's further growth, strategic initiatives were launched back in 2019 that address changes in project and process management on the one hand and shine a spotlight on employee engagement issues on the other hand. The Empower & Engage project therefore focused on corporate culture issues against the backdrop of the Company's growth and increasingly international workforce. Building on the 2019 activities—the culture audit and employee survey—the following priorities were identified for the entire organization for 2020: listening, recognition, team spirit, and celebration. These were merged with the planned activities of the Human Resources department in the area of personnel development and care. The analyses of the employee survey were also made available on a department- or country-specific basis and discussed in the teams, and specific measures were developed on the basis of them. With the 2020 employee survey, we completed the first cycle of the iterative process of measuring, taking action, and measuring again, and started a new cycle. With this approach, we aim to ensure consistent monitoring and continuous improvement.

Management development

Because enlarging teams also significantly changes the role of managers, W.E.B launched Leadership Cafés, a form of management training and development. Short two-hour periods are used to easily integrate continuing education content into managers' everyday professional schedules. The careful selection of topics from the results of the employee survey and the structure of the Leadership Cafés: theoretical input, practical exercises, and the exchange of information which are combined into one streamlined package, enable the participants to efficiently implement what they have learned. The 2020 Leadership Cafés addressed

the following topics: “Giving and receiving feedback”, “Virtual collaboration”, and “Resolving conflict”. A review session was held for discussing and reflecting on the applications implemented.

Culture ambassadors

Initiated by “Empower & Engage”, an international team of W.E.B culture ambassadors was formed. They are tasked with promoting solidarity and team spirit across countries and departments. At the beginning of the year, they focused primarily on healthy lifestyle projects and group recreational activities; during the pandemic lockdowns, they shifted their focus to the virtual domain and organized an online coffee hour to help maintain cohesion despite the shift to work-from-home. Since the end of the year, W.E.B culture ambassadors have also been involved in the company’s COVID-19 testing.

Employee Assistance Program

People spend a third of their lives at work. This makes it all the more important for them to feel comfortable there as well. Stress, conflict, new challenges, unwelcome changes in their professional sphere or unexpected challenges in private life can have a negative impact on people’s health and limit their potential. To enable employees to ask for advice and help anonymously and confidentially in such situations, we have created an Employee Assistance Program, available in both German and English. This gives employees the opportunity to contact external experts by phone or e-mail with their questions and concerns, whether they are dealing with professional challenges or personal ones. Even though employees have numerous opportunities to address their problems within W.E.B—through managers, the HR department, or the cultural ambassadors—we hope this additional pillar will further improve the care available to employees and help them quickly overcome obstacles to their wellbeing and performance.

Internal communication

The All-Hands Meeting, a joint event for all employees of the W.E.B Group, was introduced back in 2019 and further developed this past year. The event was held in April—in virtual form due to the pandemic. W.E.B’s internal newsletter is offered in both English and German. Over the years it has become well-established and, recently, quite comprehensive as well. In the reporting period, the newsletter switched from every two weeks to once a week.

Increased internal recruiting

Employees’ potential often goes undiscovered unless opportunities are provided to make these development opportunities visible. Therefore, since 2020, job postings have first been posted internally to specifically give employees the opportunity to apply for new positions.

New training and development concept

A new process for employee training and development was introduced in the reporting period. On the basis of the employee performance reviews, an annual training and development plan is being drawn up, and internal training measures are also being developed and offered. As part of further education, project management training and English courses were held in 2020, among other offerings.

Changes in the management of the national subsidiaries

One of the executives of our French subsidiary went on parental leave, so this position has been filled on an interim basis by Ewald Redl. Due to the retirement of an executive of the North American subsidiaries, the management team was restructured: Rory Cantwell assumed responsibility for project development and operations, Stefan Karkulik took over administrative duties, and Florian Müller remains in charge of the financial responsibilities in the management team.

Recruiting

The number of employees at W.E.B has increased somewhat, despite COVID-19. This development reflects W.E.B's growth ambitions; the increases came mainly from the area of project development in the national organizations, here again primarily in France and Germany.

Core KPIs

		2019	2020
Employees (Group)	people	172	177
	full-time equivalents	157.0	163.1
Percentage of women	%	38.4	39.5
Average age	years	36.5	37.5
New hires	people	53	46
of which interns		12	20
Left company	people	31	41
of which interns		13	19
of which parental leave		4	6
Recruiting throughput time	months	2.7	2.6
Average tenure	years	4.9	5.5
Ratio of total annual compensation of the person with the highest salary to the median total annual compensation of all salaried employees (Group)		9.2	8.7
Salaried employees subject to collective bargaining (Group)	%	80	80

Additional information and key performance indicators are provided in the management report on pages 85 to 87 of this annual report.

Trust, even during the pandemic

An essential foundation of W.E.B's success is the fact that it is rooted in community participation and remains faithful to this principle to this day. Economic and environmental sustainability make W.E.B a green investment that investors put their trust in even in 2020, the year of COVID-19.

W.E.B's shareholders and bond subscribers have contributed significantly to the company's development. They demonstrated their trust in W.E.B in 2020, the year of the pandemic, as well. The volume of trading in W.E.B shares increased significantly over the previous year, and the average price for the year also showed a positive development. In consideration of the pandemic year, a dividend of EUR 10 was proposed and approved at the Annual General Meeting. In the fall of 2020, the five-year bond from 2015 also matured, meaning that W.E.B has once again redeemed a bond in full.

W.E.B shares

W.E.B shares are a green investment option for anyone who wishes to participate directly in the energy transition. Since the stock corporation was founded, they have proved stable and offered our shareholders impressive performance to date. This is due in no small part to the sustainable dividend policy which W.E.B's Management Board continues to support without reservation. In the Company's first ten years, corporate profits were funneled entirely into further expansion, but since 2010, W.E.B has been distributing dividends to shareholders regularly. The reliability of the dividend is paramount.

Dividend

EUR

2015	2016	2017	2018	2019	2020
20	15	24	18	10	26[1]

[1] Proposal to the 2021 Annual General Meeting

W.E.B's shares are restricted registered shares that are not listed on an exchange and therefore cannot be traded on an exchange. Traderoom (www.traderoom.at) is an electronic exchange offered by W.E.B to its shareholders that permits transactions to be conducted directly between buyers and sellers.

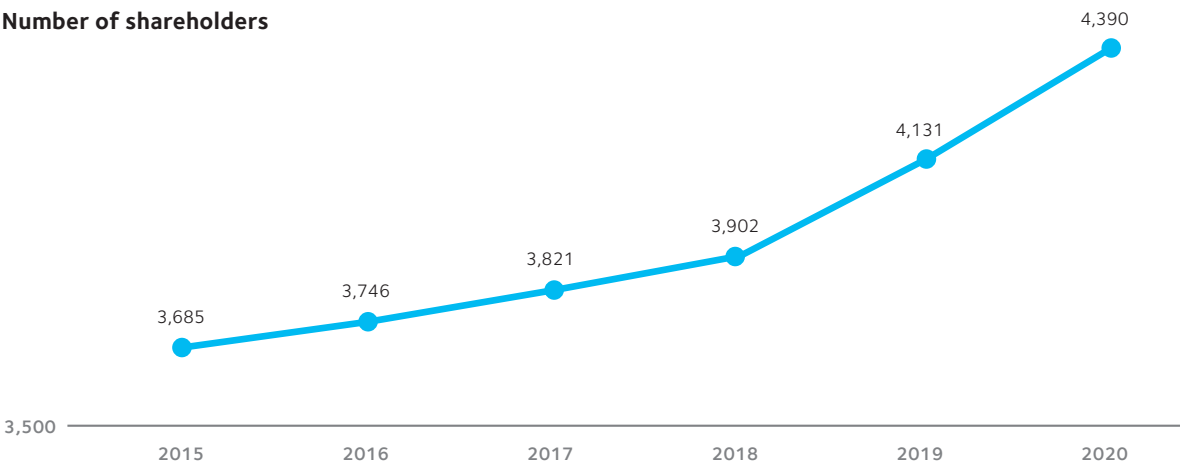
As of December 31, 2020, the number of ordinary shares issued totaled 288,453, as in the previous year. The number of shareholders rose steadily, as in prior years, and increased from 4,131 at the end of 2019 to 4,390 as of December 31, 2020. The annual average price of the shares in Traderoom increased again, from around EUR 812 to EUR 906.[2]

Shareholders by ownership interest

as of 12/31/2020

Groups	Lower threshold	Upper threshold	Shares (number)	Shares (%)	Shareholders (number)	Shareholders (%)
Up to 0.1%	1	288	153,749	53.30%	4,202	95.72%
More than 0.1% up to 0.5%	289	1,442	93,154	32.29%	174	3.96%
More than 0.5% up to 1%	1,443	2,884	19,720	6.84%	10	0.23%
More than 1% up to 2%	2,885	5,769	6,515	2.26%	2	0.05%
More than 2% up to 3%	5,770	8,653	6,374	2.21%	1	0.02%
More than 3% up to 4%	8,654	11,538	8,941	3.10%	1	0.02%
Total			**288,453**	**100.00%**	**4,390**	**100.00%**

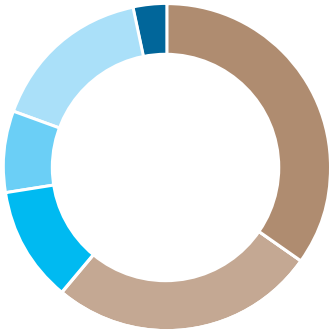
Number of shareholders



[2] Since W.E.B shares are not listed, no price is formed. The average prices shown here are determined on the basis of transactions made in the virtual Traderoom. Past performance is not a basis for drawing conclusions about future performance.

Regional distribution of shares

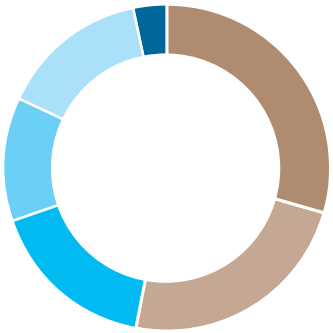
as of 12/31/2020



Quantity	Share	Region
100,470	34.83%	Waldviertel
76,029	26.36%	Lower Austria excluding Waldviertel
33,073	11.46%	Vienna
23,106	8.01%	Upper Austria
46,545	16.14%	Austria excluding Lower A., Upper A., and Vienna
279,223	**96.80%**	**Total Austria**
9,230	3.20%	Other countries
288,453	**100.00%**	**All shares**

Regional distribution of shareholders

as of 12/31/2020



Quantity	Share	Region
1,304	29.70%	Waldviertel
1,032	23.51%	Lower Austria excluding Waldviertel
733	16.70%	Vienna
536	12.21%	Upper Austria
643	14.65%	Austria excluding Lower A., Upper A., and Vienna
4,248	**96.77%**	**Total Austria**
142	3.23%	Other countries
4,390	**100.00%**	**All shareholders**

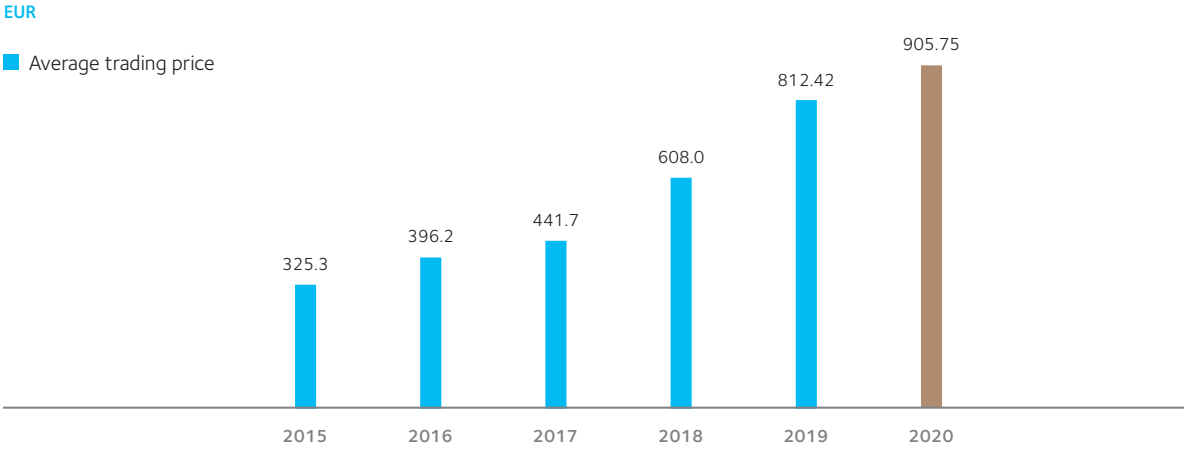
The W.E.B Traderoom

W.E.B's shares are not listed on any stock exchange, but transactions can be completed easily with the help of the www.traderoom.at platform.

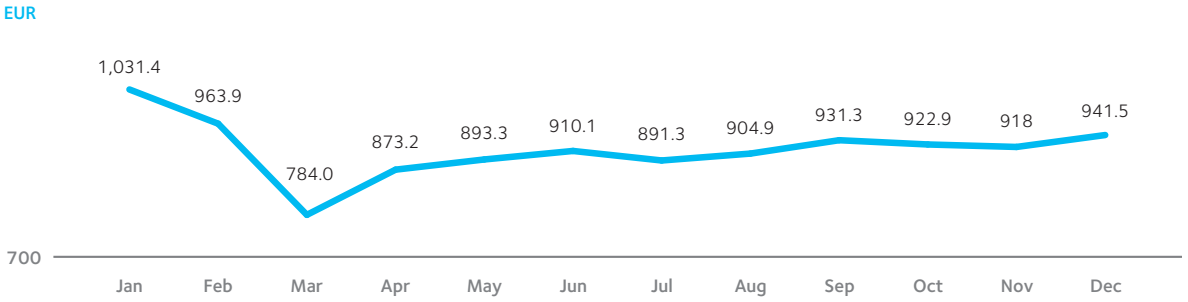
Registering on the Traderoom site and executing transactions are quick and easy; in addition, no fees are charged. All shareholders and prospective shareholders can submit buy or sell offers or search for existing ones on the www.traderoom.at platform. This process merely involves an exchange of information; W.E.B does not act as a broker.

A total of 8,393 shares valued at EUR 7.6 million changed hands in 2020 with the support of Traderoom. The trading price of the share in January 2020 averaged around EUR 1,031.

Traderoom: average share price for the year[3]



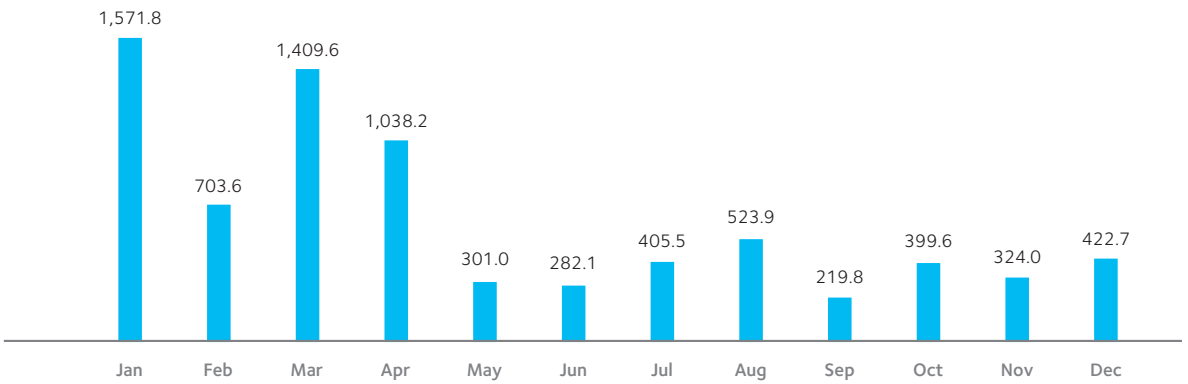
Traderoom: average share price over the course of 2020[3]



In the reporting period, 2,694 shares were transferred outside of Traderoom. Of this number, the transaction price for 208 shares is known to W.E.B and amounts to an average of EUR 765.8.

Traderoom: transactions in 2020

Transaction amount, EUR k



[3] Since W.E.B shares are not listed, no price is formed. The average prices shown here are determined on the basis of transactions made in the virtual Traderoom. Past performance is not a basis for drawing conclusions about future performance.

W.E.B bonds

Investors can also invest in W.E.B by buying one of our bonds. Since 2010, W.E.B has been issuing various types of bonds almost yearly to finance new power plants. The Company is a pioneer in this regard as well: W.E.B's 2010–2015 bond with a 5% coupon was the first wind power bond in Austria. The country's first wind power hybrid bond followed in 2014.

All told, W.E.B has therefore issued bonds totaling EUR 128.5 million since 2010 that have provided considerable momentum for implementing our extensive investment program. A total of EUR 69.4 million had already been redeemed by the end of 2020. This amount includes both the bonds redeemed in full and those partially redeemed as stipulated by annual partial redemption models and by the hybrid bond.

All W.E.B bonds are listed on the Vienna MTF (formerly: Third Market) on the "Green and Social Bonds" platform, specifically in the corporates prime segment, the premium segment for corporate bonds. In this way, W.E.B undertakes to ensure greater transparency than required by the MTF.

W.E.B bonds are traded exclusively on the Vienna Stock Exchange.

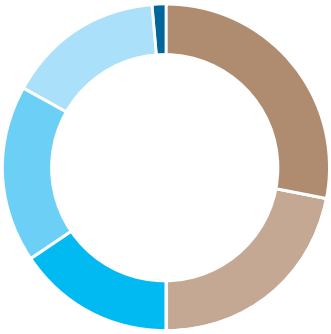
W.E.B bonds since 2010

Year	Maturity	Interest	Repayment	Volume (EUR million)
2010[4]	5 years	5.00%	final maturity	10.2
2011[4]	5 years	5.00%	final maturity	6.5
2013[4]	5 years	4.00%	final maturity	24.6
2013	10 years	5.25%	annual partial redemption	
2013	10 years	5.50%	final maturity	
2014[4]	5 years	3.50%	final maturity	15.0
2014	no maturity date	6.50%	hybrid	
2015[4]	5 years	2.75%	final maturity	22.3
2015	10 years	4.00%	annual partial redemption	
2015	no maturity date	6.50%	hybrid	
2016	5 years	2.50%	final maturity	20.2
2016	10 years	3.75%	annual partial redemption	
2016	no maturity date	6.25%	hybrid	
2018	10 years	2.25%	annual partial redemption	15.1
2018	no maturity date	4.50%	hybrid	
2019	10 years	2.25%	annual partial redemption	14.6
2019	no maturity date	4.50%	hybrid	
				128.5

[4] Already redeemed (as of: 12/31/2020)

Regional distribution of bonds

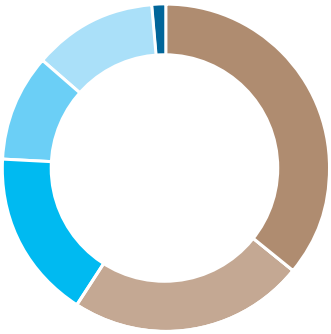
as of the reporting date on 12/31/2020



Quantity	Share	Region
24,160	28.12%	Waldviertel
19,034	22.15%	Lower Austria excluding Waldviertel
13,212	15.38%	Vienna
14,970	17.42%	Upper Austria
13,572	15.79%	Austria excluding Lower A., Upper A., and Vienna
84,948	**98.86%**	**Total Austria**
983	1.14%	Other countries
85,931	**100.00%**	**All bonds**

Regional distribution of bond buyers

as of the reporting date on 12/31/2020



Quantity	Share	Region
1,244	36.00%	Waldviertel
805	23.30%	Lower Austria excluding Waldviertel
577	16.70%	Vienna
359	10.39%	Upper Austria
430	12.45%	Austria excluding Lower A., Upper A., and Vienna
3,415	**98.84%**	**Total Austria**
40	1.16%	Other countries
3,455	**100.00%**	**All bond buyers**

Governing bodies of the Company

Supervisory Board

Mag. Josef Schweighofer
Chairman of the Supervisory Board

Born in 1964

- Member of the Supervisory Board since 7/5/2002
- Current Supervisory Board appointment ending at the 2021 Annual General Meeting
- Chairman of the Audit Committee
- Audit Committee finance expert pursuant to Section 92 (4a) of the Austrian Stock Corporation Act (Aktiengesetz, AktG)

Dr. Reinhard Schanda
Deputy Chairman of the Supervisory Board

Born in 1965

- Member of the Supervisory Board since 6/19/2009
- Current Supervisory Board appointment ending at the 2024 Annual General Meeting
- Member of the Audit Committee
- Chairman of the Advisory Board of IG Windkraft

DI (FH) Stefan Bauer
Member of the Supervisory Board

Born in 1977

- Member of the Supervisory Board since 5/1/2005
- Current Supervisory Board appointment ending at the 2021 Annual General Meeting
- Member of the Audit Committee

Mag. Brigitte Ederer
Member of the Supervisory Board
Born in 1956

- Member of the Supervisory Board since 5/25/2018
- Current Supervisory Board appointment ending at the 2023 Annual General Meeting
- Spokeswoman of Forum Versorgungssicherheit der österreichischen Energie- und Wasserversorgung, an association for the security of the Austrian energy and water supply

Martin Zimmermann
Member of the Supervisory Board
Born in 1968

- Member of the Supervisory Board since 6/18/2011
- Current Supervisory Board appointment ending at the 2021 Annual General Meeting

Management Board

Dr. Frank Dumeier
Chairman of the Management Board (CEO)
Born in 1962

- Member of the Management Board since April 2010
- Current Management Board appointment: 4/1/2020 to 5/31/2025
- Member of the Management Board of IG Windkraft

DI Dr. Michael Trcka
Member of the Management Board responsible for finance (CFO)
Born in 1970

- Member of the Management Board since May 2009
- Current Management Board appointment: 5/1/2019 to 4/30/2024

Corporate governance

W.E.B's commitment to corporate governance

As a company focused on community participation, WEB Windenergie AG is interested in pursuing responsible corporate governance and remaining as transparent as possible. This is why WEB Windenergie AG has been committed since mid-2006 to the Austrian Code of Corporate Governance (ÖCGK), which is applied as outlined below.

The ÖCGK was developed as a basic set of regulations for listed companies in Austria to supplement the statutory provisions of Austrian stock exchange law by adding rules on self-governance. Unlisted stock corporations can follow the Code voluntarily. W.E.B therefore made the decision to comply with the ÖCGK rules. This does not constitute a commitment.

The objective of the ÖCGK is to encourage responsible corporate governance and control aimed at long-term value creation. This is attained with a comprehensive set of rules governing transparency and the internal organization of companies.

For WEB Windenergie AG, the Code is a key component in its efforts to increase confidence in the Company among shareholders, business partners, employees, and the public.

The current version of the ÖCGK is available at www.corporate-governance.at.

The ÖCGK includes nearly one hundred rules applicable to different degrees to the companies that agree to be subject to it:

- **L-Rules (legal requirements):** These rules are based on mandatory legal requirements.
- **C-Rules (comply or explain):** These rules should be followed; deviations must be explained and the reasons stated.
- **R-Rules (recommendations):** These rules are recommended, and noncompliance requires neither disclosure nor explanation.

Implementation of the Corporate Governance Code by WEB Windenergie AG in the fiscal year 2020

The Management Board and Supervisory Board always strive to comply with all of the rules in the Code as fully as possible and to continually improve the Company's internal standards. In cases where we do not follow a rule fully, we explain the reason. This basic approach of WEB Windenergie AG thereby differs fundamentally from that of other publicly owned companies, because our Company is not stock exchange listed and actively communicates with shareholders (all registered shareholders). In addition, not all L-Rules are applicable to WEB Windenergie AG, since some provisions are relevant only for listed companies.

WEB Windenergie AG does not publish a separate corporate governance report because, as an unlisted Austrian stock corporation, there is no requirement to do so. However, most of the content that such a report would be required to include is presented in the annual report (particularly the composition of the governing bodies, i.e., the Management Board and Supervisory Board).

The most significant deviations from the rules in the ÖCGK are explained briefly below in accordance with WEB Windenergie AG's voluntary compliance with the ÖCGK.

In the year under review, the Company deviated from the following ÖCGK rules:

C-Rule 18:

"Depending on the size of the enterprise, a separate staff unit is to be set up for internal auditing, which shall report to the management board, or the task of conducting internal audits may be contracted out to a competent institution. At least once a year, a report on the auditing plan and any material findings are to be presented to the audit committee."

Despite growing continually, WEB Windenergie AG is a medium-sized company. Due to the size of the Company and its business purpose, a separate internal audit department is not considered cost-effective.

L-Rules 26b and 29a—remuneration policy and remuneration report:

First of all, both of these provisions are applicable only to listed companies and therefore not mandatory for WEB Windenergie AG; secondly, according to Sections 78a and 78b AktG, the Annual General Meeting will, for the first time, be required to consider the remuneration policy for fiscal years beginning after June 10, 2019. Apart from the fact that this rule is not mandatory for unlisted companies, this would mean that WEB Windenergie AG would present its first remuneration report for fiscal year 2020.

A remuneration policy is in place for WEB Windenergie AG's Management Board members—and managing directors of subsidiaries, department heads, and employees—that covers fixed and variable compensation components. The existing remuneration policy for Management Board members was retained and supplemented when their employment contracts were extended in order to provide incentives for sustainable business growth. In addition to fixed compensation and variable components linked to the Group's performance (exceeding a certain return on equity), separate compensation is paid for commissioning of new power plants and reaching certain milestones. Upper thresholds are set for compensation.

C-Rule 39 (and analogously C-Rules 41 and 43):

"The supervisory board shall set up expert committees from among its members depending on the specific circumstances of the enterprise and the number of supervisory board members. These committees shall serve to improve the efficiency of the work of the supervisory board and shall deal with complex issues. However, the supervisory board may discuss the issues of the committees with the entire supervisory board at its discretion. Each chairperson of a committee shall report periodically to the supervisory board on the work of the committee. The supervisory board shall ensure that a committee has the authorization to take decisions in urgent cases.

The majority of the committee members shall meet the criteria for independence of C-Rule 53.

The Corporate Governance Report shall state the names of the committee members and the name of the chairperson. The Corporate Governance Report must disclose the number of meetings of the committees and discuss the activities of the committees."

In accordance with Article 12 of the Articles of Association, WEB Windenergie AG's Supervisory Board can have a maximum of nine members, but it currently consists of only five members. Due to the small number of members and the specific circumstances of the Company, only one committee was set up: the Audit Committee. No other committees were formed, as this is not considered effective. The Supervisory Board conducts all of its business as a single unit. The ÖCGK also stipulates formation of a nomination committee in accordance with C-Rule 41 and a remuneration committee in accordance with C-Rule 43 only when a supervisory board has reached a "critical mass" of at least seven members. WEB Windenergie AG does not meet this criterion with only five Supervisory Board members. However, the Supervisory Board's rules of procedure generally provide for setting up committees other than just the Audit Committee, so if necessary, this could be done without taking additional steps. In Supervisory Board elections, attention is paid to filling the positions with candidates who have the necessary expertise (finance, law, technology, social skills).

C-Rule 49:

"The company shall disclose in the Corporate Governance Report the object and remuneration of contracts subject to approval pursuant to L-Rule 48. A summary of contracts of the same kind shall be permitted."

The Company does not publish a corporate governance report because it is not legally required to do so. Disclosures regarding contracts subject to approval pursuant to L-Rule 48 are provided in the notes to the annual financial statements, however. These include the contract with the law firm of Sattler & Schanda (in which Supervisory Board member Dr. Reinhard Schanda is a partner) and the leasing of acreage for environmental projects in areas where WEB Windenergie AG develops projects by Martin Zimmermann.

L-Rule 60:

"The company shall prepare a Corporate Governance Report that contains at least the following information:

[...]

- **the measures taken to promote women to the management board, supervisory board and to top management positions;**
- **the diversity concept."**

No women currently sit on WEB Windenergie AG's Management Board. The Supervisory Board has had one female member, Mag. Brigitte Ederer, since the 2018 Annual General Meeting. Several women also work in the Company's second level of management: At present, Claudia Bauer, MSc and Mag. Stefanie Markut are appointed as authorized signatories; there are six female department heads, and two of the national subsidiaries have female executives.

WEB Windenergie AG does not currently have an explicit diversity policy for reasons including its position as a medium-sized company.

C-Rule 68:

"The company shall publish annual financial reports, half-yearly financial reports and any other interim reports in English and German, and shall make these available on the company's website. If the annual financial report contains consolidated financial statements, the financial statements in the annual report pursuant to the Business Code must only be published and made available in German."

The Company's annual financial statements can be downloaded from its website in both German and English. Interim reports are published on the website in German.

C-Rule 83:

"In addition, the auditor shall make an assessment of the effectiveness of the company's risk management based on the information and documents presented and shall report the findings to the management board. This report shall also be brought to the notice of the chairperson of the supervisory board. The chairperson shall be responsible for ensuring that the report is dealt with by the audit committee and reported on to the supervisory board."

WEB Windenergie AG does not commission any explicit evaluation of its risk management system. However, the Company's risks are assessed and discussed when the financial statements are audited.

Report of the Supervisory Board

in accordance with Section 96 AktG

Dear shareholders
and readers of this report,

Organization and activities of the Supervisory Board

During the fiscal year 2020, the Supervisory Board was composed of five members elected by the Annual General Meeting: Mag. Josef Schweighofer (Chairman), Dr. Reinhard Schanda (Deputy Chairman), DI (FH) Stefan Bauer, Mag. Brigitte Ederer, and Martin Zimmermann.

The Supervisory Board exercised with great care the duties assigned to it by the law, the Articles of Association, and the bylaws during the reporting period. Based on the comprehensive reporting provided by the Management Board, the Supervisory Board regularly advised it on the management of the Company and monitored its activities on an ongoing basis. In a total of nine meetings in which all Supervisory Board members participated, along with additional discussions and phone conferences, the Supervisory Board deliberated on the Company's operations and business policies and the Group's results on the basis of regular, timely written and oral reports by the Management Board. Since March 2020, it has also been looking at the impact of the COVID-19 crisis on the markets in which W.E.B operates and the impact on W.E.B Group companies.

Furthermore, they jointly discussed the future strategic direction of the Company and the material Group companies. The controls implemented as part of the open and constructive dialog between the Management Board and Supervisory Board did not give rise to any objections. In addition, the chairman of the Supervisory Board was in constant contact with the Management Board to regularly receive information about the latest developments at the Company. As part of its deliberations and decisions, the Supervisory Board considered environmental and social issues in addition to the economic aspects of the Company's business and reviewed the associated effects, risks, and opportunities.

At the end of the 22nd Annual General Meeting on May 28, 2021, the terms of office of Supervisory Board members Josef Schweighofer, Stefan Bauer, and Martin Zimmermann will expire. All three candidates are available for another term. The Supervisory Board proposed these persons for reelection in accordance with its duty to propose candidates as set out in Section 198 (1) AktG. The proposed candidates have confirmed their professional qualifications and independence with a corresponding declaration in accordance with Section 87 (2) AktG. The Supervisory Board is convinced that this composition will provide the necessary balance thanks to the diversity of its members' training and professional experience.

Audit Committee

Pursuant to Section 92 (4a) AktG, the Company is required to appoint members of the Supervisory Board to an Audit Committee comprising at least three individuals. During the reporting period, Mag. Josef Schweighofer, Dr. Reinhard Schanda, and DI (FH) Stefan Bauer were the three members appointed to the Audit Committee. Mag. Josef Schweighofer was elected Chairman of the Audit Committee. At the same time, he was nominated to be the Audit Committee finance expert in accordance with Section 92 (4a) AktG.

The Audit Committee held three meetings in the year under review, discussed specific issues in detail, and subsequently reported on these to the full Supervisory Board. In April 2020, the Committee deliberated on all issues concerning the annual and consolidated financial statements for 2019 and the proposal for appointing the auditor for 2020. In July 2020, the proposal for the appointment of the auditor for 2020 was again discussed in detail. At the October 2020 meeting, the auditor provided an overview of the planned course and areas of focus of the audit for the fiscal year 2020. In addition, the Audit Committee also discussed the corporate governance report and monitoring of the accounting process, reviewed the effectiveness of the internal control system (ICS), including the risk management system, and monitored the auditor's independence. The Audit Committee also had the opportunity to consult and exchange information with the auditor without the presence of the Management Board.

Management Board

In the past fiscal year, the Company was managed by Management Board members Dr. Frank Dumeier (CEO) and DI Dr. Michael Trcka (CFO), both of whom will be available to W.E.B for a longer period of time. The Management Board contract of Dr. Frank Dumeier runs until March 31, 2025 and that of DI Dr. Michael Trcka until April 30, 2024.

Result

The Supervisory Board considers the annual result for fiscal year 2020 satisfactory. Due to the good wind situation in 2019 and to subsidized tariffs expiring, the planned result for 2020 was lower than that of the previous year. Because of the wind situation in 2020, the result did not quite match the budgeted value. In addition, there was a negative one-time effect from the "buy-back" of the subsidized tariff for the Ariano wind farm that had already been secured.

Operations in review

Against the backdrop of the COVID-19 crisis, W.E.B had a good year in 2020 in terms of operations. With an output result of 1,302 GWh, W.E.B generated 7.1% more electricity than the year before, although the wind level was slightly (1.46%) below the long-term average, so less electricity was produced than planned in the budget.

The distribution of W.E.B's production sites is reflecting its international position more and more clearly. Austria was still W.E.B's strongest market, accounting for 38% of production, but the ratio shifted 8% towards the other countries compared to 2019.

The top priority in operations continued to be the quick detection of plant shutdowns and technical problems, even under lockdown conditions, and the prompt elimination of faults. The travel restrictions in place in the various countries, which often changed, presented a major challenge. With a great deal of flexibility in the operating departments, W.E.B was nevertheless able to maintain its usual high level.

We even completed a general overhaul of the first W.E.B installation in Michelbach, built 25 years ago, in February 2021. This installation is now ready for the next 15 years of production.

Project development in review

In addition to the Tortefontaine wind farm in France, W.E.B commissioned five—rather small—solar power installations last year.

With more than 100 projects in various stages of development and about 2 GW of potential capacity, the W.E.B project pipeline boasts considerable volume as of the end of 2020. Several lockdowns in the wake of the COVID-19 crisis have resulted in project delays of three to nine months. Nevertheless, it has been possible to start construction or pass corresponding resolutions on eight projects with a total capacity of around 150 MW.

Project development has been further decentralized to allow closer contact with relevant decision-makers and communities in the project areas. More than two thirds of W.E.B's project developers work outside Austria. In this connection, additional regional offices were also opened (e.g., for Austria, the regional office in Graz).

Based on the 80/20 growth strategy, according to which 80% of our capacity should be in wind and 20% in solar, solar power projects were also advanced in 2020, focusing particularly on the USA, France, and Austria.

At the national level, the Renewable Energy Expansion Act (Erneuerbaren-Ausbau-Gesetz, EAG) was introduced and is expected to be passed in 2021. An important international signal came from the United States: after the presidential election in November 2020, the nation rejoined the Paris climate agreement right at the beginning of 2021.

Electricity marketing in review

In 2020, we succeeded in professionalizing our internal electricity marketing procedures and processes to a significant degree. This lays a very good foundation for growth in the marketing of the electricity volume that will no longer be covered by subsidized tariffs.

At the end of 2020, W.E.B supplied around 6,500 households and SME metering points with W.E.B green electricity. W.E.B stakeholders—communities, shareholders, and bond buyers—were again offered attractive packages in 2021.

Community participation in review

The number of shareholders continued to grow and passed the 4,300 mark in the reporting period. The planned capital increase was postponed due to the pandemic and is now scheduled for 2021. In view of the planned growth strategy, we will submit a proposal to the shareholders at the 2021 Annual General Meeting for financing future projects at least in part through a capital increase. The capital increase is also intended to help maintain the equity ratio at an attractive level. In addition, we propose carrying out a stock split. This should make trading in the shares, whose monthly average price reached around EUR 940 in December, easier.

Strategy

W.E.B's strategy, which was decided on in 2018 to reinforce our growth targets, was approved at the Supervisory Board's strategy meeting on November 26, 2020. The project pipeline, which has continued to grow despite project postponements due to the pandemic, creates profound growth potential for the medium term.

We will continue to pursue the operating strategy of ensuring the longest possible operation of our power plant portfolio. In electricity marketing, W.E.B implemented initial pilot projects without the use of a subsidy system for renewables.

Annual financial statements for 2020 and proposal for the appropriation of profits

KPMG Niederösterreich GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 2340 Mödling, which was appointed auditor of the financial statements for the fiscal year 2020, audited the annual financial statements for the fiscal year 2020, including the management report and consolidated financial statements for the fiscal year 2020 along with the group management report and issued an unqualified audit opinion on each.

All documents for the financial statements, the proposal for the appropriation of the profits, and all audit reports by the auditor of the financial statements were discussed extensively and in detail by the Audit Committee with the auditor in a meeting on April 22, 2021. Furthermore, the auditor presented a separate report to the Audit Committee pursuant to Article 11 of Regulation (EU) No. 537/2014 in conjunction with Section 92 (4a) No. 2 AktG regarding the audit of the separate financial statements and the consolidated financial statements for the fiscal year 2020. The results of this Audit Committee meeting were reported to the full Supervisory Board, and the proposals required by law were submitted.

The report on the annual financial statements and the consolidated financial statements including the group management report were discussed at the Supervisory Board meeting on April 22, 2021, held in conjunction with the Management Board and the auditor.

The Supervisory Board concurred with the results of the audits by the auditor and the Audit Committee; approved the annual financial statements for the period ended December 31, 2020, submitted by the Management Board; approved the related management report by the Management Board; and voted in favor of the proposal for the appropriation of profits. The annual financial statements are therefore adopted in accordance with Section 96 (4) AktG. The Supervisory Board noted and endorsed the consolidated financial statements including the group management report.

The Supervisory Board therefore agrees with the Management Board's proposal to distribute EUR 7,499,778.00 (EUR 26.00 per share) of the total net retained profit of EUR 9,379,254.01 and to carry the remaining amount of EUR 1,879,476.01 forward to new account.

Audit of the annual financial statements for 2021

A proposal by the Audit Committee proposing the election of the auditor of the separate and consolidated financial statements for the fiscal year 2021 was prepared for the 22nd Annual General Meeting. Ernst & Young Wirtschaftsprüfungsgesellschaft m. b. H., Wagramer Strasse 19, IZD-Tower (Postfach 89), 1220 Vienna, is proposed as auditor of the separate and consolidated financial statements for the fiscal year 2021 (January 1 to December 31, 2021).

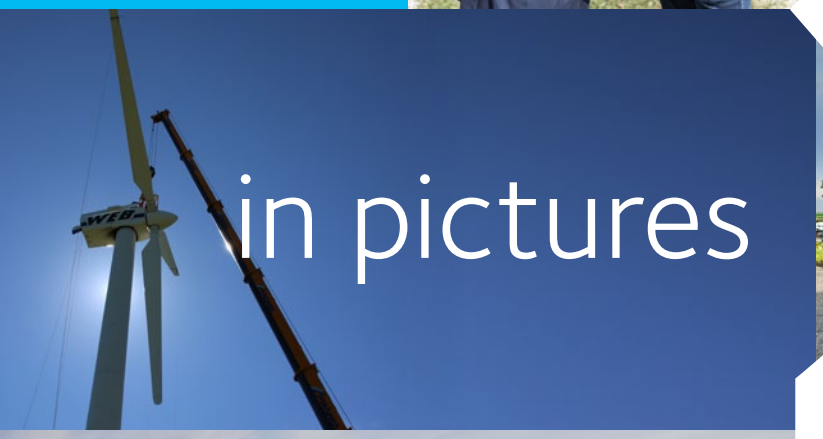
Thanks

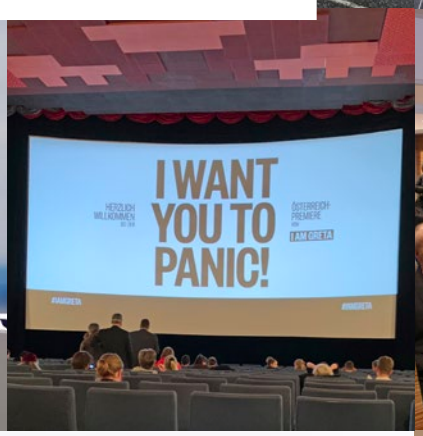
Finally, on behalf of the Supervisory Board I would like to express my gratitude to the entire Management Board, the managing directors of the Group companies, and all of our employees and to acknowledge their successful efforts in the past fiscal year 2020. A heartfelt thanks for your dedication and commitment in the difficult times we are currently experiencing due to the COVID-19 pandemic. My gratitude also goes out to our loyal customers, our joint venture and business partners in Austria and abroad, and our shareholders and bond buyers for the confidence they have demonstrated in W.E.B.

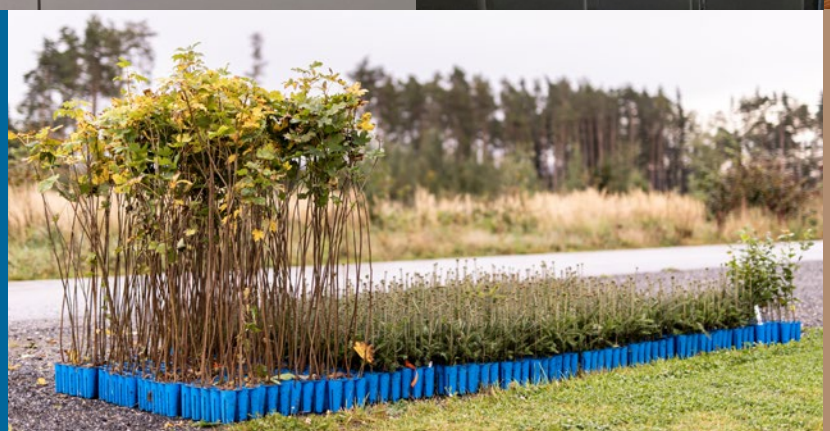
On behalf of the Supervisory Board

Mag. Josef Schweighofer
Chairman of the Supervisory Board
Pfaffenschlag, April 2021

in pictures 20







20 in figures

Group management report
for the fiscal year 2020

Contents

1. General

Headquartered at Davidstrasse 1 in 3834 Pfaffenschlag, Lower Austria, and registered at the Regional Court of Krems an der Donau (FN 184649v), WEB Windenergie AG (W.E.B) is a company engaged in project development and the operation of renewable energy power plants. This includes projects and installations in the wind power, solar power, and hydropower segments. We operate both in Austria and internationally—mainly in Germany, the Czech Republic, Italy, France, Slovakia, Canada, and the USA. Our international profile and the technological diversity of our projects form the basis for successfully overcoming the challenges of delivering a sustainable energy supply. This task is becoming increasingly important, not only from an ecological perspective, but also in light of the increase in demand for energy from renewable sources and the dwindling supply of fossil fuel resources. We are also increasingly engaged in the marketing of electricity generated from renewable sources.

WEB Windenergie AG, Pfaffenschlag, is the parent company. For details on the companies included in the consolidated financial statements, please see the notes to the consolidated financial statements.

Please see section 9.1 of the notes to the consolidated financial statements for changes in the basis of consolidation.

1.1 Branch offices

WEB Windenergie AG has no branch offices.

2. Political and regulatory framework

Despite COVID-19, initial projections show that the use of renewable energy sources to generate electricity increased by 7% in 2020. The large driving forces of China and the USA in particular will lead to an increase of close to 4% in installed capacity and 200 GW in total. The renewable energy industry rapidly adjusted to the challenges presented by COVID-19. Interruptions in supply chains and construction delays led to a slowdown in projects in the first few months of 2020 – however, this problem was quickly resolved (Source: IEA – Report Renewables 2020, https://www.iea.org/reports/renewables-2020 02/20/2021).

2.1 General regulatory framework in the EU and in Austria

On the basis of its climate and energy strategy published in 2014, the EU further developed its strategies in recent years. Adding critical momentum to this, the COP 21 climate conference took place in Paris in 2015, and a follow-up treaty to the Kyoto Protocol was adopted. The agreement stipulated a binding target of reducing greenhouse gases in the EU by at least 40% by 2030 compared to 1990 and increasing the share of renewable energy to at least 27% in the same period. The EU also agreed on an indicative energy efficiency target of at least 27% energy savings by 2030 compared to 1990 levels. In order to set the strategic course as defined by the Paris climate agreement, the European Commission presented its proposals, among other things, in the Clean Energy Package in 2016 and 2017 and in the Clean Mobility Package in 2017. A decision was taken at an EU summit at the end of 2020 to further increase the climate

targets. This includes reducing greenhouse gas emissions by at least 55% below 1990 levels. Sufficient funds will be made available to secure funding of these targets.

The European Commission hopes that these measures will lead to the better integration of the European electricity markets and will make them fit for a future with a growing share of volatile renewable energy sources throughout Europe. Furthermore, the measures will reinforce the rights and options of the consumer in the electricity markets.

Clean Energy Package

The EU legislative package (Clean Energy Package), together with legislative acts in the climate realm and in the gas sector, creates the framework for implementing the energy union and the European climate and energy targets by 2030. The legislative package comprises four directives and four regulations (focused on redesigning European legislation on the internal electricity market, governance of the energy union, renewable energy, energy efficiency, buildings, and mobility). Some of these took effect at the end of 2018, others in mid-2019. Most of the directives have yet to be transposed into national regulations.

The European Commission's main concern is achieving the energy efficiency target. Utilities are therefore also required to encourage their customers to save energy. Energy efficiency should also become an essential criterion for the authorization of new generation capacity. Furthermore, the aim is to create an integrated pan-European energy market with the corresponding infrastructure and to maintain and expand Europe's technology leadership, for instance in the areas of energy storage and smart grids.

The Renewable Energy Directive, Directive (EU) 2018/2001, (RED II) is expected to increase the share of renewable energies in the EU to 32% of energy consumption by 2030. This should be achieved by setting EU-wide targets for renewable energies, streamlining administrative authorization procedures, guaranteeing the stability of financial support and reinforcing consumers' rights. Under the European Union's energy and climate package approved in December 2008, Austria is required to increase the share of renewable energy sources to 34% of gross final energy consumption by 2020 and, at the same time, reduce its greenhouse gas emissions in sectors that are exempt from emissions trading by at least 16% by 2020 compared to 2005 levels.

In December 2019, the European Commission presented its Green Deal clearly defining, among other things, the goal of a climate-neutral Europe by 2050. In order to achieve this, it is important that the energy sector be decarbonized, and renewable energy sources play a key role here. Various instruments of CO_2 pricing support this transformation.

The USA returns to the climate agreement

The election of Joe Biden as president has brought climate action back on the political agenda in the USA. Only one day after taking office, Biden signed the executive order to return the USA to the climate agreement, which entered into force on February 19, 2021. John Kerry was appointed special climate envoy on November 23, 2020. It can be assumed that further specific measures will soon follow.

Societal forces like the Fridays for Future movement also contribute to further policy changes. However, COVID-19 has diverted the focus to other topics.

The new Austrian National Council formed after legislative elections in 2019 also defined ambitious targets in its government program and aims to take a pioneering role in mitigating climate change. Based on these targets, 100% of Austria's electricity is to come from renewable sources by the year 2030; by 2040, the country is expected to be completely climate neutral. The government intends to breathe life into this program as quickly as possible through the newly formed Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation, and Technology. The first draft bills on greening the tax system have been presented. In the fall of 2020, the draft of the Renewable Energy Expansion Act (Erneuerbaren-Ausbau-Gesetz, EAG) was submitted for assessment. Numerous comments were filed by the end of the review period on October 28, 2020 and the act is expected to come into force during 2021.

2.2 Regulatory framework for pricing

The EU guidelines on state aid for environmental protection and energy came into effect on July 1, 2014. These rules aim to integrate renewable energy sources into the electricity market and to limit government aid to the absolute minimum. In light of this, tendering processes are expected to gradually replace subsidized feed-in tariffs with support granted in the form of a market premium as a general rule. The EAG should therefore include these regulations.

The subsidy regulations must be structured in such a way as to allow a market-oriented integration of renewable energies in the electricity market.

Based on a decision by the German Federal Network Agency (Bundesnetzagentur) and the European Union Agency for the Cooperation of Energy Regulators (ACER), the joint electricity market of Austria and Germany was split as of October 2018. This measure was intended to ease grid congestion arising due to the physical capacity of the existing lines, therefore limiting trading of primarily German wind power to the southern regions, which flowed mainly through the Czech Republic and Poland, putting the grid there under enormous strain.

In the first year after the zones were separated, wholesale power prices in Austria were EUR 3.3/MWh higher on average than in Germany, thus benefiting Austrian generators accordingly (to the disadvantage of Austrian consumers).

2.3 Country-specific conditions

The 2012 Austrian Green Electricity Act (Ökostromgesetz, ÖSG), amended in 2017, applies in **Austria**; in addition, the 2018 Green Electricity Feed-in Tariff Regulation (Ökostrom-Einspeisetarifverordnung) was passed on December 22, 2017. This Regulation sets the tariff for wind power plants at 8.20 cents/kWh upon completed application to the green energy clearing and settlement agency (Ökostromabwicklungsstelle, OeMAG) and a contract concluded in 2018, and at 8.12 cents/kWh upon completed application and contract concluded in 2019.

An amendment to ÖSG 2012 passed in the fall of 2019 (Federal Law Gazette I [BGBl] 97/2019) allowed funds for 2021 and 2022 to be released early so that the backlog extending back to 2016 could be processed at the tariff applicable for 2019. This represents a reduction for those projects in the backlog with applications for award of the subsidized tariff which were submitted prior to 2019. According to calculations by the industry association IG Windkraft, funding agreements could be concluded for around

200 previously approved wind power plants with a capacity of 600 MW and these plants could subsequently be constructed.

Since no additional special funds were provided for processing this backlog of projects, but rather existing planned funding was released early, as things stand today, virtually no funds will be available to projects approved in 2020 and 2021. A new basis will therefore need to be created for newer projects by adopting the EAG or another legal regulation on compensation for green electricity.

With the Renewable Energy Act (Erneuerbare-Energien-Gesetz, EEG 2021) **Germany** provides a predictable framework for the expansion of wind projects. The reference yield model also safeguards the profitability of plants at less attractive locations, by creating comparable competitive conditions for different sites using an auction process and avoiding over-subsidization of wind power plants at good locations. Section 36h of EEG 2021 sets forth a single-level reference yield model. According to this model, the value of the feed-in tariff to be applied depending on the quality factor of the site increases or decreases by an amount calculated using a correction factor. A higher correction factor is used for locations with less wind, so that the value to be applied rises for these sites. Accordingly, the value to be applied decreases for locations with more wind, since a lower correction factor is used for these. The payment entitlement calculated using this method applies for the entire funding period.

The currently planned course for expanding onshore wind power provided for an annual gross addition of 2,800 MW from 2017 to 2019. It includes a set addition of 2,900 MW per annum from 2020 onwards. The gross addition includes all new plants, even if these replace older plants at the end of their life cycle. The funding period still generally runs for 20 years after commissioning.

In the **Czech Republic**, there is currently no feed-in tariff for new projects. Most project applications have therefore been withdrawn from the market. Existing plants are subsidized using an award system according to which, in addition to the electricity revenue generated in the market, a fixed premium ("green bonus") is granted based on the technology and the year of commissioning. A tendering system is planned for wind power in the future, although the precise details are still unknown.

A tendering process for green electricity subsidies has been in place for new projects in **Italy** for a long time. The tendering process was subject to new regulations by decree in June 2019 to cover future years. A technology-neutral tender for 5,500 MW is planned through the fall of 2021 in a total of seven auctions. Prices ranging from EUR 70/MWh to EUR 21/MWh can be bid in the auctions; the tendered contracts have terms of 20 years each. The technology-neutral tender now places wind power in direct competition with solar power in Italy; however, this only applies to solar power plants on specific ground-mounted facilities (such as landfill sites).

In Italy, the tendered capacities (in MW) are not reached completely on a regular basis, so that prices in the tendering process in 2020 were at the upper end of the planned range.

Although **France** is already one of the largest wind power countries in Europe, there is still considerable potential for further projects here in view of the country's size. Renewable energy is subsidized through feed-in tariffs and tax benefits. An auction process was also introduced in France for this in 2017.

Feed-in arrangements with fixed tariffs similar to those in the European incentive system apply to existing plants in several provinces of **Canada**. All provinces will gradually transition to tendering processes, how-

ever, some of which are similar to the models chosen in the EU. Because of the resulting predictability and profitability of new projects, this continues to be an attractive market for us.

In the **USA**, expansion targets for renewable energy defined at the level of the individual states also allow for constant growth in the years to come. We are focused primarily on the Northeastern states (Maine, New York, Massachusetts, and Virginia). Here we sell the electricity generated under long-term power purchase agreements (PPA), both in tendering processes and by entering into delivery contracts with consumers.

3. Energy market and economic environment

3.1 Climate impacts on generation conditions

COVID-19 clearly cast a shadow over 2020. Government-imposed lockdowns generated considerable uncertainty at the end of the first quarter of 2020. Even the service providers and wind power operators were up against new conditions, which, however, they very soon learned to cope with. Thankfully, the direct and indirect impact the pandemic had on renewable energy was manageable and W.E.B succeeded in generating stable and constant green energy in this difficult year too.

The two halves of 2020 differed in terms of the weather; while output from wind farms was noticeably above average in the first half of the year, the second half clearly fell short of expectations. Ultimately, the output results came close to concluding the year on target (–1.46%). Notwithstanding this, a new output high of 1,302,135 MWh was reached in W.E.B's history, thanks to the stable power plant operations and the newly commissioned solar power and wind farm projects, even in the pandemic year.

In terms of climate, 2020 set a sorry record: it was the warmest year on record in Europe and was just as warm on a global scale as the previous record year of 2016. As the warmest decade on record comes to a close, it is becoming all the more important to swiftly intensify the measures for combatting the climate crisis even further.

3.2 Electricity price performance

Following the downside trend in 2019 and electricity price collapse due to COVID-19 in the first quarter of 2020, an upswing set in for the rest of the year. The electricity price on the Leipzig electricity exchange relevant for W.E.B in its core markets of Austria and Germany, Phelix-DE Baseload Year Future, rose from around EUR 42/MWh to about EUR 48/MWh, an increase of around 14%. Since the joint electricity price zone with Germany was split in October 2018, electricity prices in Austria have been slightly higher than those in Germany.

The W.E.B Group sells most of its electricity generation for guaranteed electricity prices, since the subsidized feed-in tariffs for the power plants are valid for 13 (Austria) and up to 25 years (Canada, among others). After the subsidized period has expired, we sell our electricity ourselves. This concerns just short of 18% of the total output at Group level at year-end 2020 and represents 59% of WEB Windenergie AG's output. The electricity prices that can be achieved for this volume depend on the prices on the electricity exchange and are roughly equivalent to base load prices.

Electricity price trend 2010–2020

Base load (EUR/MWh)

Wholesale electricity price trend in EUR/MWh by monthly average—Phelix Base Year Future 2010–2020 (EEX)

Source: European Energy Exchange AG

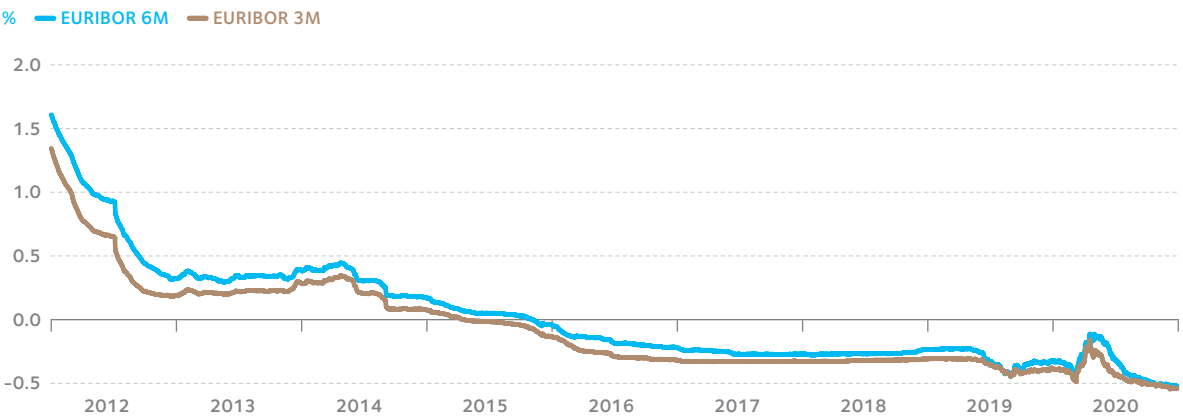
3.3 Financial markets—interest rate level

Throughout 2020, both the 3-month and 6-month EURIBOR rates were significantly below 0% and thus remained at a historically low level. The reference interest rates were closer to the 0% mark at the end of the first quarter and start of the second quarter of 2020, before straying further from it for the rest of the year. We took advantage of this level of interest rates once again to enter into long-term power plant financing agreements at favorable terms.

Because the costs for building and financing the power plants represent such a significant component of the cost of generation, a low interest cost also means low generation costs. The current interest rate level also made it possible for us to participate in tenders with low bids.

Following completion of power plant construction, the plant is financed for the long term at fixed rates. As a result, changes in the interest rate level mainly impact W.E.B in terms of financing new power plants, while the interest rates for financing existing power plants are hardly impacted by interest rate changes.

Development of reference interest rates



Development of 3M and 6M EURIBOR

Source: Graph based on data from Deutsche Bundesbank

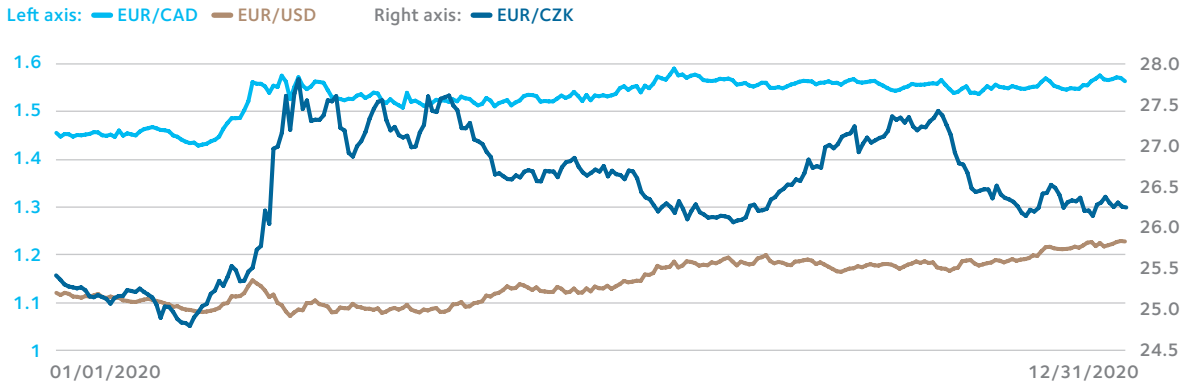
3.4 Exchange rate trend

The euro gained in value against the Canadian dollar in 2020. While one euro was worth around CAD 1.46 at the beginning of the year, the exchange rate had risen to around CAD 1.56 by the end of the year. The second North American currency of relevance for us, the US dollar, rose from USD 1.12 at the start of the year to USD 1.22 at year-end.

Because we finance the power plants in North America in local currency, changes in the exchange rates only impact the equity portion of the investments in the power plants. This is generally between 20% and 25%. We have not entered into exchange rate hedging transactions for these shares in equity since we assume that the EUR/CAD and EUR/USD exchange rates will remain stable in the long term.

The exchange rate of the Czech koruna to the euro rose from CZK 25.4 at the beginning of 2020 to CZK 26.2 at the end of the year.

Exchange rate trend



Relevant currency exchange rates

Source: European Central Bank (ECB)

4. Business performance

4.1 Electricity generation

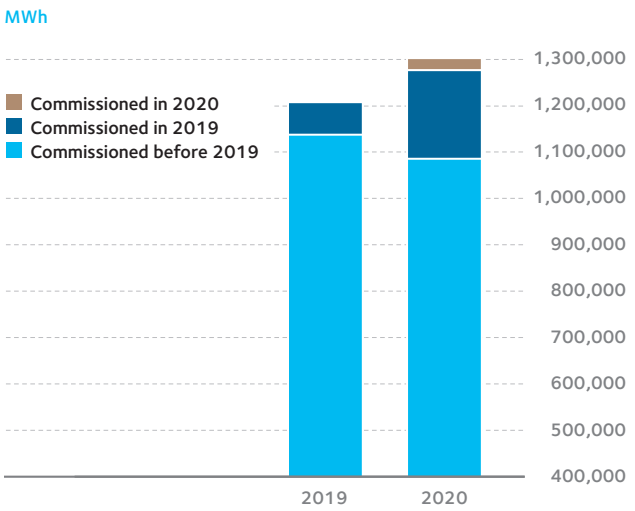
	2020		2019	
	Capacity	Output	Capacity	Output
	kW	MWh	kW	MWh
Austria	230,872	495,615	230,068	560,335
Germany	99,722	218,521	99,722	195,929
France	102,800	262,109	84,800	214,679
Czech Republic	9,080	14,579	9,080	16,180
Italy	32,064	56,692	32,064	38,360
Canada	39,831	223,892	39,831	158,070
USA	9,075	30,727	9,075	31,703
Total	**523,444**	**1,302,135**	**504,640**	**1,215,256**

Capacity based on W.E.B shares as of year-end.

Only the output of equity interests with a 50% or higher share is fully attributed to the W.E.B Group. Output data does not include nonconsolidated equity interests. We disclose capacity based on our ownership interest. This means that even those plants in which we hold an interest of less than 50% are included.

In order to show the effects of output fluctuations of existing plants on overall output, the chart here differentiates between existing power plants and newly commissioned power plants.

Annual output



4.2 Generation conditions, availability, and maintenance

The first half of 2020 was windy and thus laid the foundation for the overall good output results. While expectations were roughly met in summer, fall and winter remained well below the budgeted figures. Furthermore, output in Austria was hampered by icing of the rotor blades at the beginning and end of the year.

Based on the overall portfolio for 2020, the output increased by 7.2% (previous year: +2.9%). Besides the wind conditions and stable power plant operations, this was supported by a newly commissioned wind farm in France as well as five smaller to medium-sized solar power plants in Austria.

Viewed by country, the output of the Austrian power plant portfolio was 7.2% lower than forecast in 2020. The portfolios in Germany, the Czech Republic, and Italy also failed to reach budgeted output (–2.9%, –3.6%, and –17.6%). The results were up in France, Canada, and the USA (+10.34%, +6.2%, and +2.8%).

Compared to the long-term average, output conditions for our wind power plants in 2020 proved to be slightly below average (–1.46%). The solar power segment remained below target (–2.7%). Drought and the necessary remedial measures had negative consequences for the output figures of the hydropower plants (–7.4%).

In regard to newly commissioned plants, activity in 2020 was moderate. A new wind farm was put into operation in the wind power segment: Tortefontaine in France (5 × V126, 3.6 MW each). There were five newly commissioned solar power farms in the solar power segment: PV Litschau (112 kW_p), PV Goldbeck (100 kW_p), PV Wieselburg (65 kW_p), PV Pfaffenschlag IV (499 kW_p), and PV Laa IX (70% share of 1.254 kW_p). One disposal was also made: the Parndorf (V52, 850 kW) wind power plant was sold as of January 1, 2020.

4.2.1 Electricity labeling

Of the 77,609,284 kWh volume supplied by W.E.B in 2020, 87.71% was generated from wind power, 9.27% from hydropower, and 3.02% from solar energy. In 2020, the supply mix of WEB Windenergie AG had an environmental impact amounting to 0.0 g/kWh of CO_2 emissions and 0 mg/kWh of radioactive waste.

Electricity labeling of W.E.B green electricity

Electricity labeling for the period from 1/1/2020 to 12/31/2020 in accordance with Section 78 (1) and (2) of the Austrian Electricity Industry and Organization Act of 2010 (Elektrizitätswirtschafts- und organisationsgesetz, ElWOG) and in accordance with the Austrian Electricity Labeling Regulation of 2011 (Stromkennzeichnungsverordnung, StromkennzeichnungsVO)

Supply mix (%)	Energy sources
87.71%	Wind power
9.27%	Hydropower
3.02%	Solar energy
100.00%	Total

Environmental impact

Waste from generating W.E.B green electricity

0.0 mg/kWh of radioactive waste
0.0 g/kWh of greenhouse gas carbon dioxide (CO_2 emissions)

Energy saving tips can be found at: **https://www.e-control.at/en/konsumenten/energie-sparen/energiespartipps**

You can find energy consulting services at: **https://www.e-control.at/en/web/guest/konsumenten/service-und-beratung**

4.3 Electricity sales

The electricity generated by W.E.B is sold through electricity traders, power utilities, and national renewable energy settlement agencies, while non-subsidized generation is also sold directly to business and residential customers.

All W.E.B wind power and photovoltaic installations were originally constructed on the basis of long-term subsidized tariffs. For some of these plants, however, these fixed tariffs have already expired.

	2020		2019	
	MWh	%	MWh	%
Electricity output	1,302,135	100	1,215,256	100
of which subsidized	1,090,069	84	1,000,203	82
of which non-subsidized	212,065	16	215,053	18

Supplementing the sales on the corresponding markets, W.E.B began selling to electricity traders and utilities in Germany in 2011, and to consumers in 2020. In Austria, W.E.B has also sold electricity directly to residential and business customers since 2013.

In Austria, W.E.B offers six tariff models for residential customers and four models for business customers, including one tariff bearing the Austrian Ecolabel UZ46.

In addition, W.E.B provides its customers with the opportunity to sell excess electricity from their personal photovoltaic installations back to W.E.B as "solar power suppliers". A small share of Austrian electricity sales also takes place through the electric vehicle charging network of subsidiary ella GmbH & Co KG.

Overall, W.E.B sold 77,609 MWh of electricity via direct sales in Austria in 2020.

4.4 Financial performance

W.E.B's profit after tax in 2020 was down 6.1% on the prior-year figure. This is primarily attributable to higher expenses compared with the previous year.

Consolidated income statement	**2020**	**2019**
EUR k		
Revenue	**106,169.1**	**104,159.0**
Other operating income	2,808.8	3,187.1
Gross operating revenue	**108,977.9**	**107,346.1**
Cost of materials and purchased services	–3,854.5	–3,682.8
Personnel expenses	–12,677.1	–11,789.3
Depreciation, amortization, and impairment losses	–40,439.7	–37,996.4
Other operating expenses	–23,389.1	–21,649.1
Subtotal	–80,360.4	–75,117.6
Operating profit	**28,617.5**	**32,228.5**
Net finance costs	**–8,634.8**	**–10,414.5**
Profit before tax	**19,982.7**	**21,814.0**
Taxes on income	–4,470.6	–5,300.3
Profit after tax	**15,512.1**	**16,513.8**

4.4.1 Revenue

In 2020, revenue was 1.9% above the level of the previous year (EUR 104.2 million). The minimal increase was mainly due to moderate wind volumes compared with the previous year.

Viewed by category, revenue breaks down as follows:

Revenue broken down by category	**2020**	**2019**	**+/–%**
EUR k			
Wind	95,117.6	94,050.7	1.1
Solar	6,032.2	6,294.0	–4.2
Hydro	262.3	131.2	99.9
Proceeds from the sale of electricity directly to consumers and from electricity distribution	4,716.5	3,683.0	28.1
Rental income	40.5	0.0	
Total	**106,169.1**	**104,159.0**	**21.8**

Revenue broken down by country	2020	2019	+/– %
EUR k			
Austria	38,050.1	44,165.7	–13.8
Germany	17,236.9	16,338.1	5.5
Italy	7,286.8	6,334.9	15.0
Czech Republic	2,545.6	2,731.7	–6.8
France	22,204.4	18,506.8	20.0
Canada	15,841.0	12,936.4	22.5
USA	3,004.3	3,145.4	–4.5
Total	**106,169.1**	**104,159.0**	**1.9**

4.4.2 Other operating income

Other operating income fell by 11.9% to EUR 2,808.8 thousand in 2020. In particular, it includes income from the reversal of provisions, income from insurance compensation, and income from construction management.

4.4.3 Cost of materials and purchased services

This item includes expenses for electricity purchases, grid loss fees, and grid usage fees (EUR 3,617.3 thousand, previous year: EUR 3,618.3 thousand) as well as the cost of materials. In total, the item rose by 4.7% to EUR 3,854.5 thousand as a result of the higher cost of sales.

4.4.4 Personnel expenses

Compared with 2019, personnel expenses increased by 7.5% in 2020 to reach EUR 12,677.1 thousand. This increase is primarily attributable to the higher number of employees due to international expansion and the further internationalization of services.

4.4.5 Other operating expenses

Other operating expenses rose by 8.0% to EUR 23,389.1 thousand in 2020. The increase is mainly attributable to the advance payment for the withdrawal from the subsidized tariff for the Ariano project in Italy, to allow participation in a tender again.

4.4.6 Net finance costs

Interest expenses in the reporting period were above the level of the previous year, which was mainly attributable to the increase in financial liabilities. In total, net finance costs amounted to EUR –8,634.8 thousand (previous year: EUR –10,414.4 thousand). The profit from interests accounted for using the equity method had a positive effect overall.

4.4.7 Dividend

Distribution of a dividend of EUR 10.00 per share for the fiscal year 2019 was resolved at the Annual General Meeting held on Friday, September 18, 2020 (a total of EUR 2,884.5 thousand). This amount was paid out on September 22, 2020. In accordance with the terms of the hybrid bonds issued in 2014, 2015,

2016, 2018, and 2019, partial repayments of EUR 443.8 thousand, EUR 672.7 thousand, EUR 634.9 thousand, EUR 999.9 thousand, and EUR 965.9 thousand, as well as interest payments of EUR 144.2 thousand, EUR 262.4 thousand, EUR 277.8 thousand, EUR 405.0 thousand, and EUR 434.7 thousand, were made as a result of this dividend distribution.

4.5 Assets and liabilities

	12/31/2020		12/31/2019	
	EUR k	%	EUR k	%
Noncurrent assets	548,924.4	90	552,090.6	88
Current assets	61,386.0	10	75,399.0	12
Total assets	**610,310.4**	**100**	**627,489.6**	**100**
Equity	150,033.6	25	150,284.0	24
Noncurrent liabilities	389,061.1	64	416,220.0	66
Current liabilities	71,215.7	11	60,985.6	10
Total liabilities	**610,310.4**	**100**	**627,489.6**	**100**

The decline in noncurrent assets is primarily due to the repayment of loans issued to noncontrolling interests in Canada and to the repayment of a credit reserve account. The scheduled repayments of financial liabilities and of bonds led to a reduction in liabilities.

Investments	2020	2019
EUR k		
Capital expenditure for intangible assets	1,659.1	3,119.5
Capital expenditure for property, plant, and equipment	42,395.3	75,355.2
Total	**44,054.4**	**78,474.7**

The main investments in the fiscal year 2020 concern power plants under construction in Austria, Italy, France, and the USA.

4.6 Financial position

4.6.1 Cash flow

	2020	2019
EUR k		
Cash flow from operating activities	68,467.9	64,078.3
Cash flow from investing activities	–39,234.3	–61,021.3
Cash flow from financing activities	–35,094.5	10,030.2
Total cash flow	**–5,860.9**	**13,087.1**

Cash flow from operating activities amounted to EUR 68,467.9 thousand in the 2020 reporting period, up 6.4% on the prior-year figure. The development reflects the stable direction of the operating activities.

Cash flow from investing activities amounted to EUR –39,234.3 thousand (previous year: EUR –61,021.3 thousand). The decline was mainly attributable to lower capital expenditure for property, plant, and equipment compared with the previous year.

Cash flow from financing activities amounted to EUR –35,094.5 thousand in the reporting period (previous year: EUR 10,030.2 thousand). This amount includes dividend payments for the fiscal year 2019 made to the shareholders of WEB Windenergie AG and to noncontrolling interests, as well as scheduled repayments of financial liabilities. The previous year's figure also included proceeds from the issuance of bonds.

4.6.2 Key performance indicators

	2020	2019
Revenue (EUR k)	106,169.1	104,159.0
Profit before interest and taxes (EUR k)	32,993.2	34,414.2
Return on sales	31.1%	33.0%
Return on equity	10.3%	11.4%
Return on investment	5.3%	5.8%
Net debt (EUR k)	395,340.5	403,578.6
Net gearing	263.5%	268.5%
Working capital (EUR k)	–9,829.7	14,413.5
Repayment period (years)	5.7	5.7
Equity ratio	24.6%	24.0%

Return on sales represents the ratio of profit before interest and taxes, which is comprised of the profit before tax plus interest expenses to revenue generated, and it shows a company's profitability from operations independent of interest expenses and taxes. The decline from 33.0% in 2019 to 31.1% in 2020 is attributable to the increase in profit before interest and taxes in 2020.

Return on equity represents the ratio of net income for the year to the capital employed. It indicates the interest yield on the capital provided by the equity investors after deducting the income tax within a period. In 2020, we were able to generate a return on equity of 10.3% for our owners.

Return on investment represents the ratio of profit before interest and taxes to the average total capital employed, and it indicates the interest yield of the total capital employed within a period. At 5.3%, this indicator declined slightly in 2020 compared with the previous year.

Net gearing is the ratio of net debt, determined as interest-bearing debt less cash and cash equivalents, to a company's equity. This makes it a key indicator for assessing a company's ability to withstand a crisis. Because of the sharper decline in net debt than in equity in 2020, the gearing ratio at 263.5% is slightly lower than in the previous year.

Calculated by subtracting current liabilities from current assets, working capital shows a negative value in the reporting period, thus showing non maturity-matched financing as of the reporting date.

The repayment period, which is unchanged at 5.7 years compared with the previous year, is determined by the ratio of net debt to operating profit plus depreciation, amortization, and impairment losses.

At 24.6%, the equity ratio, or the ratio of equity to total capital, is slightly higher than the 2019 value (24.0%), since total capital fell more rapidly than equity due to the scheduled repayments of financial liabilities and of bonds in 2020.

4.7 Financing

In the fiscal year 2020, we took out long-term loans to finance capital expenditures in the Pfaffenschlag IV and Laa IX solar farms in Austria, and in the Tortefontaine wind farm and substation in France.

4.7.1 Financing strategy

When making investment decisions, we always consider our current liquidity situation and our further liquidity planning. We finance our investments by means of long-term loans as well as by issuing bonds and hybrid bonds. Both the bonds and the hybrid bonds carry fixed interest rates, while the loans to finance our power plants carry both fixed and variable interest rates. Interest rate swaps have been entered into for around 69% (previous year: 73%) of the existing variable rate financial liabilities. Accordingly, around 90% (previous year: 90%) of loan liabilities are hedged with a fixed interest rate as of December 31, 2020. An increase in the interest rate of 1 percentage point would cause a negative impact to profit of EUR 368.3 thousand (previous year: EUR 348.3 thousand) per year.

4.7.2 Repayment structure

We repaid EUR 45,311.4 thousand of long-term loans in the fiscal year 2020. A total of EUR 41,123.2 thousand will become due in 2021. A total of EUR 140,733.3 thousand is scheduled to be repaid from 2022 to 2025.

5. Non-financial report

5.1 Employees

Our employees are a key resource for us as a continually growing business. Their hard work and expertise are critical contributors to the success of our Company.

The number of employees increased once again in the reporting period.

This can be attributed to the positive framework for renewable energy in France and Italy, among other things. The proportion of women also increased by 1.1 percentage points and now stands at a total of 39.5%.

Employees by country and gender

	12/31/2020	12/31/2019
Austria (WEB Windenergie AG)	**128**	**125**
of which men	75	74
of which women	53	51
Germany	**14**	**12**
of which men	10	8
of which women	4	4
Canada	**11**	**11**
of which men	8	8
of which women	3	3
France	**13**	**13**
of which men	8	9
of which women	5	4
Italy	**8**	**7**
of which men	4	4
of which women	4	3
Czech Republic	**2**	**2**
of which men	1	1
of which women	1	1
USA	**1**	**2**
of which men	1	2
of which women	0	0
Total	**177**	**172**
of which men	107	106
of which women	70	66
Percentage of women	39.5%	38.4%

Employees by age

	12/31/2020	12/31/2019
under 20	2	2
21–30 years	45	51
31–40 years	66	60
41–50 years	40	42
51–60 years	22	15
over 60	2	2
Total	**177**	**172**
Average age	37.5	36.3

The number of part-time employees has fallen slightly compared with the previous year. The main reason for part-time employment is the return of employees previously on family leave, some of whom are taking advantage of flexible working hours and others are preparing to return to full-time work.

Employees by employment type and gender

	12/31/2020	12/31/2019
Full time	143	136
of which men	103	101
of which women	40	35
Part time	34	36
of which men	4	5
of which women	30	31
Total	**177**	**172**

The percentage of employees with temporary employment contracts fell marginally in 2020 compared with 2019.

Employees by type of employment contract (permanent versus temporary) and gender

	12/31/2020	12/31/2019
Permanent	**173**	**170**
of which men	106	105
of which women	67	65
Temporary	**4**	**2**
of which men	1	1
of which women	3	1
Total	**177**	**172**

In keeping with the growth of our Company, we also invested continually in the training and continuing education of our employees throughout the reporting period. Per-capita direct training expenses amounted to EUR 897 in the reporting period (previous year: EUR 1,163).

Reciprocal feedback between supervisors and employees as part of the annual performance reviews remains a key element of our Company. Defining targets and agreeing on opportunities for advancement are just as important. To achieve this, our managers also receive professional input within the framework of our Leadership Cafés, which were launched in 2019.

The employee survey has been part of our Company since 2012 and was conducted on the basis of the Great Place to Work® concept for the second time in 2020. The action areas developed on this basis were determined last year within the Empower & Engage initiative and represent a key component for increasing employee satisfaction. The efforts undertaken by WEB Windenergie AG were rewarded with the Great Place to Work® certification.

The W.E.B Rose Program (W.E.B-Rosenprogramm) provides voluntary activities including programs such as Fruit for Employees, and organized luncheons, thereby creating a pleasant work atmosphere.

5.2 Social responsibility

Over the course of its corporate history, W.E.B has evolved from a community participation movement into an international company with broad community participation, making a deliberate choice to keep its headquarters in the Waldviertel region. The locations of our power plants are also primarily in rural areas. So, in a special way, we consider ourselves to have shared responsibility for the development of the regions in which our sites are located and for the awareness among the general public of the role renewable energy plays in society.

In all of our markets we therefore support initiatives and activities in those regions that contribute to a thriving life together and to the quality of life in the communities. In line with this, W.E.B has also increased its commitment to sponsoring local sports and cultural associations.

As a significant employer in the northern part of the Waldviertel region, we support cultural initiatives in this area that aspire to connect urban and rural life.

In pre-registered tours offered by W.E.B, guests have the opportunity to familiarize themselves with the enormous potential and influential significance of wind and solar energy (“Austria 2040” lighthouse project). Schools from the region frequently take advantage of this for field trips. Because of the pandemic, this was possible only in the first few months of 2020.

We also hold an open house at our corporate headquarters every two to three years; the most recent of these was held in our anniversary year, 2019.

6. Innovation, research, and development

6.1 Technology innovations in generating electricity from wind and solar power

The costs of generating electricity from wind and solar power are now lower than those for fossil and nuclear electricity generation. And there is further potential for efficiency improvements in both of these renewable technologies. In order to make further progress in this area, W.E.B focused R&D efforts in the reporting period on more efficient photovoltaic systems and on the combination of wind and solar power at a shared grid interconnection point (hybrid projects).

At our headquarters in Pfaffenschlag, we installed a pilot plant featuring a refined east-west ground mounting structure (PEG) and verified the resulting efficiency gains. The wider generation panels combined with a simplified mounting system and higher electricity output per square meter confirmed our approach. Based on the success of this plant, we want to install even larger ground-mount systems with PEG systems.

Our second focus in innovation was on the optimal design of hybrid systems combining wind and solar power generation at a single metering point. Here, our goal was to provide computational proof of better grid capacity utilization. Real load profile data from the Waldviertel and Weinviertel regions was used to mathematically simulate plant configurations which, up to an output correlation of 1:1 (1 MW of wind to 1 MWp of solar) with a total grid connection value of 1 MW, required output regulation of no more than 2–3%. Based on the promising results from testing this concept, we intend to plan selected power plant projects using this hybrid approach and realize them on the basis of the Renewable Energy Expansion Act beginning in 2021.

6.2 Forest of the future

For W.E.B, climate action does not end with the generation of clean energy. Our concerns also include the development of our immediate environment. It is obvious that the impact of climate change on the Waldviertel region is particularly acute. The general rise in temperatures and the resulting drought conditions are causing serious damage to the forests that lend this area its name. We have even been forced to clear our own forests due to a bark beetle infestation. In order to ensure that subsequent generations can still come here to experience the forests, we have joined forces with Austrian Federal Forests to create a variety of model forested areas intended to show how the "forest of the future" could look.

6.3 W.E.B headquarters as a lighthouse project for Austria's energy market in 2040

Sector coupling involves the integration of different application areas with electricity generation from renewable energy sources, with the goal of using energy as efficiently as possible and, as far as possible, consuming energy when it is produced. The concept is a key factor for transitioning away from fossil fuels to 100% renewable energy sources.

Every sector (mobility, heating and cooling, residential, crafts and trades, etc.) has different consumption profiles and peaks, and also has different means at its disposal for storing energy and for so-called demand-side management. By combining these, energy consumption can be balanced between the sectors.

In order to verify the relevant elements of sector coupling, we modified our headquarters in Pfaffenschlag in recent years to become a model for sector coupling and introduced this concept to the public in 2019 as part of our anniversary celebrations. The energy comes from 100% carbon-free electricity generated from solar and wind power. An energy management system including peak shaving for the entire campus balances the available energy between consumers, solar power generation, and the connection to the distribution grid. In the charging of electric vehicles, a charging load management system and charging stations equipped with vehicle-to-grid technology also allow electric vehicles to provide electricity to the micro-grid. In addition, a large lithium battery provides energy demand balancing for the entire campus. As regards the concepts for demand-side management, two projects subsidized by the Austrian Research Promotion Agency (FFG) are currently ongoing. The algorithms for managing control and balancing energy in the W.E.B balancing group are supported by internal consumers. A thermal pump provides the energy needed for heating, and the entire campus is kept at a comfortable temperature during the summer months using natural cooling.

6.4 Ice shedding project

In collaboration with the Institute of Safety and Risk Sciences at the University of Natural Resources and Applied Life Sciences, Vienna, we also supported another project subsidized by FFG, this one aimed at developing a tool to simulate ice shedding and ice throw from wind power plants located in alpine, sub-alpine, and forested areas.

7. Opportunity and risk management

7.1 Introduction

We consider opportunity and risk management to be key in managing the Company. The objective of opportunity and risk management is to safeguard the Group's assets, liabilities, financial position, and financial performance, as well as to secure current and future potential for profit and growth and to respond quickly to changing conditions.

As part of a formalized risk management process, decision-makers in the Company discuss the material risk factors each year and assess the probability of their occurrence and their potential impact on the Company's profits.

The identified risks are grouped into categories, and measures to mitigate their impacts are developed and implemented. The objective of these measures is to reduce the possible extent of damage and the probability of occurrence. Risk information and measures are documented centrally and regularly updated.

Last year, the focus of work in this area was on revising and expanding the reporting function and on adjusting the opportunity and risk profile. The profile was extended to include the category improbable/ serious.

7.2 Opportunity and risk profile

Generating electricity from wind power plants and solar power installations depends heavily on weather conditions. Output is subject to strong seasonal and annual fluctuations. Management takes this risk into consideration when selecting project sites. System availability in the grid is another key factor for W.E.B's profitability. The technical availability of the power plants averaged 98.7% in 2020 (previous year: 98.3%). Only early inclusion of all stakeholders, compliance with regulatory conditions, and effective project management can ensure the success of projects. Operation and maintenance of plants used over the course of many years—comprising the significant assets of W.E.B—requires highly qualified employees. In addition to these risks and uncertainties customary for the industry, our Company's risk profile is mainly characterized by political, legal, and regulatory challenges, and changes in the competitive environment.

Existing primary financial instruments include, in particular, equity interests, securities, loans, trade receivables, capital reserve accounts, bank balances, financial liabilities, bonds, and trade payables. The derivative financial instruments existing as of the reporting date are interest rate swaps and foreign currency swaps, and are described in the notes to the financial statements in note (23) Derivative financial instruments.

There were no contingent liabilities as of December 31, 2020.

The amounts reported on the asset side also represent the maximum credit and default risk as of the reporting date.

With the exception of the above-mentioned interest rate swaps and foreign currency swaps (see notes to the financial statements, note (23) Derivative financial instruments), no special hedges/hedging transactions were entered into in the fiscal year 2020.

7.3 Significant opportunities and risks as well as measures

			Effect on profit	
Category	**Description**	**Measures**	**Opportunity**	**Risk**
Liquidity, exchange rates and interest rates				
Capital procurement, liquidity risk	Required liquidity or funding cannot be procured at the expected terms when needed	Centrally managed liquidity planning; continuous information to banks; minimizing liquidity risk by selling energy generated to partially state-owned, private electricity traders with excellent credit ratings, private buyers (e.g., WEB Windenergie AG: 69% (previous year: 85%)); taking out long-term loans for power plants at an early point in time; adherence to agreed financial key performance indicators	x	x
Exchange rate risk	Negative impact from exchange rate fluctuations	Financing in the local currency; monitoring the currency fluctuations	x	x

			Effect on profit	
Category	**Description**	**Measures**	**Opportunity**	**Risk**
Interest rate risk	Change in market interest	Fixed interest rate financing; interest rate hedging	x	x
Deterioration of the banks' market conditions	Dependence on a single bank	Spreading risk by diversifying banks; constant contact with banks; monitoring bank ratings		x
Technical risks				
Data loss due to misappropriation of laptops; data loss due to deletion of data; long-term server outage; virus or malware attack	Data loss; readability for external parties; no data access; data destruction	Active encryption; daily backup to the server; storage at different locations; employee awareness; antivirus software		x
Faulty technology; errors in workmanship of plants	Damage to plants	Highly trained W.E.B service teams for rapid and high-quality repair; risk minimization through long-established experience in operating wind power plants		x
Legal risks				
Permit compliance and legal proceedings	Loss of information; failure to raise issues of possible relevance	Orderly handover from planning phase to operational management		x
Changes to country-specific frameworks	New legal requirements for existing farms; changes to existing laws	Monitoring the markets; early reaction to adjustments		x
Personnel risk				
Behavior that is damaging to the business	Negative economic impacts from damage to corporate image	Targeted personnel development; improvement of process descriptions; targeted communication		x
Staff departures	Loss of knowledge; data transfer	Active off-boarding process; definition of a stand-in role; documentation of key processes; promotion of employee satisfaction		x
Weather and wind				
Wind assessments; extreme weather years	Deviations between expected and actual output	Analysis of meteorological statistics; comparison of projects with existing farms; strategic distribution of production capacity	x	x
Project risk				
Approval and bidder risk of projects	Project risk	Review of projects; identification of main risks	x	x
Project schedules	Project schedules are not adhered to	Monitoring of project schedules; discussing schedules in regular update meetings		x

Category	Description	Measures	Effect on profit: Opportunity	Effect on profit: Risk
Counterparty risk—suppliers				
Dependence on turbine manufacturers	Operation of wind turbines of two main suppliers; if one of these manufacturers were to experience financial difficulties, this could have a negative impact on our claims	Buildup of expertise in trouble-shooting and corrective action; inspections; both companies are internationally operating manufac-turers with significant shares of the global market; advance payments for new turbines; some existing turbines have guarantee/warranty claims and availability guarantees arising from maintenance agree-ments		x
Price risk				
Price risk and political risk	There are tariffs guaranteed for the medium and long term for some of the electricity generated; changes to laws that safeguard tariffs; threat to plant profitability	**Overview of tariff guarantee terms** Tariff guarantee terms / Percentage of planned generation 2020 / 2019 Expired 17.4% 17.8% < 1 year 2.1% 0.4% 1 to 5 years 11.1% 9.4% > 5 years 69.4% 72.4% Direct marketing agreements entered into in Germany allowing transition to subsidized tariff; no tariff: monitoring of the electricity price trend		x
Electricity marketing				
Electricity marketing	Deviations between expected and realized sales prices; purchase of balancing energy necessary	Pricing strategy; improved forecasting	x	x
Improbable/serious				
Pandemic	The spread of an illness across national and/or continental borders causes restrictions in the economy and society; projects cannot be continued and/or constructed; repairs to production facilities are not possible; replacement parts are not available; electricity prices fall; employees are absent from work	Availability of capital reserves to bridge a certain period of time; inclusion of any potential delays in planning projects; continual maintenance of production facilities; replacement parts are in stock; tariffs guaranteed for the medium and long term are in place for most electricity generated; stand-in roles have been defined; work-from-home is possible for the majority of employees		x
Fire in office and storage area	Building destruction due to fire	Fire safety drills; fire detectors, fire alarms		x

7.4 Internal control and risk management system in regard to the financial reporting process

In accordance with Section 267 (3b) in conjunction with Section 243a (2) UGB, the group management report of companies whose shares are admitted to trading on a regulated market is required to describe the most important features of the internal control and risk management system in regard to the group financial reporting process. Since the shares of W.E.B are not admitted to trading on a regulated market, the Company is not required to disclose this information but does so voluntarily.

7.4.1 Organizational framework

The Management Board bears responsibility for developing and implementing the entire internal control system and the risk management system, whose effectiveness is monitored by the Supervisory Board's Audit Committee.

7.4.2 Basic principles of the internal control and risk management system

The financial reporting process is governed by Group-wide guidelines and requirements. The performance, monitoring, and supervision of business transactions are segregated from each other. This ensures that no single employee can act alone in performing all the process steps of a transaction from beginning to end. A review of authorizations is integrated into the technical processing of transactions. Compliance with and the effectiveness of these checks is reviewed on a periodic basis.

The consolidated financial statements are prepared centrally by W.E.B's commercial departments in Pfaffenschlag. W.E.B's closing process is based on standard accounting guidelines which, along with the accounting standards, define the main processes and deadlines throughout the Group. Binding instructions are in place for intra-Group reconciliations and other tasks associated with the closing process. The employees involved in the accounting process fulfill the quality requirements and undergo regular training. The heads of the commercial departments are responsible for compliance with the processes and for the corresponding control measures.

7.4.3 Periodic monitoring

The execution of business processes is monitored periodically. The Management Board provides a comprehensive report to the Supervisory Board on the assets, liabilities, financial position, and financial performance, including both a statement of financial position and an income statement, on a quarterly basis. In addition, a report on the internal control and risk management system (ICS) is submitted annually to the Management Board and the Audit Committee. This report provides the data used to assess the efficiency and effectiveness of the ICS and is intended to ensure the manageability of the ICS by the bodies designated for this purpose.

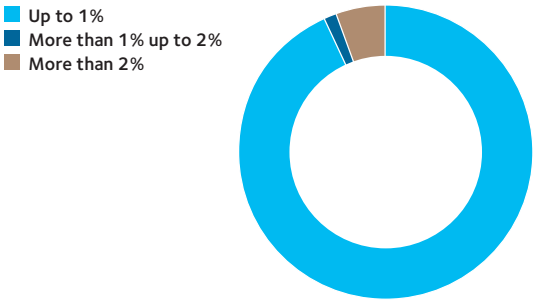
8. Shareholder structure and capital information

in accordance with Section 243a (1) UGB

The share capital of WEB Windenergie AG amounts to EUR 28,845,300.00 (previous year: EUR 28,845,300.00) and comprises 288,453 shares (previous year: 288,453).

The shares are restricted registered shares which are unlisted. In accordance with the Articles of Association, these shares can only be transferred with the Company's approval, which is granted by the Management Board in consultation with the Supervisory Board.

Shareholders by ownership interest



As of December 31, 2020, no shareholder held more than 10% of the Company. The Articles of Association limit the voting rights of shareholders holding more shares in that those rights can only be exercised for a maximum of 10% of the share capital.

In accordance with the Articles of Association of WEB Windenergie AG, the shareholder Windkraftanlagen Errichtungs- und Betriebsgesellschaft m.b.H. (currently: FutureDriving Dangl GmbH), Pfaffenschlag, Austria, is entitled to appoint one member of the Supervisory Board. This right is currently not exercised by the shareholder.

There are no shares with special control rights.

Employees who are also shareholders exercise their voting rights directly themselves at the Annual General Meeting. W.E.B does not have any employee participation programs.

The Management Board comprises one, two, three, or four persons. The Supervisory Board comprises at least four, but no more than nine, elected or appointed members. Apart from the above, there are no other regulations derived directly from law that relate to the members of the Management Board and the Supervisory Board.

Resolutions of the Annual General Meeting are adopted by a simple majority of the votes cast. Resolutions to amend the Articles of Association require a majority of four fifths of votes cast.

There were no authorizations of the Management Board within the meaning of Section 243a (1) No. 7 UGB, particularly regarding the option to issue or buy back shares, in the fiscal year 2020.

The Company is also not involved in any agreements relating to a possible change in control within the meaning of Section 243a (1) No. 8 UGB.

There are no compensation agreements in favor of governing bodies or employees in the event of a public takeover bid.

9. Outlook

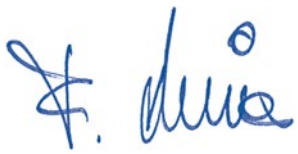
Based on three main pillars of project development, power plant operations, and electricity marketing, W.E.B is consistently implementing its vision of playing a leading role in decentralized energy transition. A foundation of broad community participation is of great importance to us and has been since beginning our activities; we give private individuals and companies an attractive opportunity to participate in the energy transition and consider this to be an essential aspect in implementing our vision.

Defined in 2016, our dividend policy aims at keeping distributions as stable as possible still applies. We pay out a relatively high dividend in less profitable years and a relatively modest one in more profitable years.

In our growth process, we continue to rely on a mix of wind and solar energy as well as on expanding our national and international capacity. The wind farm in Tortefontaine, France, came online in the reporting period. At the end of January 2021, we were selected to implement the Ariano project in Italy. Construction is scheduled to start in summer 2021, so that, under optimal circumstances, the plants can begin supplying the grid with clean electricity by the beginning of 2022.

Delays impacting W.E.B's overall project development will depend on the duration of the measures put in place due to COVID-19. Any impacts of the COVID-19 measures are difficult to assess at this time. W.E.B's earnings performance depends to a large extent on electricity generation by our power plants, which is primarily determined by the wind conditions in the regions where the sites are located. In January 2021, our wind power plants remained 24.7% below projected output volumes. The photovoltaic installations were 12.8% below target. We failed to reach budgeted output in February too. These fluctuations will be reflected in the profit of W.E.B as well.

The Management Board
Pfaffenschlag, April 6, 2021



Dr. Frank Dumeier

DI Dr. Michael Trcka

Consolidated financial statements (IFRSs)

Consolidated income statement 01/01–12/31/2020

EUR k	Notes to the consolidated financial statements	2020	2019
Revenue	**1**	**106,169.1**	**104,159.0**
Other operating income	2	2,808.8	3,187.1
Cost of materials and purchased services	3	–3,854.5	–3,682.8
Personnel expenses	4	–12,677.1	–11,789.3
Depreciation, amortization, and impairment losses	5	–40,439.7	–37,996.4
Other operating expenses	6	–23,389.1	–21,649.1
Operating profit		**28,617.5**	**32,228.5**
Share of profit or loss of equity-accounted investments	13	2,319.0	905.5
Interest income	7	1,253.8	1,365.1
Interest expense	8	–13,010.8	–12,600.1
Other net finance costs	9	803.2	–85.0
Net finance costs		**–8,634.8**	**–10,414.5**
Profit before tax		**19,982.7**	**21,814.0**
Taxes on income	24	–4,470.6	–5,300.3
Profit after tax		**15,512.1**	**16,513.8**
of which intended to be attributable to hybrid capital investors		1,470.5	1,440.6
of which attributable to noncontrolling interests		2,085.1	1,820.6
of which attributable to shareholders of WEB AG		**11,956.6**	**13,252.6**
Earnings per share[1] (EUR)	10	**41.5**	**45.9**

[1] Diluted earnings per share are the same as basic earnings per share

Consolidated statement of comprehensive income

EUR k	2020	2019
Profit after tax	**15,512.1**	**16,513.8**
Items that will be reclassified subsequently to profit or loss		
Currency translation differences	–3,807.5	2,171.5
Changes in the fair value of cash flow hedges	–1,378.5	–2,036.0
Income taxes on other comprehensive income	370.2	550.2
Total other comprehensive income	**–4,815.8**	**685.8**
Total comprehensive income, net of tax	**10,696.4**	**17,199.5**
of which total comprehensive income attributable to hybrid capital investors	1,470.5	1,440.6
of which total comprehensive income attributable to noncontrolling interests	1,012.9	2,749.1
of which total comprehensive income attributable to shareholders of WEB AG	**8,213.0**	**13,009.8**

See note (19).

Consolidated statement of financial position as of December 31, 2020

EUR k	Notes to the consolidated financial statements	12/31/2020	12/31/2019
Assets			
Intangible assets	11	22,348.8	22,727.9
Property, plant, and equipment	12	503,927.6	501,939.4
Investments in associates and joint ventures	13	3,794.2	3,863.6
Noncurrent financial assets	14	17,457.2	22,992.1
Deferred tax assets	24	1,396.5	567.7
Noncurrent assets		**548,924.4**	**552,090.6**
Inventories	15	4,497.4	3,741.1
Trade receivables	16	13,180.5	17,396.9
Other receivables and assets	17	15,566.4	18,761.1
Income tax receivables		1,212.4	1,566.4
Cash and cash equivalents	18	26,929.4	33,933.4
Current assets		**61,386.0**	**75,399.0**
Total assets		**610,310.4**	**627,489.6**

EUR k	Notes to the consolidated financial statements	12/31/2020	12/31/2019
Equity and liabilities			
Share capital	19	28,845.3	28,845.3
Capital reserves	19	23,323.8	23,323.8
Hybrid capital	19	25,375.8	29,052.5
Other reserves	19	–8,896.1	–5,152.6
Retained earnings	19	68,640.9	59,748.2
Equity attributable to shareholders of WEB AG		**137,289.7**	**135,817.3**
Noncontrolling interests	20	12,743.9	14,466.8
Total equity		**150,033.6**	**150,284.0**
Financial liabilities	21	327,980.0	347,637.1
Bonds	22	22,996.3	33,563.4
Deferred tax liabilities	24	17,206.5	15,977.3
Provisions	25	14,600.5	14,126.6
Other noncurrent liabilities	23	6,277.8	4,915.7
Noncurrent liabilities		**389,061.1**	**416,220.0**
Financial liabilities	21	45,875.4	31,482.2
Bonds	22	11,024.4	11,151.8
Income tax payables		2,697.4	2,050.8
Trade and other payables	26	11,618.5	16,300.7
Current liabilities		**71,215.7**	**60,985.5**
Total liabilities		**460,276.8**	**477,205.6**
Total equity and liabilities		**610,310.4**	**627,489.6**
Equity (excl. hybrid capital and noncontrolling interests) per share (EUR)		**386.6**	**368.5**

Consolidated statement of cash flows

		2020	2019
EUR k			
Profit before tax		**19,982.7**	**21,814.0**
+ / –	Depreciation and amortization of, and impairment losses on/ reversals of impairment losses on intangible assets and property, plant, and equipment	40,439.7	37,996.4
+	Net interest expense	11,757.1	11,235.0
+/–	Noncash share of profit or loss of equity-accounted investments	–1,339.4	–708.6
–	Dividends/distributions	–1,000.2	–230.3
+/–	Impairment losses on/reversals of impairment losses on financial assets	–876.9	–15.2
–/+	Gain/loss on disposals of financial assets and other noncurrent assets	–39.7	0.0
–/+	Gain/loss on fixed asset disposals	1,446.8	2,039.6
+ / –	Increase/ decrease in noncurrent provisions	22.7	11.7
+/–	Other noncash changes	289.1	–425.5
Operating cash flow before changes in working capital and income taxes		**70,681.9**	**71,717.2**
– / +	Increase/ decrease in inventories and receivables	3,181.4	–2,617.0
– / +	Increase/ decrease in receivables from related parties	–5.3	–15.9
– / +	Increase/ decrease in other receivables	–3,647.1	–4,274.9
+ / –	Increase/ decrease in trade and other payables	683.4	2,016.8
–	Income taxes paid	–2,426.4	–2,748.0
Cash flow from operating activities		**68,467.9**	**64,078.3**
+	Proceeds from fixed asset disposals	199.5	1,548.6
+	Proceeds from disposals of financial assets and other noncurrent assets	6,043.6	6,211.8
+	Interest received	1,046.5	1,178.0
–	Net cash used to acquire consolidated subsidiaries	–1,681.1	0.0
+ / –	Increase/ decrease in liabilities to affiliated companies	–56.1	2.1
+	Disposal of consolidated subsidiaries	0.0	560.6
–	Payments to acquire intangible assets and property, plant, and equipment	–45,728.4	–70,188.0
–	Payments for additions to financial assets and other noncurrent assets	–58.5	–564.8
+	Dividends received	1,000.2	230.3
Cash flow from investing activities		**–39,234.3**	**–61,021.3**

EUR k		2020	2019
+	Receipts from noncontrolling interests	0.0	35.5
–	Dividends/payments to noncontrolling interests	–2,803.5	–7,984.6
–	Dividends paid (including payments of interest on hybrid capital)	–4,408.5	–6,438.7
–	Interest paid	–12,766.5	–13,852.5
+	Proceeds from borrowings	36,884.2	87,645.1
–	Repayment of borrowings	–34,602.7	–43,414.8
–	Payment of lease liabilities	–2,954.1	–4,231.9
+	Proceeds from issuance of hybrid capital	0.0	9,539.4
–	Repayment of hybrid capital	–3,717.2	–2,751.3
+	Proceeds from issuance of bonds	15.2	5,120.2
–	Repayment of bonds	–10,741.4	–13,636.3
Cash flow from financing activities		**–35,094.5**	**10,030.2**
Total cash flow		**–5,860.9**	**13,087.1**
Change in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		33,933.4	20,448.7
Foreign exchange differences		–1,143.0	397.6
Total cash flow		–5,860.9	13,087.1
Cash and cash equivalents at the end of the period		**26,929.4**	**33,933.4**

See section 8.2.

Consolidated statement of changes in equity

EUR k	Share capital	Capital reserves	Hybrid capital
As of 01/01/2019	**28,845.3**	**23,323.8**	**22,203.0**
Other comprehensive income, net of income taxes			
Foreign exchange differences			
Changes in the value of hedges			
Total other comprehensive income, net of income taxes			**0.0**
Profit after tax			
Total comprehensive income for the period			**0.0**
Capital increase			
Transactions with noncontrolling interests			
Dividend/repayment to noncontrolling interests			
Repayment/distribution of hybrid capital			–2,751.3
Issuance of hybrid capital			9,581.4
Tax effects from transactions with hybrid capital investors			19.4
Dividend (EUR 18.0 per share)			
As of 12/31/2019	**28,845.3**	**23,323.8**	**29,052.5**
As of 01/01/2020	**28,845.3**	**23,323.8**	**29,052.5**
Other comprehensive income, net of income taxes			
Foreign exchange differences			
Changes in the value of hedges			
Total other comprehensive income, net of income taxes			**0.0**
Profit after tax			
Total comprehensive income for the period			**0.0**
Disposal of noncontrolling interests			
Dividend/repayment to noncontrolling interests			
Repayment/distribution of hybrid capital			–3,717.2
Reversal of hybrid capital issuing costs			40.5
Dividend (EUR 10.0 per share)			
As of 12/31/2020	**28,845.3**	**23,323.8**	**25,375.8**

Other reserves					
Hedges	Currency translation	Retained earnings	Equity attributable to shareholders of WEB AG	Equity attributable to noncontrolling interests	Total equity
–2,117.0	**–2,792.8**	**51,525.3**	**120,987.6**	**19,669.0**	**140,656.6**
	1,243.0		1,243.0	928.5	2,171.5
–1,485.7			–1,485.7		–1,485.7
–1,485.7	**1,243.0**		**–242.8**	**928.5**	**685.8**
		14,693.2	14,693.2	1,820.6	16,513.8
–1,485.7	**1,243.0**	**14,693.2**	**14,450.4**	**2,749.1**	**17,199.5**
				35.0	35.0
				–1.8	–1.8
				–7,984.6	–7,984.6
		–1,246.6	–3,997.9		–3,997.9
			9,581.4		9,581.4
		–31.6	–12.2		–12.2
		–5,192.2	–5,192.2		–5,192.2
–3,602.7	**–1,549.9**	**59,748.2**	**135,817.2**	**14,466.8**	**150,284.0**
–3,602.7	**–1,549.9**	**59,748.2**	**135,817.2**	**14,466.8**	**150,284.0**
	–2,735.3		–2,735.3	–1,072.2	–3,807.5
–1,008.3			–1,008.3		–1,008.3
–1,008.3	**–2,735.3**		**–3,743.6**	**–1,072.2**	**–4,815.8**
		13,427.0	13,427.0	2,085.1	15,512.1
–1,008.3	**–2,735.3**	**13,427.0**	**9,683.5**	**1,012.9**	**10,696.3**
		–85.3	–85.3	67.7	–17.6
				–2,803.5	–2,803.5
		–1,524.0	–5,241.2		–5,241.2
		–40.5	0.0		0.0
		–2,884.5	–2,884.5		–2,884.5
–4,611.0	**–4,285.2**	**68,640.9**	**137,289.7**	**12,743.9**	**150,033.6**

Notes to the consolidated financial statements

for the fiscal year 2020

These notes to the consolidated financial statements

- provide information about our Company, about the basis of preparation of the financial statements, and about the accounting policies applied,
- contain disaggregations of and explanatory notes on individual items in the statement of financial position and the income statement,
- show where significant judgments and estimates were required and where certain risks lie, and
- contain other information relevant to an understanding of our activities and our results.

The information is presented in accordance with the International Financial Reporting Standards (IFRSs) and therefore there is no freedom of choice over the form of presentation. We have endeavored to make the information as clear and reader-friendly as possible. We would appreciate any suggestions for further improving understandability.

Contents

1. About us

Headquartered at Davidstrasse 1 in 3834 Pfaffenschlag, Lower Austria, and registered at the Regional Court of Krems an der Donau (FN 184649v), WEB Windenergie AG (W.E.B) is a company engaged in project development and the operation of renewable energy power plants. This primarily includes projects and installations in the wind power, solar power, and hydropower segments. We operate both in Austria and internationally—mainly in Germany, the Czech Republic, Italy, France, Slovakia, Canada, and the USA. Our international profile and the technological diversity of our projects form the basis for successfully overcoming the challenges of delivering a sustainable energy supply. This task is becoming increasingly important, not only from an ecological perspective, but also in light of the increase in demand for energy from renewable sources and the dwindling supply of fossil fuel resources. We are also increasingly engaged in the marketing of electricity generated from renewable sources.

2. Rules under which these financial statements were prepared

We have prepared these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) effective in the EU and the provisions of commercial law additionally applicable in Austria.

In accordance with the accounting rules applied, assets carried in the balance sheet are generally measured at cost less depreciation or amortization and impairment losses. This excludes certain financial assets measured at fair value. The rules are described in detail in section 9. Information on the significant judgments and estimates required in the preparation of the financial statements is provided in section 6.

Parts of the IFRSs are revised on a regular basis. Some of the revised Standards were already effective in the fiscal year 2020. The other new Standards are only required to be applied in subsequent years. The new rules required to be adopted in the fiscal year 2020 are amendments to the reference to the conceptual framework in the IFRS standards, the definition of "material" (amendments to IAS 1 and IAS 8), and amendments in conjunction with COVID-19-related rental concessions (amendments to IFRS 16). These changes had no impact on the consolidated financial statements. The Standards required to be adopted in the coming years are explained in greater detail in section 9.4.

Unless indicated otherwise, all amounts stated in the consolidated financial statements are stated in thousands of euros (EUR k) and are rounded.

3. Further information on the income statement

(1) Revenue

EUR k	2020	2019
Electricity revenue from		
wind power plants	95,117.6	94,050.7
solar power plants	6,032.2	6,294.0
hydropower plants	262.3	131.2
Proceeds from the sale of electricity directly to consumers and from electricity distribution	4,716.5	3,683.0
Rental income	40.5	0.0
	106,169.1	**104,159.0**

Most of the electricity we generate is sold to government and quasi-government organizations. A total of 76.5% (previous year: 79.1%) of the electricity revenue comes from subsidized tariffs governed by law. The rental income is generated from operating leases of photovoltaic installations in accordance with IFRS 16.

(2) Other operating income

EUR k	2020	2019
Income from merchandise	494.6	340.7
Income from onward billing	406.7	327.6
Income from construction management/project development	389.7	449.8
Income from operations management	247.1	246.8
Insurance compensation	221.0	592.9
Income from services	175.2	90.3
Reversal of allowance for doubtful receivables	77.7	0.0
Rental income	71.2	91.1
Income from the reversal of provisions	71.4	627.2
Cost refunds, subsidies	28.5	0.0
Income from maintenance contracts	0.0	118.7
Other	625.6	302.0
	2,808.8	**3,187.1**

Income from onward billing relates to the onward billing of expenses paid on behalf of third parties.

(3) Cost of materials and purchased services

EUR k	2020	2019
Electricity expenses—power plants	654.3	814.8
Grid loss fees	562.4	549.9
Marketing of electricity purchases	2,400.6	2,253.6
Cost of sales	237.1	64.4
	3,854.5	**3,682.8**

Cost of sales includes inventory write-downs of EUR 10.6 thousand (previous year: EUR 0.0 thousand).

(4) Personnel expenses

EUR k	2020	2019
Wages and salaries	10,057.9	9,465.1
Expenses for statutory charges and contributions	2,327.7	2,071.4
Contributions to the employee benefit fund	177.0	141.3
Other personnel expenses	114.5	111.5
	12,677.1	**11,789.3**

In each fiscal year, we employed on average (calculated on a full-time equivalent (FTE) basis):

Employees (FTEs)	2020	2019
EUR k		
Salaried employees	145	131
Blue-collar employees	18	18
Average (FTEs)	**163**	**149**

(5) Depreciation, amortization, and impairment losses

In the past fiscal year, depreciation and amortization of, and impairment losses on, intangible assets and property, plant, and equipment consisted solely of depreciation and amortization.

(6) Other operating expenses

EUR k	2020	2019
Maintenance and operating costs—power plants	9,315.7	9,443.1
Project development expenses	3,278.1	290.4
Taxes other than income taxes	1,914.1	1,775.6
Consultancy expenses	1,849.4	1,651.8
Lease expenses	1,177.0	994.3
Project depreciation, amortization, and impairment losses	1,079.6	1,008.3
Insurance—power plants	1,055.3	919.6
Maintenance—operations	731.6	1,003.6
Travel expenses, motor vehicle expenses	704.4	1,115.1
Advertising expenses	420.8	652.3
Third-party services	379.7	348.5
Telecommunications costs, postage, and transportation expenses	191.1	292.8
Training and continuing education	158.8	200.0
Supervisory Board remuneration	140.0	140.0
Loss on fixed asset disposals	98.0	273.9
Maintenance contract expenses	76.8	189.8
Prior-period expenses	0.0	418.8
Other	818.9	931.1
	23,389.1	**21,649.1**

We had to withdraw from the subsidized tariff that was announced in January 2020 to allow us to participate again in a tender for the Ariano project in 2020. This required an advance payment of EUR 2,778.3 thousand (previous year: EUR 0.0 thousand), which is included in the item "Project development expenses".

Expenses for statutory auditor KPMG Niederösterreich GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and its Austrian network firms totaled EUR 89.6 thousand for the fiscal year (previous year: EUR 87.3 thousand). The audit of separate financial statements accounted for EUR 28.3 thousand (previous year: EUR 27.3 thousand) of this amount, the audit of the consolidated financial statements for EUR 49.5 thousand (previous year: EUR 48.0 thousand), and other services for EUR 11.8 thousand (previous year: EUR 12.0 thousand).

(7) Interest income

EUR k	2020	2019
Clearing accounts	1,106.6	1,176.4
Time deposits/bank balances	125.7	188.7
Interest on arrears	21.5	0.0
	1,253.8	**1,365.1**

(8) Interest expense

EUR k	2020	2019
Interest on bank loans	8,504.3	8,023.6
Interest on bonds	1,475.4	1,849.6
Interest on lease liabilities	729.6	808.9
of which from right-of-use assets under IFRS 16	413.6	388.9
Expenses for interest rate hedges	1,469.0	1,208.4
Other	832.6	709.7
	13,010.8	**12,600.1**

(9) Other net finance costs

EUR k	2020	2019
Net income from equity investments	936.4	6.6
Foreign currency gains/losses	168.3	–134.2
Unwinding of discount on provision for dismantling costs	–275.2	–263.7
Other	–26.2	306.3
	803.2	**–85.0**

(10) Earnings per share

Basic earnings per share

Basic earnings per share are calculated based on the profit attributable to shareholders and the weighted average number of shares outstanding.

Attribution of profit

	2020	2019
EUR k		
Profit attributable to owners of the parent company	11,956.6	13,252.6
Profit attributable to shareholders	**11,956.6**	**13,252.6**

Weighted average number of shares (basic)

	2020	2019
in thousands of shares		
Issued shares as of 01/01	288.5	288.5
Weighted average number of shares as of 12/31	**288.5**	**288.5**

	2020	2019
EUR		
Basic earnings per share	41.5	45.9

In both the reporting period and the previous year, diluted earnings per share were the same as basic earnings per share, as there were no dilutive effects.

4. Further information on the statement of financial position

(11) Intangible assets

EUR k

	Software	Rights of use	Right-of-use leased assets	Goodwill	Total
2020					
Cost as of 01/01/2020	**1,455.4**	**4,587.7**	**21,649.6**	**42.3**	**27,735.1**
Currency effects	–2.2	0.0	–173.7	0.0	–175.9
Additions	138.2	0.0	1,520.9	0.0	1,659.1
Decreases in cost	–4.5	0.0	0.0	0.0	–4.5
Disposals	0.0	0.0	–72.2	0.0	–72.2
Reclassifications	0.0	0.0	0.0	0.0	0.0
Cost as of 12/31/2020	**1,587.0**	**4,587.7**	**22,924.5**	**42.3**	**29,141.6**
Cumulative changes in value as of 01/01/2020	**969.9**	**2,663.2**	**1,331.9**	**42.3**	**5,007.3**
Currency effects	–2.3	0.0	–16.2	0.0	–18.5
Amortization	176.2	165.7	1,473.0	0.0	1,814.8
Impairment losses	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	–10.9	0.0	–10.9
Reclassifications	0.0	0.0	0.0	0.0	0.0
Cumulative changes in value as of 12/31/2020	**1,143.8**	**2,828.9**	**2,777.7**	**42.3**	**6,792.7**
Net carrying amount as of 12/31/2020	**443.2**	**1,758.9**	**20,146.8**	**0.0**	**22,348.8**
2019					
Cost as of 01/01/2019	**1,017.7**	**8,119.4**	**0.0**	**42.3**	**9,179.5**
Recognition of right-of-use assets from the initial application of IFRS 16	0.0	0.0	19,148.8	0.0	19,148.8
Currency effects	1.8	0.0	106.4	0.0	108.2
Additions	431.2	293.9	2,394.4	0.0	3,119.5
Decreases in cost	–4.1	0.0	0.0	0.0	–4.1
Disposals	–3.7	–2,425.5	0.0	0.0	–2,429.1
Reclassifications	12.4	–1,400.1	0.0	0.0	–1,387.7
Cost as of 12/31/2019	**1,455.4**	**4,587.7**	**21,649.6**	**42.3**	**27,735.1**
Cumulative changes in value as of 01/01/2019	**866.2**	**4,660.5**	**0.0**	**42.3**	**5,569.1**
Currency effects	1.3	0.0	2.1	0.0	3.3
Amortization	106.1	165.8	1,329.8	0.0	1,601.7
Impairment losses	0.0	0.0	0.0	0.0	0.0
Disposals	–3.7	–2,163.1	0.0	0.0	–2,166.8
Reclassifications	0.0	0.0	0.0	0.0	0.0
Cumulative changes in value as of 12/31/2019	**969.9**	**2,663.2**	**1,331.9**	**42.3**	**5,007.3**
Net carrying amount as of 12/31/2019	**485.6**	**1,924.6**	**20,317.7**	**0.0**	**22,727.9**

Intangible assets include rights of use relating to leased assets (right-of-use assets) in the amount of EUR 20,146.8 thousand.

The carrying amounts of the rights of use include the water rights in Imst, Austria, in the amount of EUR 814.4 thousand (previous year: EUR 845.8 thousand). As of the reporting date, the Imst water rights had a remaining useful life of 25.5 years.

(12) Property, plant, and equipment

EUR k	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Prepayments, assets under construction	Total
2020					
Cost as of 01/01/2020	**16,973.0**	**734,233.9**	**7,131.3**	**16,975.8**	**775,314.0**
Currency effects	–19.8	–9,143.6	–36.2	–877.9	–10,077.5
Additions	161.3	2,874.5	1,471.8	37,887.7	42,395.3
Decreases in cost	0.0	–605.9	–106.3	–835.4	–1,547.6
Deconsolidation	0.0	0.0	0.0	9,396.7	9,396.7
Disposals	–0.6	–1,237.0	–381.0	–1,079.8	–2,698.4
Reclassifications	43.5	21,993.2	180.9	–22,217.6	0.0
Cost as of 12/31/2020	**17,157.4**	**748,115.1**	**8,260.5**	**39,249.5**	**812,782.5**
Cumulative depreciation and impairment losses as of 01/01/2020	**3,575.2**	**265,614.2**	**3,881.0**	**304.0**	**273,374.5**
Amortization	338.2	37,455.0	831.7	0.0	38,624.9
Impairment losses	0.0	0.0	0.0	0.0	0.0
Currency effects	0.0	–1,831.0	–15.4	–60.9	–1,907.3
Disposals	0.0	–967.6	–269.6	0.0	–1,237.2
Reclassifications	0.0	0.0	0.0	0.0	0.0
Cumulative depreciation and impairment losses as of 12/31/2020	**3,913.4**	**300,270.7**	**4,427.8**	**243.1**	**308,854.9**
Net carrying amount as of 12/31/2020	**13,244.0**	**447,844.4**	**3,832.7**	**39,006.4**	**503,927.6**
2019					
Cost as of 01/01/2019	**14,834.7**	**664,423.8**	**6,041.8**	**30,202.1**	**715,502.4**
Currency effects	8.3	4,949.7	24.1	1,316.1	6,298.3
Additions	229.3	13,192.6	1,254.5	60,678.9	75,355.2
Decreases in cost	–1.0	–146.4	–15.7	–69.1	–232.2
Deconsolidation	0.0	0.0	0.0	–1,335.8	–1,335.8
Disposals	0.0	–20,214.9	–254.0	–1,192.7	–21,661.5
Reclassifications	1,901.7	72,029.1	80.5	–72,623.7	1,387.7
	16,973.0	**734,233.9**	**7,131.3**	**16,975.8**	**775,314.0**

Cumulative depreciation and impairment losses as of 01/01/2019	**3,296.9**	**247,015.5**	**3,302.4**	**283.9**	**253,898.7**
Amortization	278.2	35,399.5	712.9	0.0	36,390.6
Impairment losses	0.0	0.0	0.0	0.0	0.0
Currency effects	0.0	990.5	11.8	20.2	1,022.5
Disposals	0.0	–17,791.1	–146.0	0.0	–17,937.1
Reclassifications	0.0	0.0	0.0		0.0
Cumulative depreciation and impairment losses as of 12/31/2019	**3,575.2**	**265,614.4**	**3,881.0**	**304.0**	**273,374.6**
Net carrying amount as of 12/31/2019	**13,397.8**	**468,619.5**	**3,250.3**	**16,671.8**	**501,939.4**

Prepayments and assets under construction consist mainly of the Ariano project in Italy, the Brookfield and Silver Maple projects in the USA, and the Dürnkrut-Götzendorf III, Harras II, and Spannberg III projects in Austria.

The cost of the technical equipment and machinery acquired in the fiscal year includes interest of EUR 22.9 thousand directly attributable to the projects (previous year: EUR 302.8 thousand). They concern a wind farm project in France and a solar power project in Austria. The capitalization rate was an average of 0.55% in France and 1.44% in Austria (previous year: 1.63% in Germany and 2.25% in Canada).

Disclosures on leased assets (classified as finance leases under IAS 17)

As of December 31, 2020, power plants leased through finance leases accounted for EUR 11,734.1 thousand of the carrying amount of technical equipment and machinery (previous year: EUR 12,966.5 thousand). These relate to WEB Italia's Montenero I and Montenero II solar power plants.

After offsetting against prepayments of EUR 4,009.9 thousand (previous year: EUR 4,009.9 thousand), the liabilities under these contracts have the following maturities:

Finance lease liabilities

	Maturities of minimum lease payments					
	12/31/2020			12/31/2019		
EUR k	Nominal value	Discount amount	Present value = carrying amount	Nominal value	Discount amount	Present value = carrying amount
Due in less than 1 year	2,002.4	230.2	1,772.2	1,982.9	315.7	1,667.2
Due in 1 to 5 years	3,333.5	522.0	2,811.5	4,502.6	661.4	3,841.2
Due in more than 5 years	2,136.9	101.7	2,035.2	2,969.8	192.5	2,777.3
	7,472.8	**853.9**	**6,618.9**	**9,455.3**	**1,169.6**	**8,285.7**

Our leases have remaining terms of up to eight years. The present values include the amounts payable to purchase the assets at the end of the term (purchase options).

(13) Investments in associates and joint ventures

Entity	Interest 12/31/2020	Interest 12/31/2019	Carrying amount 12/31/2019	Share of profit or loss for the year	Income from appreciation	Change in interest	Contribution/ repayment
EUR k							
Tauernwind Windkraftanlagen GmbH	20.0%	20.0%	1,438.8	500.9	0.0	0.0	0.0
Sternwind Errichtungs- und BetriebsgmbH	49.0%	49.0%	540.0	143.4	0.0	0.0	0.0
Sternwind Errichtungs- und BetriebsgmbH & Co KG	49.0%	49.0%	376.1	92.2	0.0	0.0	–292.5
SASU Energie Verte Plaine d'Artois	33.3%	33.3%	285.8	59.3	0.0	0.0	0.0
Zweite WP Weener GmbH & Co KG	50.0%	50.0%	853.8	408.9	0.0	0.0	0.0
Black Spruce Inc. (including limited partnership agreement)	50.0%	50.0%	369.1	–3.6	0.0	0.0	0.0
WEB Windenergie Brandenburg GmbH	50.0%	50.0%	0.0	0.0	0.0	0.0	0.0
WEB ARIANO SRL		75.0%	0.0	0.0	1,117.9	–1,117.9	0.0
Bleu Vent Développement SAS	50.0%		0.0	0.0	0.0	0.0	0.5
Total			**3,863.6**	**1,201.1**	**1,117.9**	**–1,117.9**	**–292.0**

(14) Noncurrent financial assets

	Shares in affiliated companies	Marketable securities	Equity investments	Loans	Credit and capital reserve accounts	Hedges	Total
EUR k							
2020							
Cost							
Balance as of 01/01/2020	132.1	387.1	1,142.9	12,940.8	8,753.2	16.3	23,372.4
Currency effects	0.0	0.0	0.0	–824.2	–324.3	0.0	–1,148.5
Additions	0.0	0.0	0.0	917.8	12.8	0.0	930.5
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	–2.6	–228.6	0.0	–3,742.0	–2,456.0	–16.3	–6,445.5
Balance as of 12/31/2020	129.5	158.5	1,142.9	9,292.4	5,985.7	0.0	16,708.9
Cumulative changes in value							
Balance as of 01/01/2020	0.0	62.1	–137.1	0.0	–305.3	0.0	–380.2
Currency effects	0.0	0.0	0.0	0.0	5.1	0.0	5.1
Fair value changes	0.0	–21.1	898.0	0.0	0.0	0.0	876.9
Impairment losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increases in value	0.0	0.0	0.0	0.0	239.3	0.0	239.3
Disposals	0.0	7.2	0.0	0.0	0.0	0.0	7.2
Balance as of 12/31/2020	0.0	48.2	760.9	0.0	–60.9	0.0	748.2
Carrying amounts as of 12/31/2020	**129.5**	**206.7**	**1,903.8**	**9,292.4**	**5,924.8**	**0.0**	**17,457.2**

			Total			
Distribution	Currency translation adjustment	Carrying amount 12/31/2020	Assets	Liabilities	Revenue	Net income/loss for the year
–660.0	0.0	1,279.7	39,068.0	32,742.0	6,887.0	2,504.3
–24.5	0.0	658.9	997.1	61.4	200.1	146.3
–24.8	0.0	151.0	487.1	138.0	1,207.8	224.6
–20.3	0.0	324.8	2,516.8	1,714.6	534.3	116.9
–250.0	0.0	1,012.7	12,251.9	10,258.7	2,366.2	806.2
0.0	1.2	366.7	737.0	3.8	0.0	–7.1
0.0	0.0	0.0	2,129.5	2,574.3	0.0	–300.9
0.0	0.0	0.0				
0.0	0.0	0.5				
–979.6	**1.2**	**3,794.3**				

The companies operate wind farms and are involved in project development. They are therefore exposed to the same opportunities and risks as we are. Bleu Vent Développement SAS, France, was formed in the reporting period. As it is not yet operational, no information is disclosed concerning assets, receivables, and net income for the year. We also acquired the remaining 25% share in WEB ARIANO SRL, Italy, in October 2020. This led to a EUR 1,117.9 thousand appreciation of the fair value and full consolidation at this time, so this company is no longer reported under associates.

EUR k 2019	Shares in affiliated companies	Marketable securities	Equity investments	Long-term lendings	Loans	Credit and capital reserve accounts	Hedges	Total
Cost								
Balance as of 01/01/2019	102.1	387.1	1,142.9	73.5	18,054.3	8,086.2	95.0	27,941.1
Currency effects	0.0	0.0	0.0	0.0	703.4	273.6	0.0	977.0
Additions	30.0	0.0	0.0	0.0	1,035.9	526.4	16.3	1,608.6
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	–73.5	–6,852.9	–132.9	–95.0	–7,154.3
Balance as of 12/31/2019	132.1	387.1	1,142.9	0.0	12,940.8	8,753.2	16.3	23,372.4
Cumulative changes in value								
Balance as of 01/01/2019	0.0	47.3	–137.1	–0.2	0.0	–305.3	0.0	–395.3
Fair value changes	0.0	14.8	0.0	0.2	0.0	0.0	0.0	15.1
Impairment losses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increases in value	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance as of 12/31/2019	0.0	62.1	–137.1	0.0	0.0	–305.3	0.0	–380.2
Carrying amounts as of 12/31/2019	**132.1**	**449.2**	**1,005.8**	**0.0**	**12,940.8**	**8,447.9**	**16.3**	**22,992.1**

The equity interests are composed as follows:

	Interest	12/31/2020	12/31/2019
EUR k			
oekostrom AG for energy generation and trading	5.00%	1,296.4	622.5
Windkraft Simonsfeld AG	0.33%	427.8	203.7
Weinviertler Energie GmbH & Co KG	17.66%	150.0	150.0
ANE GmbH & Co KG (merged with GESY Green Energy Systems GmbH)	0.63%	29.6	29.6
		1,903.8	**1,005.8**

In the reporting period, the equity interests in oekostrom AG and Windkraft Simonsfeld AG appreciated in the amount of EUR 898.0 thousand.

As of the reporting date, there was a crossholding with Windkraft Simonsfeld AG, in which we hold a 0.33% interest (previous year: 0.33%); this entity holds 1,095 shares (0.38%) in our Company (previous year: 1,095 shares, 0.38%).

Loans include a loan extended by us to Windpark Eschenau GmbH in the amount of EUR 5.1 thousand (previous year: EUR 4.6 thousand), a loan to Pisgah Holdings LLC, USA, in the amount of EUR 6,858.4 thousand (previous year: EUR 7,211.7 thousand), and a loan to Woodstock First Nations, Canada, in the amount of EUR 2,428.9 thousand (previous year: EUR 2,681.4 thousand). The loan to Scotian WindFields Inc., Canada, was repaid in full in the reporting period (previous year: EUR 3,043.1 thousand).

The loan to Pisgah Holdings LLC, Maine, was extended to the partner to finance its equity interest in Pisgah Mountain LLC. It is secured by the partner's shares in this entity. The loan bears interest on an ongoing basis and must be repaid from the ongoing cash flows from the project.

The loan to Woodstock First Nations was extended to the partner to finance its equity interest in Wiso-kolamson Energy Limited Partnership. It is secured by the partner's shares in this entity. The loan bears interest on an ongoing basis and must be repaid from the ongoing cash flows from the project.

Credit and capital reserve accounts in the amount of EUR 5,924.8 thousand (previous year: EUR 8,447.9 thousand) include cash and cash equivalents serving as security for lenders. The allowance for expected credit losses on this item amounted to EUR 63.7 thousand as of December 31, 2020 (previous year: EUR 305.3 thousand).

(15) Inventories

	12/31/2020	12/31/2019
EUR k		
Spare parts for wind power plants	4,497.4	3,741.1

(16) Trade receivables

	12/31/2020	12/31/2019
EUR k		
Receivables from electricity supplied	13,180.5	17,308.5
Receivables from maintenance contracts	0.0	88.4
	13,180.5	**17,396.9**

(17) Other receivables and assets

EUR k	12/31/2020	12/31/2019
Financial assets		
Insurance compensation receivable	0.0	807.8
Clearing accounts	1,222.6	11,731.0
Clearing accounts—third parties	40.5	60.4
Bank deposits	9,264.3	0.0
Other	1,110.3	3,060.0
	11,637.7	**15,659.3**
Nonfinancial assets		
Receivables from taxation authorities	2,355.5	1,835.0
Prepaid charges	1,573.2	1,266.8
	3,928.7	**3,101.8**
Total	**15,566.4**	**18,761.1**

Clearing accounts mainly comprise temporary financing extended to associates. Bank deposits include the depositing of cash and cash equivalents for participation in tenders in Italy.

Analysis of impaired financial assets

EUR k	12/31/2020	12/31/2019
Gross receivable	0.0	211.7
Specific valuation allowance	0.0	211.7
Carrying amount	**0.0**	**0.0**

There are no material receivables that are past due but not impaired.

In the reporting period, one specific valuation allowance of EUR 77.7 thousand was released through profit or loss, as the impaired receivable was settled. The remaining specific valuation allowance was eliminated, as the subsidiary which owed the receivable and which was not recognized in the consolidated financial statements for reasons of immateriality was liquidated in the reporting period.

(18) Cash and cash equivalents

EUR k	12/31/2020	12/31/2019
Bank balances	26,926.5	33,928.9
Cash on hand	2.9	4.5
	26,929.4	**33,933.4**

(19) Equity

The share capital of WEB Windenergie AG amounts to EUR 28,845,300.00 (previous year: EUR 28,845,300.00) and is composed of 288,453 shares (previous year: 288,453).

The shares are registered shares with restricted transferability. In accordance with the Articles of Association, these shares can only be transferred with the Company's approval, which is granted by the Management Board in consultation with the Supervisory Board.

The appropriated capital reserves result from shareholders' contributions and contributions in kind, less the allocated transaction costs.

The hybrid capital consists of the hybrid bond issued in 2014 ("wind power bond") in the amount of EUR 4,438.0 thousand, the hybrid bond issued in 2015 in the amount of EUR 6,727.0 thousand, the hybrid bond issued in 2016 in the amount of EUR 6,349.0 thousand, the hybrid bond issued in 2018 in the amount of EUR 9,999.0 thousand, and the hybrid bond issued in 2019 in the amount of EUR 9,659.0 thousand, less the issuance costs attributable in each case. In 2020, partial repayments were made on the hybrid bonds issued in 2014 (EUR 443.8 thousand), 2015 (EUR 672.7 thousand), 2016 (EUR 634.9 thousand), 2018 (EUR 999.9 thousand), and 2019 (EUR 965.9 thousand) (previous year: EUR 2,751.3 thousand). The bonds are listed on the "Third Market" (MTF) of the Vienna Stock Exchange and deposited with Österreichische Kontrollbank.

The hybrid bonds have unlimited terms. The rate of interest is fixed at 6.5% p.a. of the face value for the 2014 and 2015 hybrid bonds, 6.25% p.a. of the face value for the 2016 hybrid bond, and 4.5% p.a. of the face value for the 2018 and 2019 hybrid bonds, although interest payments may be suspended in years in which no dividend is paid for the previous year. Catch-up interest payments are made at a later date, including compound interest. In accordance with the bond terms and conditions, a proportionate repayment amounting to a tenth of the nominal value is made in years in which WEB Windenergie AG distributes a dividend for the previous fiscal year.

In 2020, as a result of the resolution to distribute a dividend for the fiscal year 2019 passed at the Annual General Meeting, a partial repayment at a tenth of the nominal value was made on the hybrid bonds issued in 2014, 2015, 2016, 2018, and 2019 (EUR 3,717.2 thousand; previous year: EUR 2,751.3 thousand) along with interest payments amounting to EUR 1,524.0 thousand (previous year: EUR 1,246.6 thousand). As of the reporting date, there was not yet an obligation to make further principal and interest payments, as such an obligation will arise at the earliest when a resolution regarding the distribution of a dividend for the fiscal year 2020 is passed at the 2021 Annual General Meeting. A dividend payout for the fiscal year 2020 will be proposed at the 2021 Annual General Meeting. We therefore anticipate that interest and principal payments will be made on hybrid bonds again in 2021.

Other reserves include amounts not yet recognized in profit or loss. These come from changes in the value of the foreign currencies of subsidiaries in other currency zones, as well as from changes in the value of interest rate swaps held as interest rate hedges and of foreign currency swaps held as currency hedges (hedging transactions). We recognize these items in profit or loss when they are realized.

	12/31/2020			12/31/2019		
EUR k	Amount before taxes	Income taxes	Amount after taxes	Amount before taxes	Income taxes	Amount after taxes
Currency translation	–3,807.5	0.0	–3,807.5	2,171.5	0.0	2,171.5
Hedges	–1,378.5	370.2	–1,008.3	–2,036.0	550.2	–1,485.7
	–5,186.0	**370.2**	**–4,815.8**	**135.5**	**550.2**	**685.8**

Retained earnings comprise the profits we have generated, less the dividends disbursed. From these amounts, we may distribute no more than the net retained profit reported in the separate financial statements of WEB Windenergie AG.

(20) Noncontrolling interests

Other shareholders also hold shares in the following entities that we control. The following amounts are based on the financial statements prepared in accordance with local law.

2020	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership	Wisokolamson Energy Limited Partnership	Pisgah Mountain LLC	WEB Photo-voltaik AG & Co KG	WEB Grid	Windpark Grube GmbH & Co KG
EUR k							
Headquarters	New Brunswick, Canada	New Brunswick, Canada	New Brunswick, Canada	Maine, USA	Pfaffen-schlag, Austria	Paris, France	Hamburg, Germany
Interest held by noncontrolling interests	67.00%	67.00%	51.00%	51.00%	30.00%	20.00%	50.00%
Voting rights held by noncontrolling interests	45.00%	45.00%	51.00%	51.00%	30.00%	20.00%	50.00%
Share of equity	4,280.6	2,133.2	2,022.1	4,255.2	61.4	–35.9	27.2
Profit or loss allocated	1,336.1	295.2	272.8	210.9	4.1	–30.3	–3.7

2019	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership	Wisokolamson Energy Limited Partnership	Pisgah Mountain LLC	WEB Photo-voltaik AG & Co KG	WEB Traisenwind GmbH	WEB Grid	Windpark Grube GmbH & Co KG
EUR k								
Headquarters	New Brunswick, Canada	New Brunswick, Canada	New Brunswick, Canada	Maine, USA	Pfaffen-schlag, Austria	Pfaffen-schlag, Austria	Paris, France	Hamburg, Germany
Interest held by noncontrolling interests	67.00%	67.00%	51.00%	51.00%	30.00%	49.00%	20.00%	50.00%
Voting rights held by noncontrolling interests	45.00%	45.00%	51.00%	51.00%	30.00%	49.00%	20.00%	50.00%
Share of equity	4,887.4	2,428.8	2,419.1	4,707.9	66.0	–67.7	–5.6	30.9
Profit or loss allocated	1,399.2	244.0	–33.8	212.4	8.8	–2.0	–3.8	–4.1

The financial key performance indicators of these entities are as follows:

2020	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership	Wisokolamson Energy Limited Partnership	Pisgah Mountain LLC	WEB Photo-voltaik AG & Co KG	WEB Grid	Windpark Grube GmbH & Co KG
EUR k							
Revenue	9,095.4	3,437.3	3,308.3	3,004.3	112.8	0.0	0.0
Comprehensive income, net of tax	3,006.2	656.0	534.9	413.5	13.7	–151.4	–7.4
Noncurrent assets	39,268.2	21,351.4	26,455.9	18,308.0	1,376.2	3,675.8	91.0
Current assets	2,802.8	976.4	2,424.2	1,195.4	166.2	799.8	8.7
Current liabilities	2,469.5	1,068.1	2,172.1	1,088.6	89.3	4,488.4	45.3
Noncurrent liabilities	30,089.1	16,519.3	22,743.2	10,071.1	1,248.4	166.5	0.0
Total equity	9,512.5	4,740.4	3,964.9	8,343.6	204.7	–179.3	54.4
Cash flow from operating activities	7,564.9	2,811.2	2,480.2	1,734.1	123.6	–542.8	–6.2
Cash flow from investing activities	51.2	64.9	–1,879.9	–1.3	–528.1	–1,933.2	–47.6
Cash flow from financing activities	–7,450.7	–2,743.7	–2,787.1	–1,584.2	477.8	3,087.1	32.2
Payments to noncontrolling interests	1,608.1	421.1	494.5	271.0	8.7	0.0	0.0

2019	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership	Wisokolamson Energy Limited Partnership	Pisgah Mountain LLC	WEB Photo-voltaik AG & Co KG	WEB Traisenwind GmbH	WEB Grid	Windpark Grube GmbH & Co KG
EUR k								
Revenue	8,957.3	3,460.7	518.5	3,145.4	115.1	0.0	0.0	0.0
Comprehensive income, net of tax	3,147.4	542.2	–66.4	416.5	29.3	–4.1	–18.9	–8.2
Noncurrent assets	44,615.5	24,121.8	29,074.2	21,205.7	885.7	0.0	1,671.9	43.4
Current assets	3,748.2	897.0	4,903.5	1,184.8	65.3	13.9	251.2	25.8
Current liabilities	3,320.0	1,068.4	4,129.0	1,146.0	4.3	151.9	1,951.0	7.4
Noncurrent liabilities	34,182.9	18,553.2	25,105.3	12,013.3	726.7	0.0	0.0	0.0
Equity	10,860.8	5,397.2	4,743.3	9,231.2	220.0	–138.1	–27.9	61.8
Cash flow from operating activities	7,368.0	2,762.1	2,306.7	2,186.4	97.0	–3.9	–103.6	–6.6

2019	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership	Wisokolamson Energy Limited Partnership	Pisgah Mountain LLC	WEB Photo-voltaik AG & Co KG	WEB Traisenwind GmbH	WEB Grid	Windpark Grube GmbH & Co KG
EUR k								
Cash flow from investing activities	22.2	37.6	–10,701.2	–6.4	–3.7	0.0	–443.9	–40.9
Cash flow from financing activities	–7,361.1	–2,830.2	11,849.5	–2,312.9	–131.7	0.0	647.4	70.0
Payments to noncontrolling interests	1,534.6	0.0	6,146.7	293.4	9.9	0.0	0.0	0.0

We acquired the remaining 49% in WEB Traisenwind GmbH in the fiscal year. Hence, minority interests are no longer disclosed.

(21) Financial liabilities

	12/31/2020			12/31/2019		
	Current	Noncurrent	Total	Current	Noncurrent	Total
EUR k						
Bank loans	42,831.3	303,898.0	**346,729.3**	28,551.4	321,786.8	**350,338.2**
Finance leases	1,772.2	4,846.7	**6,618.9**	1,666.8	6,618.9	**8,285.7**
Lease liabilities— right-of-use assets	1,271.9	19,235.3	**20,507.2**	1,264.0	19,231.4	**20,495.4**
Total	**45,875.4**	**327,980.0**	**373,855.4**	**31,482.2**	**347,637.1**	**379,119.3**

The maturities of the finance lease liabilities are shown in (12).

Liabilities to banks

			Carrying amount 12/31/2020	Carrying amount 12/31/2019
Maturity	Interest	Currency	EUR k	EUR k
2020	EURIBOR +1.38%	EUR	0.0	185.9
2020	PRIBOR +1.20%	CZK	0.0	220.8
2021	EURIBOR +0.90%	EUR	0.0	330.0
2021	EURIBOR +1.40%	EUR	673.5	0.0
2021	EURIBOR +1.45%	EUR	12,592.8	3,168.3
2024	PRIBOR +1.50%	CZK	1,619.2	2,090.5
2024	EURIBOR +1.30%	EUR	4,175.8	5,220.8
2025	from EURIBOR +1.625% to EURIBOR +1.65%	EUR	6,459.5	7,975.8
2025	EURIBOR +2.125%	EUR	453.1	543.7
2025	PRIBOR +1.85%	CZK	860.3	1,070.3
2026	PRIBOR +2.80%	CZK	992.9	1,182.8
2026	from EURIBOR +2.00% to EURIBOR +2.30%	EUR	7,737.7	9,029.1
2027	from EURIBOR +2.00% to EURIBOR +2.20%	EUR	12,320.7	14,517.4

Maturity	Interest	Currency	Carrying amount 12/31/2020 EUR k	Carrying amount 12/31/2019 EUR k
2029	EURIBOR +1.80%	EUR	374.7	417.9
2031	EURIBOR +0.715%	EUR	23,779.3	25,930.3
2031	EURIBOR +1.75%	EUR	3,941.1	6,878.2
2033	EURIBOR +1.35%	EUR	24,645.9	26,785.5
2034	LIBOR +2.25%	USD	10,693.5	12,737.3
2035	EURIBOR +1.85%	EUR	1,843.8	1,968.8
2042	CDOR +2.1%	CAD	3,446.8	3,801.9
Total at a variable interest rate			**116,610.6**	**124,055.3**
2021	4.05% fixed	EUR	258.2	808.9
2027	0.549% fixed	EUR	2,606.9	0.0
2027	1.90% fixed	EUR	7,564.5	8,458.2
2027	3.09% fixed	USD	1,854.0	2,336.7
2028	1.95% fixed	EUR	11,589.5	13,039.4
2028	2.00% fixed	EUR	14,277.1	16,046.8
2029	2.00% fixed	EUR	209.2	236.0
2030	2.00% fixed	EUR	357.2	391.2
2030	2.89% fixed	EUR	5,533.9	6,084.5
2031	1.45% fixed	EUR	8,708.3	9,500.0
2031	1.85% fixed	EUR	34,193.1	37,267.6
2032	1.49% fixed	EUR	923.1	0.0
2033	6.22% fixed	CAD	30,196.0	34,157.4
2034	1.35% fixed	EUR	14,107.3	15,172.1
2034	1.625% fixed	EUR	237.3	0.0
2035	5.35% fixed	CAD	16,574.2	18,558.9
2037	1.65% fixed	EUR	19,800.8	19,688.0
2038	1.66% fixed	EUR	9,662.0	9,800.0
2038	2.06% fixed	EUR	13,601.3	13,774.0
2039	0.86% fixed	EUR	18,258.4	0.0
2040	2.00% fixed	EUR	583.4	0.0
2042	4.45% fixed	CAD	19,023.0	20,963.3
Total at a fixed interest rate			**230,118.7**	**226,282.9**
			346,729.3	**350,338.2**

The liabilities are repaid on an ongoing basis (not through a bullet payment at maturity).

Finance lease liabilities

Maturity	Interest	Currency	Carrying amount 12/31/2020 EUR k	Carrying amount 12/31/2019 EUR k
2021	EURIBOR +2.40%	EUR	1,132.2	2,182.5
Total at a variable interest rate			**1,132.2**	**2,182.5**
2028	5.92% fixed	EUR	5,486.7	6,103.3
Total at a fixed interest rate			**5,486.7**	**6,103.3**
			6,618.9	**8,285.7**

The average effective interest rate on all financial liabilities was 2.89% in the reporting period (previous year: 2.87%).

The following securities have been pledged for the financial liabilities:

- Assignment of power plants as security
- Step-in rights into electricity supply contracts, purchase agreements, contracts for use, and leases
- Assignment of claims under feed-in contracts with energy companies
- Assignment of claims under machinery and business interruption insurance policies
- Restricted easements on business premises
- Liens over registered land

(22) Bonds

Bond	ISIN no.	Interest	Maturity	Nominal amount EUR k	Effective interest rate	Carrying amount 12/31/2020 EUR k	of which current EUR k	Carrying amount 12/31/2019 EUR k	of which current EUR k
Wind power bonds									
2013–2023 bond	AT0000A0Z793	5.5% fixed	2023	6,391.0	5.51%	6,374.0	–7.3	6,366.8	–7.3
2013–2023 bond	AT0000A0Z785	5.25% fixed	2023	10,211.0	5.25%	3,054.5	1,015.7	4,068.0	1,013.5
2015–2020 bond	AT0000A1GTN8	2.75% fixed	2020	7,054.0	2.75%	0.0	0.0	7,035.3	7,035.3
2015–2025 bond	AT0000A1GTP3	4% fixed	2025	8,532.0	4.31%	4,230.9	841.7	5,070.5	839.6
2016–2021 bond	AT0000A1MC14	2.5% fixed	2021	6,963.0	2.50%	6,948.2	6,948.2	6,928.4	–19.8
2016–2026 bond	AT0000A1MC22	3.75% fixed	2026	6,872.0	4.05%	4,087.1	676.8	4,762.3	675.2
2018–2028 bond	AT0WEB1810A6	2.25% fixed	2028	5,088.0	2.50%	4,031.2	500.1	4,530.2	499.1
2019–2029 bond	AT0WEB1910A4	2.25% fixed	2029	4,989.0	2.50%	4,444.1	489.5	4,932.6	488.6
Accrued interest on bonds						550.6	550.6	618.0	618.0
LUMO bond		4.25% fixed	2023	131.2	4.25%	131.2	0.0	131.2	0.0
LENDO bond		5%/6% fixed	2025	15.2	5%	15.2	3.0	0.0	0.0
Other subordinated loans - ELLA						153.8	6.1	272.0	9.7
						34,020.7	**11,024.4**	**44,715.3**	**11,151.8**

The wind power bonds are listed on the "Third Market" (MTF) of the Vienna Stock Exchange and in each case deposited with Österreichische Kontrollbank Aktiengesellschaft in the form of a global certificate. The denomination of each bond is EUR 1,000.00. All bonds have an issue price and a redemption price of par (100).

(23) Other noncurrent liabilities

	Carrying amount 12/31/2020	Carrying amount 12/31/2019
EUR k		
Fair value measurement of derivatives	6,277.8	4,915.7
	6,277.8	**4,915.7**

Derivative financial instruments

Description	Currency	Volume 12/31/2020	Maturity	Fair value 12/31/2020	Fair value 12/31/2019
		EUR k		EUR k	EUR k
1) Interest rate swap CZK/1M PRIBOR >> 2.05% fixed (CZK 50,459.0k)	CZK	1,619.2	12/31/2024	–45.0	0.0
2) Interest rate swap EUR/3M EURIBOR >> 1.60% fixed (EUR 13,581k)	EUR	4,527.0	12/31/2024	–209.0	–283.9
3) Interest rate swap CZK/1M PRIBOR >> 1.75% fixed (EUR 2,155.8k)*	CZK	992.9	8/31/2026	–26.7	0.0
4) Interest rate swap EUR/3M EURIBOR >> 1.2775% fixed (EUR 13,644.6k)	EUR	6,549.4	12/31/2026	–373.4	–416.9
5) Interest rate swap EUR/3M EURIBOR >> 1.29% fixed (EUR 14,875k)	EUR	6,999.9	12/31/2026	–401.4	–447.9
6) Interest rate swap EUR/3M EURIBOR >> 1.24% fixed (EUR 6,727.5k)	EUR	2,998.9	6/30/2026	–152.6	–176.2
7) Interest rate swap EUR/3M EURIBOR >> 1.01% fixed (EUR 9,116.9k)	EUR	3,908.2	12/30/2031	–278.5	–342.2
8) Interest rate swap USD/1M LIBOR + 2.25% >> 4.63% fixed (USD 17,000k)	USD	10,773.2	2/13/2027	–1,023.1	–483.6
9) Interest rate swap EUR/6M EURIBOR >> 1.092% fixed (EUR 25,360k)	EUR	21,239.2	6/30/2032	–1,912.9	–1,544.9
10) Interest rate swap EUR/3M EURIBOR >> 0.835% fixed (EUR 8,843.5k)	EUR	7,777.4	6/30/2031	–538.4	–429.5
11) Interest rate swap EUR/3M EURIBOR >> 0.835% fixed (EUR 16,266.5k)	EUR	14,313.9	6/30/2031	–991.1	–790.5
12) Forward-starting interest rate swap EUR/3M EURIBOR >> 0.918% fixed Start: 03/29/2029 (EUR 8,883k)*	EUR	8,883.0	9/30/2037	–278.9	0.0
13) Foreign currency swap EUR/CAD exchange rate 1.558 (EUR 10,852.8k)	EUR	10,852.8	6/21/2021	–46.7	0.0
				–6,277.8	**–4,915.7**
3) Interest rate swap CZK/1M PRIBOR >> 1.75% fixed (EUR 2,155.8k)*	CZK	992.9	8/31/2026	0.0	8.0
12) Forward-starting interest rate swap EUR/3M-EURIBOR >> 0.918% fixed Start: 03/29/2029 (EUR 8,883k)*	EUR	8,883.0	9/30/2037	0.0	8.3
				0.0	**16.3**

* See note (14) Noncurrent financial assets, the values for the previous year

Our derivative financial instruments comprise interest rate swaps, forward-starting interest rate swaps, and foreign currency swaps. Interest rate swaps transform variable-rate financial liabilities into fixed-rate financial liabilities, thereby mitigating the risk of higher interest payments in the event that interest rates rise. Forward-starting interest rate swaps differ from interest rate swaps in that the hedge starts at a future date. In the case of all interest rate swaps, the amount decreases as the hedged liability is repaid. The foreign currency swap secures a fixed exchange rate—in our case EUR/CAD—and thus prevents the risk of exchange rate fluctuations.

All interest rate swaps and the foreign currency swap qualify for hedge accounting (hedges of future cash flows). We therefore recognized the change in fair value net of the tax effect of EUR –1,008.3 thousand (previous year: EUR –1,485.7 thousand) in other comprehensive income.

We determine whether a commercial relationship exists between the underlying transactions and the hedging instrument on the basis of the reference interest rates, the terms, the maturities, and the nominal amounts. If the hedging relationship is directly affected by the uncertainty arising from the IBOR reform, we then assume that the reference interest rate remains unchanged by the reform of the reference interest rate. Hedging relationships that are affected by the IBOR reform can become ineffective due to a timing mismatch between the underlying transaction and the hedging instrument in relation to the transition from IBOR. Further details can be found in section 7.2.

(24) Income taxes

Income tax expense

EUR k	2020	2019
Current income taxes for the current period	3,579.1	3,553.8
Current income taxes for prior periods	–175.9	–34.4
Deferred income taxes for the current period	1,115.8	2,033.9
Deferred income taxes for prior periods	–48.5	–253.0
	4,470.5	**5,300.3**

Profit before tax is EUR 19,982.7 thousand (previous year: EUR 21,814.0 thousand). Applying the income tax rate of 25% applicable in Austria, tax expense would be EUR 4,995.7 thousand (previous year: EUR 5,453.5 thousand). The income tax expense reported in the income statement for 2020 amounts to EUR 4,470.5 thousand (previous year: EUR 5,300.3 thousand) and is thus EUR 525.2 thousand lower (previous year: EUR 153.2 thousand lower). The reasons for this difference are as follows:

EUR k	2020	2019
Profit before tax	**19,982.7**	**21,814.0**
Group tax rate	25.0%	25.0%
Expected tax expense	**4,995.7**	**5,453.5**
Higher income taxes due to		
higher foreign tax rates	537.2	530.5
tax benefit from unrecognized deferred taxes	382.2	288.0
property, plant, and equipment	0.0	231.5
interest not deductible for tax purposes	24.3	8.9
tax credits	157.0	104.9
loss allocated to equity investments	110.3	0.0
other reasons	33.5	157.2
Lower income taxes due to		
tax-exempt income from equity investments	–536.8	–44.2
loss allocated to equity investments	0.0	–34.2
interest on hybrid capital	–381.0	–311.6
property, plant, and equipment	–8.1	–27.0
foreign currency differences	–28.4	0.0
aperiodic taxes and levies	0.0	–40.0
other reasons	–44.0	–34.3
Deferred taxes attributable to noncontrolling interests	–726.8	–669.0
Unrecognized deferred taxes	382.4	0.0
Income taxes for prior periods		
Current income taxes for prior periods	–175.9	–34.4
Deferred taxes from prior periods	–48.5	–253.0
Tax rate changes	–202.6	–26.5
Current tax expense	**4,470.5**	**5,300.3**
Effective tax rate	22.4%	24.3%

Deferred tax assets and deferred tax liabilities result from the following differences between the tax base of assets and liabilities and their carrying amount in the IFRS statement of financial position as well as from tax loss carryforwards as of the reporting date:

EUR k	12/31/2020	12/31/2019
Differences between the tax base and IFRS carrying amounts of:		
Intangible assets and property, plant, and equipment	–27,510.5	–27,810.0
Financial assets	–1,388.5	–1,168.1
Other noncurrent assets	82.9	151.0
Other current assets	468.0	488.7
Financial liabilities	7,066.6	7,539.1
Bonds	–150.3	–188.4
Noncurrent provisions	850.9	1,033.2
Other noncurrent liabilities	1,094.1	724.1
Other current liabilities	142.6	159.8
Loss carryforwards	**3,533.8**	**3,661.0**
Net deferred taxes	**–15,810.0**	**–15,409.6**
of which deferred tax assets	1,396.5	567.7
of which deferred tax liabilities	–17,206.5	–15,977.3

Net deferred taxes changed as follows:

EUR k	2020	2019
Opening balance as of 01/01	**–15,409.6**	**–14,011.5**
Foreign exchange differences	241.5	–167.4
Additions to the basis of consolidation	55.2	0.0
Deferred taxes on other comprehensive income	370.2	550.2
Deferred taxes recognized in profit or loss	–1,067.3	–1,780.9
Closing balance as of 12/31	**–15,810.0**	**–15,409.6**

The deferred taxes recognized in other comprehensive income relate to remeasurement gains and losses on hedges.

We have not recognized deferred tax liabilities of EUR 10,978.7 thousand (previous year: EUR 9,220.0 thousand) for differences between the tax base of investments in subsidiaries and the share of the equity of those subsidiaries because we do not expect these differences to reverse in the foreseeable future or a reversal to be subject to income taxes.

(25) Provisions

	Balance as of 01/01/2020	New provisions	Addition due to change in discount rate	Interest	Used	Reversed	Foreign exchange differences	Balance as of 12/31/2020
EUR k								
Dismantling costs	14,076.8	323.0	0.0	275.2	0.0	0.0	–147.0	14,528.0
Severance payments	49.8	22.6	0.0	0.0	0.0	0.0	0.0	72.5
	14,126.6	**345.6**	**0.0**	**275.2**	**0.0**	**0.0**	**–147.0**	**14,600.5**
of which noncurrent	14,126.6							14,600.5

Due to our contractual obligations to dismantle the wind power plants at the end of their useful life, we recognized a provision for dismantling costs in the amount of the expected costs and discounted it at 2.0% (previous year: 2.0%).

(26) Trade and other payables

	12/31/2020	12/31/2019
EUR k		
Financial liabilities		
Trade payables	3,119.1	7,917.3
Outstanding invoices	4,610.1	4,818.7
Claims of employees and members of the Management Board	3,026.3	2,836.9
Other	550.5	651.1
	11,306.0	**16,224.0**
Nonfinancial liabilities		
Amounts payable to taxation authorities	312.5	76.7
	11,618.5	**16,300.7**

The claims of employees and members of the Management Board consist mainly of untaken vacation time in the amount of EUR 958.9 thousand (previous year: EUR 815.3 thousand), time credits of EUR 182.7 thousand (previous year: EUR 216.1 thousand), and bonuses of EUR 1,367.6 thousand (previous year: EUR 1,338.3 thousand).

Outstanding invoices relate mostly to outstanding invoices for construction and consulting services already rendered.

(27) Leases

Please see the accounting policies outlined in section 9.

Leases as lessee (IFRS 16)

We have entered into leases for properties which we use in connection with the operation of our power plants. These are generally entered into for fixed periods of at least 20 years, but may contain extension options. Many contracts provide for adjustments to be made based on the changes in local price indexes.

We also lease offices in various countries and electric vehicles for our employees. All other leases, such as leases of IT equipment, are either short-term leases or leases for which the underlying asset is of low value. We have not recognized any right-of-use assets or lease liabilities for these lease agreements.

Right-of-use assets

	Land	Buildings	Passenger vehicles	Total
EUR k				
Balance as of 01/01/2020	19,284.9	947.9	84.9	20,317.7
Additions to right-of-use assets	1,446.7	74.1	0.0	1,520.9
Foreign exchange differences	–161.6	–12.2	0.0	–173.7
Disposals of right-of-use assets	–47.8	0.0	–24.4	–72.2
Depreciation charge for the fiscal year	–1,262.4	–178.3	–32.4	–1,473.1
Depreciation charge for the fiscal year	3.5	0.0	7.5	11.0
Foreign exchange differences	9.6	6.6	0.0	16.2
Balance as of 12/31/2020	**19,272.9**	**838.2**	**35.7**	**20,146.8**

Amounts recognized in profit or loss

	2020	2019
EUR k		
Leases under IFRS 16		
Interest expense on lease liabilities	413.6	388.9
Expense relating to short-term leases	70.8	86.0
Expense relating to leases of low-value assets	126.7	141.1
Expense relating to variable lease payments and expense relating to contracts not within the scope of IFRS 16	1,177.0	994.3
Total	**1,788.0**	**1,610.3**

Amounts recognized in the statement of cash flows

	2020	2019
EUR k		
Total cash outflow for leases	3,683.7	5,066.3

Extension options

Some leases contain extension options that only we, and not the lessor, may exercise. At the commencement date, we assess whether extension options are reasonably certain to be exercised. We reassess whether an extension option is reasonably certain to be exercised upon the occurrence of a significant event or a significant change in circumstances. Based on the current assessment, there is no change in the lease liability as a result of the fact that an extension option may be exercised.

Leases as lessor

We lease solar power plants in accordance with IFRS requirements. We have classified these leases as operating leases, as they do not transfer substantially all the risks and rewards incidental to ownership of the asset. In 2020, we recognized lease income of EUR 40.5 thousand. Lease income of EUR 26.0 thousand was reported in the previous year under "Other operating income". The lease income is variable, as it depends on the electricity generation at the solar power plants.

5. Other obligations

5.1 Financial obligations arising from lease contracts and purchase orders

Most of our power plants are on leased land. The term of the underlying lease contracts is usually the expected useful life of the respective assets. Under the contracts, we are obliged to make lease payments, which in accordance with IFRS 16 are presented as a right-of-use asset and a lease liability—see (27) and section 9.

The amount of the lease payments depends on uncertain factors, such as rises in price indexes or adjustments linked to the income generated by the wind power plants. The contracts usually require us to dismantle the assets and restore the generation sites at the end of the lease term—see (6) and section 6.

As of the reporting date, material orders for purchases of property, plant, and equipment were outstanding in the amount of EUR 39,598.5 thousand (previous year: EUR 14,360.4 thousand).

5.2 Pending litigation

There is no litigation currently pending.

6. Judgments and estimation uncertainty

The preparation of our consolidated financial statements required the following significant judgments and estimates:

- One significant judgment is the determination of whether we control an investee. This is relevant primarily in cases where we do not hold a majority interest.
- Other judgments relate to the recognition of project development costs as assets when projects have been set out in sufficient detail, which is generally documented by a project development instruction from the Management Board.

There is a considerable risk that the following estimates will require a significant reassessment in the coming fiscal years, possibly resulting in an adjustment to the carrying amounts of assets and liabilities:

- The assessment of the recoverability of investments of EUR 14,916.5 thousand (previous year: EUR 10,577.2 thousand) in the project development of wind farms and solar power plants that do not yet have final approval for implementation is based on an assessment of the respective wind farm's probability of realization. This probability of realization may quickly change if public acceptance is lacking or approvals are unattainable. In the fiscal year, we derecognized project costs of EUR 1,079.6 thousand (previous year: EUR 1,008.3 thousand) as expenses, as it is no longer likely that the project will be realized.
- An impairment test is carried out on our technical equipment and machinery whenever there are indications that an impairment/reversal of impairment may have occurred. The indications identified by W.E.B include, for example, a short remaining term of the subsidized tariff or unforeseen building costs during construction.
- In the event of the indications identified, we test our technical equipment and machinery for impairment by determining their recoverable amount, which is the present value of the future net cash inflows. The outcome of the calculation depends on several assumptions. The most significant assumptions are the future revenue for the electricity generated (especially for projects without a subsidized tariff or after the end of the subsidized period) and the interest rate used to discount the future cash flows. The assumptions for the tariff are based on electricity trading prices and assume a price rise of 2.5% p.a. over the medium to long term (previous year: 3%). In the wind segment, we have assumed a price rise of 1.4% p.a. The discount rate used is the post-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the asset in question. The post-tax interest rate was determined specifically for each measured asset depending on the remaining term and ranges from 4.73% to 5.65% (previous year: 4.32% to 4.85%). The pre-tax interest rate was calculated iteratively and ranges from 6.21% to 33.58% (previous year: 5.37% to 12.16%).

  In the fiscal year, the impairment tests did not require any adjustments to be recognized.

A change in the tariff and/or the interest rate would have the following impact on profit for the fiscal year 2020:

Electricity price

	–20%	–10%	Base case
	EUR k	EUR k	EUR k
WACC +0.5%	–2,858.1	–1,344.5	–397.2
Base case	–2,358.3	–803.4	0.0

- Further assumptions and estimates relate to the determination of the useful lives of property, plant, and equipment (see section 9.3) and the determination of components of an item of property, plant, and equipment.

  We change our assumptions and estimates on the determination of the useful lives of our wind power plants, if the operating license for the installation is extended and the economic environment allows for the installation to operate beyond useful life as estimated at the time it was commissioned. In the reporting period, there was one change in the estimate of the useful life of our wind power plant at Michelbach, Austria. All the major components of the wind power plant were given a general overhaul in the reporting period. The installation with a carrying amount of EUR 32.8 thousand as of December 31, 2020 was given a new useful life up to 2035—the installation was the first W.E.B wind power plant to be commissioned in 1995.

- Provisions for dismantling costs, with a carrying amount of EUR 14,528.0 thousand as of December 31, 2020 (previous year: EUR 14,076.9 thousand), are measured on the basis of expert estimates and experience of the cost of dismantling similar plants as well as on the assumption that some of the materials to be disposed of can be reused. The provision is recognized as part of the cost of the asset, as a result of which any increase or decrease in the provision is recognized in profit or loss over the useful life of the asset rather than immediately.

- The hybrid bonds issued by us are reported in equity due to the bond terms and conditions, under which there is only a contractual obligation to make interest and principal payments on the bonds in the event of a legally effective resolution to disburse a dividend, some other form of distribution, or a payment for the previous fiscal year. Furthermore, the hybrid bonds are subordinate to all other liabilities.

- In determining lease terms, we consider all facts and circumstances that create an economic incentive to exercise extension options. Any changes in the term of a lease relating to the exercise of extension options are only reflected in the term if the options are reasonably certain to be extended. This assessment is reviewed upon the occurrence of a significant event or a significant change in circumstances that may affect the previous assessment—provided that this event or change is within our control.

- The recognition of deferred tax assets is based on the assessment of the availability of future taxable profits.

7. Additional information on financial instruments

7.1 Significance of financial instruments

The following table shows the carrying amount and the fair value of the financial instruments held by us at each reporting date (financial assets and financial liabilities) as well as the fair value measurement levels. Further information on the valuation techniques and the measurement levels is provided in section 9.3.

	Carrying amount 12/31/2020	Carrying amount 12/31/2019	Fair value 12/31/2020	Fair value 12/31/2019	Measure-ment level
EUR k					
Financial assets measured at fair value					
Securities	206.7	449.2	206.7	449.2	Level 1
Shares in companies	2,033.2	1,137.9	2,033.2	1,137.9	Level 2
Hedges					
Interest rate swaps or previous year FX forward with positive carrying amount	0.0	16.3	0.0	16.3	Level 2
Financial assets not measured at fair value					
Loans and receivables					
Trade receivables	13,180.5	17,396.9	13,180.5	17,396.9	
Loans and other receivables	20,930.1	28,600.2	20,930.1	28,600.2	
Credit and capital reserve accounts	5,924.8	8,447.9	5,924.8	8,447.9	
Cash					
Cash and cash equivalents	26,929.4	33,933.4	26,929.4	33,933.4	
Total financial assets	**69,204.7**	**89,981.8**			
Financial liabilities measured at fair value					
Hedges					
Interest rate swaps with a negative carrying amount	6,277.8	4,915.7	6,277.8	4,915.7	Level 2
Financial liabilities not measured at fair value					
Financial liabilities measured at amortized cost					
Financial liabilities (including leases)	373,855.4	379,119.3	376,687.0	344,730.6	
Bond liabilities	34,020.7	44,715.2	35,862.6	47,157.8	
Trade and other payables	11,113.5	15,420.3	11,113.5	15,420.3	
Total financial liabilities	**425,267.4**	**444,170.5**			

In the case of trade receivables, loans, other receivables, and trade and other payables, the carrying amounts approximate their fair values due to the mainly short remaining maturities. There were no transfers between the measurement levels in the reporting period or in the previous year.

The carrying amounts of financial assets pledged as security amounted to EUR 5,988.6 thousand on December 31, 2020 (previous year: EUR 9,998.0 thousand). A portion of this amount served as security for our contractual obligation to land owners to dismantle and remove the wind power plants at the end of their useful lives. The other portion served as security for liabilities to banks.

The financial instruments gave rise to the following income and expenses:

	From subsequent measurement				From interest
2020	At fair value through other comprehensive income	Currency translation	At fair value through profit or loss	Valuation allowance	
EUR k					
Securities	0.0	0.0	–13.9	0.0	0.0
Shares in companies	0.0	0.0	0.0	0.0	0.0
Cash	0.0	0.0	0.0	0.0	125.7
Loans and receivables	0.0	0.0	0.0	0.0	1,106.1
Financial liabilities at amortized cost	0.0	6,562.1	0.0	0.0	–11,541.9
Hedges	1,008.3	0.0	0.0	0.0	–1,467.0
Total	**1,008.3**	**6,562.1**	**–13.9**	**0.0**	**–11,777.1**

	From subsequent measurement				From interest
2019	At fair value through other comprehensive income	Currency translation	At fair value through profit or loss	Valuation allowance	
EUR k					
Securities	0.0	0.0	14.8	0.0	0.0
Shares in companies	0.0	0.0	0.0	0.0	0.0
Cash	0.0	0.0	0.0	0.0	188.7
Loans and receivables	0.0	0.0	0.2	0.0	1,175.9
Financial liabilities at amortized cost	0.0	4,367.1	0.0	0.0	–11,391.7
Hedges	1,485.7	0.0	0.0	0.0	–1,208.4
Total	**1,485.7**	**4,367.1**	**15.0**	**0.0**	**–11,235.5**

The financial assets were remeasured in the reporting period. For companies for which a rating was available, we consider there to be no probability of default in the case of agency ratings of BB+ or above. For companies for which no rating is available, the electricity sector assumes a probability of default of up to 4%.

Repayment of the loans extended to noncontrolling interests depends on the cash flows from the project companies. Based on the expected cash flows, it can be assumed that the loans can be repaid. Therefore, no expected credit losses were recognized on the loans.

The year-end measurement resulted in a change in the measurement of noncurrent assets. The credit risk on operating receivables in the amount of EUR 78.8 thousand was not recognized for reasons of immateriality.

Expected credit losses therefore changed as follows in the fiscal year 2020:

EUR k	
Expected credit losses as of 12/31/2019	305.3
of which addition to allowance for expected credit losses on "Other noncurrent receivables"	0.0
of which reversals to allowance for expected credit losses on "Other noncurrent receivables"	–239.3
Valuation allowances in 2020	0.0
Adjustments from foreign exchange differences 2020	–2.3
Expected credit losses as of 12/31/2020	**63.7**

EUR k	
Expected credit losses on operating receivables as of 12/31/2019	0.0
Addition	132.6
Adjustments from foreign exchange differences 2020	0.0
Expected-credit-losses on operating receivables as of 12/31/2020	**132.6**

7.2 Risks arising from financial instruments

7.2.1 Liquidity risk

Liquidity risk is the risk that we may not be able to meet our financial obligations in accordance with contractual provisions. The objective of our liquidity management is to ensure that we always have sufficient liquid funds to meet our payment obligations when they fall due, under both normal and stressed conditions (e.g., in the event of fluctuations in cash inflows due to wind conditions).

The following contractual payment obligations existed as of the reporting date (by maturity, including interest payments, not discounted):

	Maturity		
12/31/2020	Up to 1 year	Between 1 and 5 years	More than 5 years
EUR k			
Bonds	11,643.4	20,621.6	4,376.7
Liabilities to banks	50,187.8	149,091.0	213,446.3
Lease liabilities	2,002.4	3,333.5	2,136.5
Lease liabilities—right-of-use assets	1,673.6	7,539.9	15,681.0
Other obligations	11,618.5	0.0	0.0
Purchase commitments for property, plant, and equipment	39,598.5	0.0	0.0
Total	**116,724.3**	**180,586.0**	**235,640.5**

	Maturity		
12/31/2019	Up to 1 year	Between 1 and 5 years	More than 5 years
EUR k			
Bonds	12,103.6	29,508.4	7,095.4
Liabilities to banks	43,197.4	149,672.6	237,020.6
Lease liabilities	1,982.9	4,502.6	2,969.8
Lease liabilities—right-of-use assets	1,664.0	7,376.9	15,980.3
Other obligations	16,300.7	0.0	0.0
Purchase commitments for property, plant, and equipment	14,350.4	0.0	0.0
Total	**89,598.8**	**191,060.6**	**263,066.1**

As security for existing financing, extensive pledges of assets and assignments of receivables have been agreed with the financial institutions. In addition, we have undertaken to comply with certain financial ratios. A breach of these ratios might entitle the financial institutions to call in the financing. Due to there being very little wind in general in Austria in the reporting period, one ratio in financing revenue could not be met. We received a waiver from the financing bank, according to which this shortfall is tolerated, thus not resulting in any breach of the credit agreement.

When making investment decisions, we always consider our current liquidity position and further liquidity planning. As of the reporting date, purchase orders for property, plant, and equipment were outstanding in the amount of EUR 39,598.5 thousand (previous year: EUR 14,350.4 thousand).

7.2.2 Market risk

Our financial assets, financial liabilities, and obligations mainly expose us to the risk of changes in interest rates and exchange rates. The objective of our financial risk management is to limit these market risks through ongoing operating and financing activities. For this, we use selected derivative and nonderivative hedging instruments, depending on the assessment of the risk. We use derivative financial instruments solely as hedging instruments; they are not used for trading or other speculative purposes.

A list of the derivative financial instruments can be found in note (23).

The most important reference interest rates are being fundamentally reformed worldwide, including the replacement of some interbank offered rates (IBORs) with alternative, almost risk-free interest rates (referred to as the IBOR reform). Our financial instruments are subject to IBORs that are being replaced or reformed within the scope of these market-wide initiatives. Uncertainty prevails about the timing and method of transition in some of the markets in which we operate. Based on the current assessment, we assume that the IBOR reform will impact our risk management. We currently envision no impact on our recognition of hedging transactions. The risk management process evaluates to what extent contracts refer to IBOR cash flows and whether such contracts must be changed as a result of the IBOR reform. The variable amounts of our interest rate swaps that serve as hedging instruments are either linked to EURIBOR, US LIBOR, or PRIBOR. Our derivative financial instruments are regulated through contracts based on the frameworks of the International Swaps and Derivatives Association (ISDA). The ISDA is currently reviewing its standardized contracts with regard to the IBOR reform and plans to change certain options in relation to variable interest rates in the 2006 ISDA definitions in order to include fallback clauses, which would apply in case of a permanent discontinuation of certain important IBORs. The ISDA is expected to publish a supplement to the IBOR fallback clause and an IBOR fallback protocol.

The method for calculating the EURIBOR was changed during 2019. In July 2019, the Financial Services and Markets Authority (FSMA) of Belgium granted authorization in relation to EURIBOR under the Benchmark Regulation (BMR). This allows the market participants to continue using EURIBOR for existing and new contracts. We believe that EURIBOR will continue to be used as a reference rate for the foreseeable future. It is not clear what alternative reference interest rates will be used for US LIBOR and PRIBOR. The uncertainty as to when and how the replacement can be used for the corresponding hedged underlying transactions and hedging instruments could potentially impact the hedging relationship. The hedging relationships impacted by the IBOR reform may be subject to uncertainty, which is attributable to expectations as to when the existing IBOR reference rate will be replaced by an alternative reference interest rate. This transition may happen at different times for the hedged underlying transaction and the hedging instrument, which can render the hedge ineffective. We assume that the transition will happen at the same points in time, resulting in no change to the recognition of our hedging transactions.

Interest rate risk

Fluctuations in interest rates represent a significant market risk for us. A rise in interest rates leads to higher interest expenses and cash outflows for variable-rate financial liabilities. In the case of fixed-rate financial liabilities, the fair value of the obligation rises as interest rates fall.

As of December 31, 2020, the proportion of variable-rate financial liabilities (taking into account the interest rate swaps entered into) was 10.3% (previous year: 9.6%). With the loan portfolio in place as of the reporting date and factors otherwise unchanged, an interest rate rise of one percentage point would reduce profit (before tax) by EUR 368.3 thousand p.a. (previous year: EUR 348.3 thousand p.a.).

As of December 31, 2020, we were a contracting party to interest rate swaps with a nominal value of EUR 90,582.2 thousand (previous year: EUR 101,231.3 thousand). The sole purpose of these interest rate swaps is to swap variable for fixed rates. They are designated as hedges (hedges of future cash flows) in accordance with IFRS 9. The table in note (23) shows a detailed presentation of derivative financial liabilities including fair values. The derivatives have an average remaining maturity of 8.1 years (previous year: 8.7 years). Changes in interest rates affect the measurement of interest rate swaps and, through the recognition of the remeasurement gains or losses in other comprehensive income, they also affect equity.

Currency risk

Our currency risks result from investments and operating activities in non-euro countries. At present, these are the Czech Republic, Canada, and the USA. Investments are financed partly through equity and predominantly through loans taken out in the respective local currency.

Equity financing is not hedged. Equity risk amounts to EUR 8,347.5 thousand for Canada (previous year: EUR 8,347.5 thousand), EUR 910.3 thousand for the Czech Republic (previous year: EUR 939.7 thousand), and EUR 23,107.2 thousand for the USA (previous year: EUR 10,753.6 thousand). We recognize the resulting translation differences in other comprehensive income. In the fiscal year 2020, they amounted to EUR –48.3 thousand for subsidiaries in the Czech Republic (previous year: EUR 70.2 thousand), EUR –2,373.9 thousand for those in Canada (previous year: EUR –1,642.6 thousand), and EUR –1,933.4 thousand) for those in the USA (previous year: EUR –24.5 thousand).

Foreign currency financial liabilities were composed as follows as of the reporting date:

Financial liabilities

	12/31/2020	12/31/2019
EUR k		
CAD bank loan	70,299.5	78,722.2
WEB AG—WEB NA CAD loan (intragroup)	0.0	5,724.5
WEB NA – WEB AG CAD loan (intragroup)	6,917.8	0.0
WEB AG—USA USD loan (intragroup)	0.0	7,211.7
CZK bank loan	3,472.5	4,564.4
USD bank loan	12,627.2	15,266.3

In the fiscal years 2014, 2017, and 2019, we took out loans in Canadian dollars to finance activities in Canada. In the fiscal year 2017, we also took out loans in US dollars to finance activities in the USA. Financing is therefore carried out in the same currency as the cash flows from the investments. As the expected cash flows are sufficient to cover this financing, the Management Board currently believes that these financial liabilities do not give rise to any currency risk.

In the previous year, the parent WEB Windenergie AG extended a euro-denominated loan of EUR 1,933.3 thousand to the subsidiary WEB Wind Energy North America Inc., which was repaid in the reporting period. This gave rise to currency risk, which in the reporting period was recognized as a change of EUR –140.3 thousand (previous year: EUR 125 thousand) and presented in other comprehensive income as a loss in the amount of EUR 1,054.5 thousand (previous year: loss of EUR 918.9 thousand).

The parent WEB Windenergie AG has extended a loan of CAD 10,763.3 thousand to the subsidiary WEB Wind Energy North America Inc. as short-term financing until June 21, 2021. We hedged the resulting currency risk by entering into a foreign currency swap. This is designated as a hedge (hedge of future cash flows) in accordance with IFRS 9. The table in note (23) shows a detailed presentation of the derivative financial liabilities including fair values. The term of the hedge is the term of the hedged item. Currency fluctuations affect the measurement of the FX forward and, through the recognition of the remeasurement gains or losses in other comprehensive income, they also affect equity.

In previous years, the parent WEB Windenergie AG took out a US dollar-denominated loan, the balance of which was EUR 1,854.0 thousand as of the reporting date (previous year: EUR 2,336.7 thousand). In the reporting period, the resulting currency risk was recognized in profit or loss as a profit of EUR 190.5 thousand (previous year: loss of EUR 48.0 thousand).

In operating activities, invoicing is carried out in the functional currency of the respective Group company. Trade receivables and payables are denominated mainly in the functional currency of the respective Group company.

A 10% appreciation or depreciation in the euro against the following major currencies of financial liabilities would have affected profit before tax and equity as follows:

2020	10% appreciation	10% depreciation
EUR k	Result	Result
USD	168.5	–206.0

A 10% appreciation or depreciation in the euro against the following major currencies of the subsidiaries' equity financing would have affected other comprehensive income and equity as follows:

2020	10% appreciation	10% depreciation
EUR k	Result	Result
CAD	–752.5	919.8
CZK	–147.1	179.7
USD	–1,836.9	2,245.1
Total	**–2,736.5**	**3,344.6**

Credit risk

We are exposed to credit risk both in our operating business and in certain investing and financing activities. Wherever possible in investing and financing activities, we only enter into transactions with counterparties of impeccable credit standing.

The maximum exposure to credit risk is the carrying amount of the financial assets. There are no arrangements regarding the offsetting of our receivables against existing liabilities.

The risk of credit losses is limited by the fact that we generate most of our revenues from government or quasi-government organizations. We measured our receivables as of the reporting date. For companies for which a rating was available, we consider there to be no probability of default in the case of agency ratings of BB+ or above. For companies for which no rating is available, the electricity sector assumes a probability of default of up to 4%. Credit risk on operating receivables in the amount of EUR 132.6 thousand was recognized. In the previous year, the amount of EUR 78.8 thousand was not recognized for reasons of immateriality. As of December 31, 2020, the maximum exposure to credit risk in connection with trade receivables was EUR 13,180.5 thousand (previous year: EUR 17,396.9 thousand); for all other receivables, loans, etc., it was EUR 30,783.7 thousand (previous year: EUR 40,149.9 thousand).

8. Other disclosures

8.1 Geographical information

The following tables show selected financial information disaggregated by major geographical region. Revenue and noncurrent assets are allocated to the Company's locations.

Revenue

	2020	2019	Change
EUR k			
Austria	38,050.1	44,165.7	–14%
France	22,204.4	18,506.8	20%
Germany	17,236.9	16,338.1	6%
Canada	15,841.0	12,936.4	22%
Italy	7,286.8	6,334.9	15%
USA	3,004.3	3,145.4	–4%
Czech Republic	2,545.6	2,731.7	–7%
Total	**106,169.1**	**104,159.0**	**2%**

Noncurrent assets (intangible assets and property, plant, and equipment)

	2020	2019	Change
EUR k			
Austria	179,165.0	179,729.2	0%
France	114,702.2	105,349.1	9%
Canada	75,701.3	85,647.4	–12%
Germany	65,840.0	71,747.1	–8%
Italy	55,957.6	49,562.3	13%
USA	27,839.9	24,376.7	14%
Czech Republic	7,006.2	8,255.4	–15%
Slovakia	64.2	0.0	
Total	**526,276.4**	**524,667.2**	**0%**

8.2 Notes to the statement of cash flows

The composition of cash and cash equivalents is shown in (18).

We allocate interest received to investing activities and interest paid to financing activities.

Payments to noncontrolling interests of EUR 2,803.5 thousand (previous year: EUR 7,984.6 thousand) relate to repayments of equity. These were used predominantly to repay loans issued to noncontrolling interests.

In the current fiscal year, dividends of EUR 2,884.5 thousand (previous year: EUR 5,192.2 thousand), were distributed and interest of EUR 1,524.0 thousand (previous year: EUR 1,246.6 thousand) was disbursed to hybrid capital investors.

Financial liabilities and bonds changed as follows:

		Cash			Noncash					
EUR k	01/01/2020	Repay-ments	Borrow-ings	Loan charges	Inclusion of rights of use under IFRS 16	Adjustment to lease liabilities under IFRS 16	Interest	Foreign exchange differences	Loan charges	12/31/2020
Financial liabilities	350,338.2	–34,602.7	36,884.2	–459.4	0.0	0.0	45.4	–6,201.6	725.2	346,729.3
Lease liabilities under IFRS 16	28,781.1	–2,954.1	0.0	0.0	1,284.6	353.4	0.0	–360.5	21.6	27,126.1
Bonds	44,715.2	–10,741.4	15.2	0.0	0.0	0.0	–67.4	0.0	99.0	34,020.7
	423,834.5	**–48,298.2**	**36,899.4**	**–459.4**	**1,284.6**	**353.4**	**–21.9**	**–6,562.1**	**845.8**	**407,876.1**

Income tax payments amounted to EUR 2,426.4 thousand (previous year: EUR 2,748.0 thousand) and related mainly to operating cash flows.

8.3 Objectives of capital management

The objectives of capital management are to ensure the Company's continued existence as a going concern and further expand the generation of electricity from renewables in Europe, Canada, and the USA, while achieving an adequate return on equity. Our goal is to achieve a long-term return on equity of 7% to 10%. To hedge against corporate risks while at the same time making optimum use of the equity available, we aim to achieve an equity ratio of 20% to 30% over the long term. As of December 31, 2020, the equity ratio was 24.6% (previous year: 24.0%) and the return on equity 10.3% (previous year: 11.4%).

In the reporting period, a resolution to distribute EUR 2,884.5 thousand (previous year: EUR 5,192.2 thousand) was passed at the Annual General Meeting. This equated to a dividend of EUR 10.00 (previous year: EUR 18.00) per share. Over the long term, it is intended to distribute a significant portion of consolidated profit as a dividend.

In 2021, distribution of a dividend of EUR 26.00 per share for 2020 is planned.

8.4 Related party disclosures

The related parties of our Group include all unconsolidated affiliated companies, all associates, and all joint ventures, as well as the members of the Management and Supervisory Boards, their close family members, and entities controlled by them. A list of Group companies can be found in Annex 1.

There were no significant transactions with unconsolidated subsidiaries in the reporting period or in the previous year.

The equity investments Sternwind Errichtungs- und Betriebs GmbH and Sternwind Errichtungs- und Betriebs GmbH & Co KG were accounted for using the equity method, resulting in operational management and maintenance contracts at customary market terms. Receivables in the amount of EUR 16.8 thousand (previous year: EUR 14.7 thousand) were outstanding on December 31, 2020.

The loan issued by WEB Windenergie AG for the capital contributions of noncontrolling interests in Scotian WEB Inc. and Scotian WEB II Inc., Canada, was repaid in full (12/31/2019: EUR 3,043.1 thousand).

WEB Windenergie AG also granted a loan to finance the capital contribution of noncontrolling interests to Pisgah Mountain LLC, USA. As of 12/31/2020, receivables amounting to EUR 6,858.4 thousand (12/31/2019: EUR 7,211.7 thousand) were outstanding from Pisgah Holdings LLC, USA.

WEB Windenergie AG also granted a loan to finance the capital contribution of noncontrolling interests to Wisokolamson Energy LP, Canada. As of 12/31/2020, receivables amounting to EUR 2,428.9 thousand (12/31/2019: EUR 2,681.4 thousand) were outstanding from Woodstock Wind LP, Canada.

For details about loans granted to project partners, please see note (14).

A consultancy agreement is in place with the law firm Sattler und Schanda, in which Supervisory Board member Reinhard Schanda is a partner. The legal advice is provided by one of the law firm's lawyers, Dr. Angela Heffermann. At its meeting on June 26, 2009, the Supervisory Board approved the continuation of the consultancy mandate. Expenses of EUR 7.5 thousand (previous year: EUR 21.1 thousand) were recognized in the reporting period. As in the previous year, there were no outstanding claims for fees by the law firm of Sattler & Schanda as of December 31, 2020.

An agreement is in place with Supervisory Board member Martin Zimmermann on the management and maintenance of brownfield sites in relation to wind power locations in Austria. Expenses of EUR 9.6 thousand (previous year: EUR 9.0 thousand) were recognized in the reporting period. There were no outstanding liabilities as of December 31, 2020 (previous year: EUR 0.0 thousand).

Governing bodies of the Company

a) Management Board

In the fiscal year 2020, the Management Board was made up of the following persons:

Dr. Frank Dumeier, born March 29, 1962, member of the Management Board since April 1, 2010, Chairman of the Management Board since April 30, 2016, joint representation

DI Dr. Michael Trcka, born November 10, 1970, member of the Management Board since May 1, 2009, Chief Financial Officer since May 1, 2009, joint representation

b) Supervisory Board

In 2020, the Supervisory Board was made up of the following persons:

Mag. Josef Schweighofer, born August 26, 1964, member of the Supervisory Board since July 5, 2002, Chairman of the Supervisory Board since January 17, 2009, term of office until the Annual General Meeting in 2021

Dr. Reinhard Schanda, born January 16, 1965, member of the Supervisory Board since June 19, 2009, Deputy Chairman of the Supervisory Board since June 17, 2011, term of office until the Annual General Meeting in 2024

DI (FH) Stefan Bauer, born September 20, 1977, member of the Supervisory Board since May 1, 2005, term of office until the Annual General Meeting in 2021

Mag. Brigitte Ederer, born February 27, 1956, member of the Supervisory Board since May 25, 2018, term of office until the Annual General Meeting in 2023

Martin Zimmermann, born December 23, 1968, member of the Supervisory Board since June 17, 2011, term of office until the Annual General Meeting in 2021

c) Authorized signatories

Claudia Bauer, born February 1, 1983, was appointed as an authorized signatory (Prokurist) on September 15, 2008, and Mag. Stefanie Markut, born September 1, 1977, and DI (FH) Roman Prager, born January 29, 1976, were appointed as authorized signatories on August 1, 2016. They represent the Company together with a member of the Management Board.

8.4.1 Remuneration of governing body members

In 2020, the members of the Management Board received remuneration totaling EUR 839.3 thousand (previous year: EUR 634.6 thousand), of which EUR 397.3 thousand comprised performance-related components for the profit for 2019 (previous year: EUR 311.4 thousand in relation to the profit for 2018) and of which payments of EUR 135.0 thousand were made to pension funds (previous year: EUR 66.0 thousand). The payments to pension funds are defined contribution pension obligations. There are no other benefit obligations. The criteria set for the performance-related components (variable remuneration) are the number of megawatts of power plant capacity newly installed in the fiscal year in question and achieving or exceeding a certain return on equity. Caps have been set on total remuneration. We did not pay any remuneration to a former member of the Management Board in the fiscal year (previous year: EUR 0.0 thousand).

We did not grant any advance payments to governing bodies of the Company in 2020 (previous year: EUR 0.0 thousand).

The remuneration of the Supervisory Board amounted to EUR 140.0 thousand in the reporting period (previous year: EUR 140.0 thousand).

EUR	
Josef Schweighofer	40,000.00
Reinhard Schanda	29,000.00
Stefan Bauer	27,000.00
Brigitte Ederer	22,000.00
Martin Zimmermann	22,000.00
	140,000.00

We have taken out a directors' and officers' liability insurance (D&O insurance) covering certain personal liability risks for persons acting responsibly on behalf of WEB Windenergie AG and its subsidiaries. The costs (EUR 19.8 thousand) are borne by the Company.

9. Accounting policies

9.1 Entities included in the consolidated financial statements

Our consolidated financial statements include WEB Windenergie AG and its subsidiaries.

Subsidiaries are entities that we control. Control exists if we

a) have power over the entity and thus direct the activities of the entity that significantly affect its returns,
b) have exposure, or rights, to returns from our involvement with the subsidiary, and
c) have the ability to use our power over the subsidiary to affect the amount of our returns from our involvement with the subsidiary.

One rebuttable indication of control is an ownership interest of 50% or above. However, control may also result from contractual arrangements. A list of all our subsidiaries can be found in Annex 1.

We include all subsidiaries in the consolidated financial statements. This means that their assets and liabilities are included in the consolidated statement of financial position, and their income and expenses in the consolidated income statement. This also applies if we hold less than 100% of the shares in a subsidiary, in which case the (noncontrolling) shares in the subsidiary attributable to other shareholders are presented in the statement of financial position as noncontrolling interests. Intragroup transactions, receivables, liabilities, and material unrealized profits (intercompany profits) are eliminated.

If we lose control of a subsidiary, we derecognize the subsidiary's assets and liabilities as well as the non-controlling interests. We recognize the resulting gain or loss in the income statement.

Associates and joint ventures are also recognized in our consolidated financial statements. Associates are entities over which we have significant influence, but which we do not control. One rebuttable indication of significant influence is an ownership interest of 20% to 50%. Joint ventures are entities which we manage

jointly with one or more partners. We account for associates and joint ventures using the equity method. This means that, at the acquisition date, we include the shares in the statement of financial position at cost. In subsequent periods, we adjust the carrying amount for our share of the associate's profit or loss and other comprehensive income as well as our share of other changes in the associate's net assets (e.g., distributions). We only assume a loss if the remaining carrying amount of the shares is positive.

The number of entities included in the consolidated financial statements changed as follows in the fiscal year:

	Subsidiaries	Associates and joint ventures
As of 01/01/2019	**38**	**6**
Entities established by us	2	1
Entities acquired by us	0	0
Dissolution of entities	0	0
Deconsolidation of WEB Windenergie Brandenburg GmbH	–1	1
As of 12/31/2019	**39**	**8**
Entities established by us	6	1
Entities acquired by us	2	–1
In formation	1	0
Dissolution of entities	–1	0
As of 12/31/2020	**47**	**8**

Entities established by us

The company WEB DGHS Wind GmbH & Co KG was established in Austria in January 2020. We hold 100% of the shares. Therefore, the entity is consolidated.

The entity WEB Windpark Kuhs GmbH & Co. KG was established in Germany, also in January 2020. As we hold 100% of the shares, the entity is consolidated.

SLOWEB s.r.o. was established in Slovakia in March 2020. We hold 100% of the shares. Therefore, the entity is consolidated. This entity represents the start of our project development activities in what is a new country for us.

WEB Silver Maple Wind, LLC was established in the USA, also in March 2020. We hold 100% of the shares. Therefore, the entity is consolidated.

Bleu Vent Développement SAS was established in France together with a partner in August 2020. We hold 50% of the shares. We have included the entity as an associate in our consolidated financial statements.

In December 2020, WEB Brimfield, LLC and WEB Brookfield, LLC were established in the USA, in which we hold 100% of the shares. These entities will therefore be fully consolidated.

On the reporting date, the entity WEB Poste d'Armançon was being established in France. We also hold 100% of the shares in this entity, so it will be fully consolidated.

Entities acquired by us in which we previously had an equity investment

In October 2020, all shares of WEB ARIANO SRL, Italy, were acquired, thus increasing the investment ratio from 75% to 100%. The Company holds 100% of the shares in Campo Eolico Ariano S.r.l., Italy, which in turn is involved exclusively in the project development for a wind farm project. This is not a business combination within the meaning of IFRS 3. The company will be fully consolidated. The purchase price was EUR 1,926.0 thousand, of which EUR 1,531.6 thousand relates to the repayment of a previous loan. Liquid funds of EUR 244.9 thousand were assumed.

Dissolution of entities

The liquidation of Regenerative Energy Bulgaria EOOD, Bulgaria, was concluded in the fiscal year and the entity deleted from the commercial register. We held 100% of the shares in the entity, which was not consolidated for reasons of immateriality.

9.2 Currency translation

Our consolidated financial statements have been prepared in euros. The consolidated financial statements include transactions entered into in a different currency. They also include subsidiaries with a currency other than the euro, namely the Czech koruna (CZK), the US dollar (USD), and the Canadian dollar (CAD).

We translate foreign currency transactions at the middle spot rate at the transaction date. Monetary assets and liabilities in foreign currencies as of the reporting date, such as cash and cash equivalents, receivables, and liabilities, are translated at the currency buying or selling rate at that date. The resulting foreign exchange gains or losses are recognized in profit or loss within net finance costs.

Assets and liabilities of subsidiaries reporting in foreign currencies are translated at the middle spot rate at the reporting date. Income statement items are translated at the average rate for the fiscal year. The resulting foreign exchange gains or losses are recognized in other comprehensive income.

For the financial statements as of December 31, 2020 and 2019, we used the following rates:

	Valuation rate 12/31/2020	Average rate 2020	Valuation rate 12/31/2019	Average rate 2019
CZK	26.2420	26.4281	25.4080	25.6851
USD	1.2271	1.1384	1.1234	1.1213
CAD	1.5633	1.5294	1.4598	1.4906

9.3 Other accounting policies

9.3.1 Goodwill and intangible assets

Our intangible assets consist mainly of water rights and IT software. The cost of an asset is amortized on a straight-line basis over its expected useful life. We estimate the useful lives to be as follows:

	Useful life
Rights of use, water rights	16–40 years
Software	2–3 years

Intangible assets consist solely of assets acquired from third parties. To date, we have not recognized any internally generated intangible assets, as the criteria required by IAS 38 were not met. Expenditure on research activities is recognized in profit or loss when incurred.

In the event of a business combination, the consideration transferred is compared with the fair value of the net assets acquired. If the difference is an excess of consideration over net assets acquired, we recognize it as goodwill. If the difference is an excess of net assets acquired over consideration, we review the carrying amounts of the factors influencing this difference. If there is still an excess of net assets acquired over consideration after the review, we recognize this in profit or loss.

9.3.2 Property, plant, and equipment

We recognize our property, plant, and equipment at cost. This also includes the project development costs for the plant in question arising as of the date when a project is set out in sufficient detail. Costs in the general project advertising phase, on the other hand, are recognized as an expense when incurred. Costs resulting from significant deviations from the original project development plan are also recognized as an expense. If the construction phase of items of property, plant, and equipment extends over a longer period, we recognize the borrowing costs incurred up to the date of completion as part of the cost. If we receive government grants in constructing items of property, plant, and equipment, we reduce the cost of the items by that amount.

Rental and lease contracts with property owners include obligations to dismantle assets and restore the generation sites. We estimate the expected costs for this based on the total investment and the recommendation issued by the German Wind Energy Association (Bundesverband WindEnergie e.V.). As in the previous year, this results in a provision of EUR 30.0 thousand per megawatt of installed capacity, which we recognize as part of the cost.

We lease our solar power plants through finance leases. We recognize these as noncurrent assets in the statement of financial position at the lower of fair value and the present value of the contractually agreed minimum lease payments. The payment obligations under the leases are recognized as financial liabilities.

Items of property, plant, and equipment are depreciated on a straight-line basis over their expected useful life. We estimate the useful lives to be as follows:

	Useful life
Wind power plants	20–25 years
Solar power plants	20 years
Project development	20–30 years
Office buildings	50 years
Hydropower plants (buildings), production facility	33 years
Property fixtures and fittings	10–15 years
Other equipment, operating and office equipment	2–20 years

9.3.3 Impairment of nonfinancial assets

At each reporting date, we test our nonfinancial assets (mainly intangible assets and property, plant, and equipment) for indications that they may be impaired. If there are such indications, we carry out an impairment test. Examples of such indications are a short remaining term of the subsidized tariff for the electricity generated in our power plants or unforeseeable building costs during construction.

An asset, for example a power plant, is impaired when its carrying amount in our statement of financial position exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use.

We calculate the value in use as the present value of the future cash flows expected to be derived from the continuing and unchanged use of the asset based on existing budgets. Budgets are based on forecasts of the trend in electricity prices published by renowned institutions, information from plant and equipment manufacturers, and industry or expert experience, which we supplement with our estimates based on past experience. The discount rate is the post-tax interest rate that reflects current market assessments of the fair value and the risks specific to the asset in question. The interest rates used are shown in section 6.

Fair value is based on the market selling prices of similar assets, less costs of disposal.

We are required to recognize an impairment loss equal to the amount by which the carrying amount of the asset exceeds its recoverable amount. If, in subsequent periods, the reasons for the impairment no longer apply, we reverse the impairment loss through profit or loss up to a maximum of the original cost of the asset, net of depreciation or amortization.

9.3.4 Financial instruments

We recognize our financial instruments at the settlement date. This is the date on which the financial instrument is transferred to us by the seller in the case of a purchase and by us to the buyer in the case of a sale.

Under IFRS 9, financial assets are classified on the basis of the business model and the contractual cash flow characteristics of the financial instruments. Financial assets are measured according to their classification: at amortized cost, at fair value through profit or loss, or at fair value through other comprehensive income.

How our financial instruments are measured depends on the measurement category to which they are allocated.

Financial instrument	Measurement in accordance with IFRS 9
Shares and equity investments (except in subsidiaries or associates)	Fair value; changes in value through profit or loss
Securities	Fair value; changes in value through profit or loss
Receivables, long-term lendings, and loans	Amortized cost
Bond and loan liabilities	Amortized cost
Bank and lease liabilities	Amortized cost
Derivative financial instruments	Fair value; changes in value through other comprehensive income or through profit or loss

Fair value is the price that would be received on selling an asset or paid on transferring a liability in an orderly transaction between market participants at the measurement date. Depending on the information (inputs) observable in the market for the asset or liability, we can

- obtain the value directly from the price in an active market for identical assets or liabilities (e.g., quoted securities; measurement level 1), or
- derive the value from objective inputs that are observable for the asset or liability either directly or indirectly (e.g., interest rates used to determine the fair value of interest rate swaps; measurement level 2), or—if there are no observable inputs—
- calculate the value from inputs representing our best estimate and based on statistical data or expert estimates (e.g., when determining the fair value of individual wind power plants during impairment testing; measurement level 3).

The amortized cost of a financial asset (e.g., in the case of long-term lendings) or a financial liability (e.g., in the case of our bonds) is the amount at which this financial instrument was initially recognized in the statement of financial position, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. This amount may differ significantly from fair value.

In our Group, derivative financial instruments relate to interest rate swaps and foreign currency swaps. We use interest rate swaps to ensure that future interest payments do not exceed a certain amount when interest rates rise. We use our foreign currency swaps to secure an exchange rate, in order to minimize the currency risk. We measure our hedging transactions at fair value. Positive fair values as of the reporting date are included in receivables and other assets. Negative fair values are included in other liabilities. Changes in value are recognized in other comprehensive income. At maturity, the fair value of an interest rate swap is zero.

For the purpose of assessing whether a commercial relationship exists between the underlying transactions and the hedging instruments, we assume that the reference interest rate remains unchanged following the reform of the reference interest rates.

9.3.5 Impairment of financial assets

At each reporting date, we examine whether credit losses are expected on financial assets measured at amortized cost. The assessment is based on external ratings, payment history, and objective indications of risks with regard to the collectability of the financial assets. The amount of the impairment loss required to be recognized is determined on the basis of the credit risk associated with the rating and the resulting probabilities of default and recovery rates. All impairment losses are recognized in profit or loss.

9.3.6 Inventories

At the reporting date, inventories are measured at the lower of cost and net realizable value using the moving average costing method.

Cost comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

9.3.7 Provisions

Provisions are liabilities of uncertain timing or amount. We recognize a provision in the statement of financial position when we have a legal or constructive obligation to a third party, it is probable that an outflow of resources (e.g., payments or services) will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. A provision is measured at the amount representing the best estimate of the future expenditure required to settle the obligation. Where the effect is material, we discount the amount to its present value as of the reporting date. The interest rate used in the fiscal year 2020 was 2.0% (previous year: 2.0%). The interest cost subsequently required to be added back on provisions is recognized in other net finance costs. The provisions reported in the statement of financial position relate mainly to our obligations to dismantle assets and restore the generation sites. Further information on the measurement of these provisions is provided in the accounting policies for property, plant, and equipment.

9.3.8 Leases

At inception of a contract, we assess whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a defined period of time in exchange for consideration.

As lessee

At the commencement date or at the date on which a contract containing a lease component is modified, we allocate the contractually agreed consideration on a relative stand-alone selling price basis. We recognize an asset for the right of use granted as well as a lease liability. The right-of-use asset is initially measured at cost, which is the amount of the initial measurement of the lease liability, adjusted for any payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs, and an estimate of the costs to be incurred to dismantle or remove the underlying asset or restore the site on which it is located. The right-of-use asset is then depreciated on a straight-line basis from the commencement date to the end of the lease period, unless ownership of the underlying asset transfers to us at the end of the lease term or the cost of the right-of-use asset reflects that we will exercise a purchase option. In that case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined in accordance with the requirements for property, plant, and equipment. In addition, the right-of-use asset continues to be adjusted for impairment, if necessary, and for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments not yet made at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using our incremental borrowing rate. We normally use the incremental borrowing rate as the discount rate. To determine our incremental borrowing rate, we obtain interest rates from an external financial source and make certain adjustments to reflect the lease terms and the nature of the asset.

The lease payments included in the measurement of the lease liability comprise fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or (interest) rate, initially measured using the index or (interest) rate as of the commencement date, amounts expected to be payable under a residual value guarantee, and the exercise price of a purchase option if we are reasonably certain to exercise that option. They also comprise lease payments for an extension option if we are reasonably certain to exercise that option as well as payments of penalties for terminating the lease early, unless we are reasonably certain we will not terminate the lease early.

The lease liability is measured at the adjusted carrying amount using the effective interest method. It is remeasured if the future lease payments change as a result of a change in an index or interest rate, if we revise our estimate of the amounts expected to be payable under a residual value guarantee, if we change our assessment regarding the exercise of a purchase, extension, or termination option, or if an in-substance fixed lease payment changes. In the event of the remeasurement of the lease liability, the amount of the remeasurement is recognized as an adjustment to the carrying amount of the right-of-use asset or, if the carrying amount of the right-of-use asset is reduced to zero, in profit or loss.

We present right-of-use assets in the statement of financial position as intangible assets and lease liabilities as financial liabilities.

Short-term leases and leases for which the underlying asset is of low value

We do not recognize right-of-use assets or lease liabilities for leases for which the underlying asset is of low value or for short-term leases, including IT equipment. We recognize the lease payments relating to those leases as an expense on a straight-line basis over the lease term.

As lessor

At inception of a contract or at the date on which a contract containing a lease component is modified, we allocate the contractually agreed consideration on a relative stand-alone selling price basis. If we are the lessor, we classify each lease as either a finance lease or an operating lease at inception of the contract. In order to classify each lease, we made an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is an operating lease. In making this assessment, we consider certain indicators, such as whether the lease term is for the major part of the economic life of the asset.

Lease payments from operating leases are recognized as income within revenue on a straight-line basis over the lease term.

9.3.9 Income taxes

Income taxes comprise all domestic and foreign taxes which are based on profits. Income taxes also include withholding taxes payable by a subsidiary or an associate on distributions to us.

The income tax expense or income presented in the income statement relates both to income taxes paid or payable in the fiscal year in question and to deferred taxes that result from temporary differences between the IFRS carrying amounts of assets and liabilities and their tax base and will only affect current income taxes in future periods. Income taxes relating to transactions recognized in other comprehensive income are not recognized in profit or loss (but rather in other comprehensive income).

Current income taxes for the individual Group companies are calculated from the companies' taxable income using the tax rate applicable in the country in question.

Deferred taxes are calculated on all temporary differences between the carrying amount of the assets and liabilities in the IFRS consolidated financial statements and their tax base. This excludes differences resulting from goodwill that is not deductible for tax purposes and from investments in subsidiaries and associates. However, it only excludes the latter if we do not expect the differences to reverse in the foreseeable future and we are able to control the timing of the reversal of the differences. Deferred tax liabilities are recognized on temporary differences taxable in the future. Deferred tax assets are recognized on temporary differences that mean a future tax benefit or credit. Deferred tax assets are also recognized on existing tax loss carry-forwards. In all cases, however, deferred tax assets are only recognized to the extent that it is reasonably certain that they can be realized in the coming years.

Deferred taxes are measured using the local tax rate applicable in the future and may not be discounted. The tax rates in the individual countries are as follows:

- Austria: 25.00% (previous year: 25.00%)
- Germany: 27.00–30.00% (previous year: 27.00–30.00%)
- France: 25.00–28.00% (previous year: 25.00–28.00%)
- Canada: 29.00% (previous year: 31.00%)
- USA: 28.05% (previous year: 28.05%)
- Italy: 26.68–27.90% (previous year: 26.68–27.90%)
- Czech Republic: 19.00% (previous year: 19.00%)
- Slovakia: 21.00%

In France, the applicable local tax rates will be reduced to 25% in annual steps over the period to 2022. In the prior accounting period, a tax rate of 28% was applied. As we use local tax rates to measure deferred taxes, this change resulted in deferred tax liabilities of EUR 25.8 thousand being reversed in the reporting period.

In Canada the tax rate was lowered from 31% to 29% in the current fiscal year. This resulted in deferred tax liabilities of EUR 215.2 thousand being reversed in the reporting period.

9.3.10 Revenue recognition

Revenue from the sale of electricity generated at our wind farms, solar power plants, and hydropower plants is recognized in the amount of the existing feed-in tariff at the date on which it is fed into the respective grid.

Revenue from green electricity supplied to our customers is recognized once the performance obligation has been satisfied. Revenue from operations management and other commercial and technical services is recognized at the date on which the service is provided.

9.3.11 Interest and income from equity investments

Interest expense comprises the interest and similar expense incurred on borrowings and finance lease transactions with the exception of the portion that we recognize as part of the cost of the items of property, plant, and equipment concerned. We calculate interest expense at the effective interest rate. Discounts and premiums, charges, costs incurred to raise funds, and similar expenses directly related to financing are therefore allocated over the fixed term of the financing in question.

Income from unconsolidated entities or associates is recognized at the date on which it is resolved to make a distribution.

9.4 Rules required to be applied in the future

In the coming years, we will be required to adopt the following amended Standards:

Standard/ Interpretation	Title of the Standard/ Interpretation	Fiscal year of initial application	Description of the amendment
IFRS 3	Business Combinations	01/01/2022	Include reference to the conceptual framework
IFRS 4, IFRS 7, IFRS 9, IFRS 16, IAS 39	Interest Rate Benchmark Reform—Phase 2	01/01/2021	Amendments to interest rate benchmark reform—Phase 2
IFRS 17	Insurance Contracts	01/01/2021	New regulations for the recognition of nsurance contracts
IFRS 17	Insurance Contracts	01/01/2023	Amendments to IFRS 17 Insurance Contracts
IAS 1	Classification of Liabilities	01/01/2023	Amendments to the classification of liabilities as current or noncurrent
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	01/01/2022	Amendments to the recognition of proceeds before intended use
IAS 37	Onerous Contracts	01/01/2022	Amendments concerning costs of contract performance
IFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed indefinitely	Amendments regarding sales or contributions of assets between an investor and its associate or joint venture
IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed indefinitely	Amendments regarding sales or contributions of assets between an investor and its associate or joint venture
Various IFRS	Annual Improvements	01/01/2022	Annual Improvements to IFRS Standards 2018–2020

We are required to apply the amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16, IFRS 17, and IAS 39 as of January 1, 2021. We have assessed the estimated effects of the amendments on our consolidated financial statements. The actual effects of applying the amendments to these Standards as of January 1, 2021 may differ, as we have not yet completed all checks. We do not expect any material effects on our consolidated financial statements.

10. Events after the reporting period

At the end of January, the Ariano project, Italy, was selected once again in the current tender. This project had already been selected in January 2020; following optimization with more efficient plants, W.E.B then participated in the tender again. Construction is scheduled to start in summer 2021, so that, under optimal circumstances, production should already start at the end of 2022.

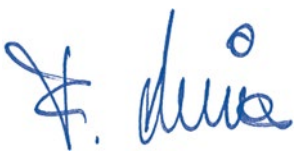
COVID-19 continues to present huge challenges around the globe. At W.E.B, we have done all we can to comply with the recommendations and orders issued by the authorities in order to slow its spread. Besides working from home, we offer our voluntary COVID-19 antigen tests several times a week to our employees at the Pfaffenschlag location.

W.E.B's core business, the generation of wind power, continues to run reliably at present. The COVID-19-related mobility restrictions did not have a significant adverse effect on our ability to put our turbines back into operation after disruptions. However, any adjustments to the measures can lead to an availability risk. If this were to result in a 1 percentage point reduction in availability, Group revenue would be reduced by EUR 1.0 million. The impact on our project development—due to delays in processes or in the construction phase, for example—is not yet foreseeable. This will very much depend on how long the measures put in place in the individual countries in connection with COVID-19 are maintained. With the Italian Ariano project, a regulation implemented because of COVID-19 enabled us to convert the planned plant type to more efficient plants at the last minute with very little red tape.

The Management Board approved these consolidated financial statements on April 6, 2021.

The separate financial statements of the parent company, which were also included in the consolidated financial statements following restatement to International Financial Reporting Standards, were submitted to the Supervisory Board for it to examine on April 6, 2021. The Supervisory Board may adopt the annual financial statements or delegate their adoption to the Annual General Meeting.

Pfaffenschlag, April 6, 2021



Dr. Frank Dumeier
Chairman of the Management Board (CEO)

DI Dr. Michael Trcka
Chief Financial Officer (CFO)

Group companies | Information on investees in accordance with Section 238 (2) of the Austrian Commercial Code (Unternehmensgesetzbuch, UGB)

Company	Registered office	Country	Method of inclusion
WEB Windenergie AG	Pfaffenschlag	Austria	C
WEB Windpark GmbH & Co KG	Pfaffenschlag	Austria	C
WEB PV GmbH & Co KG	Pfaffenschlag	Austria	C
WEB PV GmbH	Pfaffenschlag	Austria	NC
WEB DHW Wind GmbH & Co KG	Pfaffenschlag	Austria	C
WEB DHW Wind GmbH	Pfaffenschlag	Austria	NC
WEB DGHS Wind GmbH & Co KG	Pfaffenschlag	Austria	C
WEB DGHS Verwaltungs GmbH	Pfaffenschlag	Austria	NC
WEB Traisenwind GmbH	Pfaffenschlag	Austria	C
WEB Windenergie Deutschland GmbH	Hamburg	Germany	C
WEB Windenergie Loickenzin GmbH	Tützpatz	Germany	C
WEB Energie du Vent SAS	Paris	France	C
Parc eolien de Champigneul Pocancy SAS	Paris	France	C
WEB V˘etrná Energie s.r.o.	Brno	Czech Republic	C
Friendly Energy s.r.o.	Brno	Czech Republic	C
WEB Italia Energie Rinnovabili s.r.l.	Bolzano	Italy	C
WEB Wind Energy North America Inc.	New Brunswick	Canada	C
ELLA GmbH & Co KG Austria	Pfaffenschlag	Austria	C
ELLA Verwaltungs GmbH	Pfaffenschlag	Austria	NC
Les Gourlus Holding SAS	Paris	France	C
Parc éloién des Portes du Cambresis SAS	Paris	France	C
CEPE de Bel-Air Nord SAS	Paris	France	C
W.E.B Parc éolién des Vallees SAS	Paris	France	C
W.E.B Parc éolién des Vents du Serein SAS	Paris	France	C
W.E.B Parc éolién du Pays Blancourtien SAS	Paris	France	C
WEB Grid SAS	Paris	France	C
Les Gourlus Holding II SARL	Paris	France	NC
W.E.B Parc éolién Autour des Carrières SASU	Paris	France	C
SLOWEB s.r.o.	Bratislava	Slovakia	C
WEB Windenergie Brandenburg GmbH	Hamburg	Germany	EM
WEB Windpark Wörbzig GmbH & Co KG	Hamburg	Germany	C
WEB Windpark Wörbzig Verwaltungs GmbH	Hamburg	Germany	NC
Windpark Grube Verwaltungs GmbH	Grube	Germany	NC
Windpark Grube GmbH & Co KG	Hamburg	Germany	C
WEB Windpark Kuhs Verwaltungs GmbH	Hamburg	Germany	NC
WEB Windpark Kuhs GmbH & Co. KG	Hamburg	Germany	C
WEB USA Inc.	Delaware	USA	C
SWEB Development USA, LLC	Delaware	USA	C
Pisgah Mountain USA, LLC	Maine	USA	C
WEB Silver Maple Wind, LLC	Maine	USA	C

C ... Consolidation EM ... Equity method NC ... Not consolidated

Ownership interest	Prior-year ownership interest	Reporting date	Equity	Net income/ loss for the year	Equity in foreign currency	Net income/loss for the year in foreign currency	Exchange rate
			EUR k	EUR k			
		12/31/2020	69,516	5,607			
100%	100%	12/31/2020	8,680	2,988			
70%	70%	12/31/2020	202	12			
70%	70%	12/31/2020	0	2			
100%	100%	12/31/2020	5,625	2,947			
100%	100%	12/31/2020	2	2			
100%		12/31/2020	3,557	–92			
100%		12/31/2020	3	2			
100%	51%	12/31/2020	–142	–4			
100%	100%	12/31/2020	14,615	4,587			
100%	100%	12/31/2020	18	–1			
100%	100%	12/31/2020	–3,183	196			
100%	100%	12/31/2020	–923	–802			
100%	100%	12/31/2020	2,497	767	CZK 65,533,489	CZK 20,134,751	26.242
100%	100%	12/31/2020	837	122	CZK 21,959,159	CZK 3,190,365	26.242
100%	100%	12/31/2020	2,507	120			
100%	100%	12/31/2020	17,844	3,168	CAD 27,896,145	CAD 4,952,002	1.563
100%	100%	12/31/2020	–252	–141			
100%	100%	12/31/2020	2	2			
100%	100%	12/31/2020	–2,621	–773			
100%	100%	12/31/2020	4,376	1,752			
100%	100%	12/31/2020	–17	–5			
100%	100%	12/31/2020	20	–307			
100%	100%	12/31/2020	–45	–11			
100%	100%	12/31/2020	–31	–9			
80%	80%	12/31/2020	–181	–153			
100%	100%	12/31/2020	–26	–6			
100%	100%	12/31/2020	–7	–8			
100%		12/31/2020	90	–15			
50%	50%	12/31/2020	–433	–289			
100%	100%	12/31/2020	2,100	669			
100%	100%	12/31/2020	25	0			
100%	100%	12/31/2020	21	1			
50%	50%	12/31/2020	54	–7			
100%		12/31/2020	23	1			
100%		12/31/2020	4	–6			
100%	100%	12/31/2020	25,915	–1,191	USD 31,800,851	USD –1,461,603	1.227
100%	100%	12/31/2020[1]					
49%	49%	12/31/2020[1]					
100%		12/31/2020[1]					

[1] Included in the figures of WEB USA Inc.

Annex 1

Company	Registered office	Country	Method of inclusion
Zweite WP Weener GmbH & Co. KG	Weener	Germany	EM
Tauernwind Windkraftanlagen GmbH	Pottenbrunn	Austria	EM
Sternwind Errichtungs- und BetriebsgmbH	Bad Leonfelden	Austria	EM
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Vorderweißenbach	Austria	EM
WEB Windenergie Betriebs GmbH	Pfaffenschlag	Austria	NC
Società di gestione impianti fotovoltaici s.r.l.	Bolzano	Italy	C
WEB Conza s.r.l.	Bolzano	Italy	C
ARSOLAR S.R.L.	San't Andrea Di Conza	Italy	C
WP France 4 SNC	Paris	France	C
WEB Windenergie Loickenzin Betriebsgesellschaft GmbH & Co KG	Tützpatz	Germany	C
Scotian Web Inc. (including limited partnership agreement)	Halifax	Canada	C
Scotian Web II Inc. (including limited partnership agreement)	Halifax	Canada	C
Scotian Web III Inc. (including limited partnership agreement)	Halifax	Canada	NC
SWEB Development Inc. (including limited partnership agreement)	Halifax	Canada	C
SWEB Ownership Ontario Inc. (including limited partnership agreement)	Toronto	Canada	NC
SWEB Development Ontario Inc.	Toronto	Canada	NC
Wisokolamson Energy GP inc. (including limited partnership agreement)	Saint John	Canada	C
SASU Energie Verte Plaine d'Artois	Le Havre	France	EM
Société d'Electricité du Nord SARL	Paris	France	C
Bleu Vent Dèveloppement SAS	Paris	France	EM
WEB Poste d'Armancon	Paris	France	C
Società Elletrica Ligure Toscana s.r.l.	Bolzano	Italy	C
WEB ARIANO SRL	Bolzano	Italy	C
CAMPO EOLICO ARIANO - CEA SRL	Bolzano	Italy	C
WEB Brimfield Solar, LLC	Massachusetts	USA	C
WEB Brookfield Solar, LLC	Massachusetts	USA	C
Black Spruce Windenergy GP Inc. (including limited partnership agreement)	Toronto	Canada	EM

C ... Consolidation EM ... Equity method NC ... Not consolidated

Ownership interest	Prior-year ownership interest	Reporting date	Equity	Net income/ loss for the year	Equity in foreign currency	Net income/loss for the year in foreign currency	Exchange rate
			EUR k	EUR k			
50%	50%	12/31/2020	1,762	679			
20%	20%	12/31/2020	5,045	2,156			
49%	49%	12/31/2020	936	146			
49%	49%	12/31/2020	348	246			
100%	100%	12/31/2020	31	1			
100%	100%	12/31/2020	92	25			
100%	100%	12/31/2020	1,106	131			
100%	100 %	12/31/2020	4,542	120			
100%	100%	12/31/2020	8,655	3,433			
100%	100%	12/31/2020	1,345	208			
55%	55%	12/31/2020[2]					
55%	55%	12/31/2020[2]					
55%	55%	12/31/2020[2]					
100%	100%	12/31/2020[2]					
90%	90%	12/31/2020[2]					
90%	90%	12/31/2020[2]					
49%	49%	12/31/2020[2]					
33%	33%	12/31/2020	802	117			
100%	100%	12/31/2020	–411	614			
50%			Year of foundation				
100%			In formation				
100%	100%	12/31/2020	2,084	–181			
100%	75%	12/31/2020	–127	–50			
100%	75%	12/31/2020	–3,076	–2,997			
100 %		12/31/2020[1]					
100%		12/31/2020[1]					
50%	50%	12/31/2020[2]					

[1] Included in the figures of WEB USA Inc.
[2] Included in the figures of WEB Wind Energy North America Inc.

Auditor's report

Report on the consolidated financial statements

Audit opinion

We have audited the consolidated financial statements of

WEB Windenergie AG,
Pfaffenschlag bei Waidhofen a.d. Thaya,

and its subsidiaries ("the Group"), comprising the consolidated statement of financial position as of December 31, 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity for the fiscal year then ended, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with legal requirements and give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2020 and of its financial performance and cash flows for the fiscal year then ended in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU, and the additional requirements of Section 245a of the Austrian Commercial Code (Unternehmensgesetzbuch, UGB).

Basis for the audit opinion

We conducted our audit in accordance with Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those requirements and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our auditor's report. We are independent of the Group in accordance with the requirements of Austrian commercial law and professional law, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate audit opinion on these matters.

Valuation of the intangible assets and property, plant, and equipment

See notes to the consolidated financial statements 3.(5); 4.(11), (12), (27); 6 and 9.3.

Risk for the financial statements

Intangible assets (in particular right-of-use assets) and property, plant, and equipment (in particular wind power plants, solar power plants, and hydropower plants) with a carrying amount totaling EUR 526.3 million represent 86.2% of the Company's reported assets as of the reporting date.

At the end of each reporting period, the Company assesses whether there are indications that assets may be impaired (triggering events) and therefore indications of impairment losses on intangible assets and property, plant, and equipment. For assets for which impairment losses were recognized in previous years, the Company assesses whether the reasons for the impairment loss no longer apply and therefore the impairment loss needs to be reversed. The impairment test is carried out at cash-generating unit (CGU) level.

When testing for impairment, the Company first determines value in use and, if necessary, fair value less costs of disposal. Both value in use and fair value less costs of disposal are calculated as the present value of the future cash flows to be derived from a CGU, applying a recognized discounted cash flow method.

The result of this measurement depends to a significant extent on estimates such as future generation and sales volumes, the remaining useful lives relative to the remaining term of subsidized tariffs, the trend in electricity prices, generation costs and investments, and the discount rates used under the measurement model, and is therefore subject to estimation uncertainty.

For the financial statements, there is a risk that intangible assets and property, plant, and equipment will be over- or undervalued.

Our audit approach

We assessed the appropriateness of the measurement of the intangible assets and property, plant, and equipment as follows:

- We analyzed the procedures and methods applied in order to test assets for impairment and critically examined whether those processes are appropriate for the purpose of appropriately measuring intangible assets and property, plant, and equipment. In doing so, we ascertained the key internal controls and evaluated the design, implementation, and functioning of the key control (triggering events control) used to identify and assess indications of impairment or reversal of impairment.
- We performed spot checks on the statistical calculations performed by the Company in the context of assessing indications of impairment or reversal of impairment, critically examined the results of the documentation of the external and internal influencing factors, and compared them with the knowledge we obtained in the audit.
- For each cash-generating unit (CGU) for which the recoverable amount was formally determined, we performed spot checks on the measurement model, the planning assumptions, and the measurement inputs, and in doing so consulted with our measurement specialists on selected issues. We performed

spot checks to assess the appropriateness of the assumptions applied in determining interest rates by comparing against market- and sector-specific benchmarks and reconciled the projections on which the measurement was based with the budgets and medium-term plans adopted by management.

- In order to assess adherence to planning, we compared both the actual cash flows in 2020 and the current projections with the projections in prior periods on a random sampling basis. We discussed any deviations observed with management.
- We reconciled the carrying amounts affected with the fixed asset accounting.

Other information

Management is responsible for the other information. Other information includes all information in the annual report, with the exception of the consolidated financial statements, the group management report, and the auditor's report. The annual report is expected to be made available to us after the date of the auditor's report.

Our audit opinion on the consolidated financial statements does not extend to this other information and we do not express any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read this other information, when available, and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of management and the Audit Committee for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements and for ensuring that they give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group in accordance with IFRSs, as adopted by the EU, and the additional requirements of Section 245a of the UGB. In addition, management is responsible for such internal control as it determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, for disclosing, as applicable, matters relating to going concern, and for financial reporting based on the going concern basis of accounting, unless management intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement, if it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

In addition:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems for the Company.
- We evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates made by management and related disclosures.
- We conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business transactions within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

- We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the Audit Committee with a statement that we have complied with the relevant professional requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements for the fiscal year and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the group management report

Under the provisions of Austrian commercial law, the group management report is required to be audited as to whether it is consistent with the consolidated financial statements and as to whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the group management report in accordance with the UGB.

We have conducted our audit in accordance with generally accepted principles for the audit of the group management report.

Opinion

In our opinion, the group management report has been prepared in accordance with the applicable legal requirements, includes the appropriate disclosures pursuant to Section 243a of the UGB, and is consistent with the consolidated financial statements.

Statement

Based on the knowledge and understanding of the Group and its environment obtained in the course of the audit of the consolidated financial statements, we have not identified any material misstatements in the group management report.

Engagement partner responsible for the audit

The engagement partner responsible for the audit is Ms. Mag. Heidi Schachinger.

Mödling, April 8, 2021

KPMG Niederösterreich GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed with qualified electronic signature:
Ms. Mag. Heidi Schachinger
Wirtschaftsprüfer (Austrian Certified Public Accountant)

This document has been signed with a qualified electronic signature and is only valid in this version. The consolidated financial statements may only be published or disclosed together with our auditor's report in the version audited by us. This auditor's report relates solely to the complete consolidated financial statements in German, including the group management report. Section 281 (2) of the UGB applies to versions differing from the version audited by us.

Separate financial statements

Income statement of WEB Windenergie AG 01/01–12/31/2020

EUR		2020	2019
1.	**Revenue**	31,385,861.19	35,320,453.93
2.	**Other operating income**		
	a) Income from the disposal of and the reversal of write-downs of fixed assets	*16,140.16*	*621,966.10*
	b) Income from the reversal of provisions	*6,757.95*	*91,151.58*
	c) Other	*242,154.75*	*145,320.39*
		265,052.86	858,438.07
3.	**Cost of materials and other purchased services**		
	a) Cost of materials	*–2,682,448.06*	*–3,221,181.14*
	b) Cost of purchased services	*–5,634,614.98*	*–6,986,744.80*
		–8,317,063.04	–10,207,925.94
4.	**Personnel expenses**		
	a) Wages	*–741,907.73*	*–814,812.53*
	b) Salaries	*–6,251,748.76*	*–5,886,178.52*
	c) Payments to employee benefit funds	*–107,086.70*	*–92,714.12*
	d) Post-employment benefit costs	*–147,311.01*	*–66,000.01*
	e) Expenses for statutory social security contributions as well as income-based charges and compulsory contributions	*–1,769,767.43*	*–1,617,189.82*
	f) Other social security expenses	*–23,385.65*	*–80,884.53*
		–9,041,207.28	–8,557,779.53
5.	**Amortization and write-downs of intangible fixed assets and property, plant, and equipment**	–12,070,366.35	–11,963,890.80
		–12,070,366.35	–11,963,890.80
6.	**Other operating expenses**		
	a) Taxes other than taxes on income	*–73,806.52*	*–150,769.62*
	b) Other	*–4,818,635.91*	*–5,782,319.56*
		–4,892,442.43	–5,933,089.18
7.	**Subtotal of items 1 through 6 (operating result)**	**–2,670,165.05**	**–483,793.45**

EUR		2020	2019
	Brought forward:	**–2,670,165.05**	**–483,793.45**
8.	**Income from equity investments**	11,176,797.59	11,014,232.76
	of which from affiliated companies: EUR 10,466,994.44; previous year: EUR 10,877k		
9.	**Income from other marketable securities and long-term lendings classified as long-term financial assets**	255,963.75	37,895.57
10.	**Other interest and similar income**	987,717.07	1,108,578.71
	of which from affiliated companies: EUR 466,981.29; previous year: EUR 849k		
11.	**Income from the disposal of and the reversal of write-downs of long-term financial assets**	335,275.00	1,078.30
12.	**Expenses from long-term financial assets**	–0.01	–8,430.01
	of which write-downs: EUR 0.00; previous year: EUR 0k		
13.	**Interest and similar expenses**	–4,801,355.94	–5,225,556.18
	of which relating to affiliated companies: EUR 291,582.22; previous year: EUR 82k		
14.	**Subtotal of items 8 through 13 (financial result)**	**7,954,397.46**	**6,927,799.15**
15.	**Profit before tax**	**5,284,232.41**	**6,444,005.70**
16.	Taxes on income	323,149.61	–553,509.11
	of which deferred taxes: EUR 250,313.26; previous year: EUR 109k		
17.	**Profit after tax = Net income for the year**	5,607,382.02	5,890,496.59
18.	Retained profits brought forward from previous year	3,771,871.99	765,905.40
19.	**Net retained profits**	**9,379,254.01**	**6,656,401.99**

Separate financial statements

Statement of financial position of WEB Windenergie AG as of 12/31/2020

Assets	12/31/2020	12/31/2019
EUR		
A. Fixed assets		
I. *Intangible assets*		
1. Concessions, industrial and similar rights and assets, and licenses in such rights and assets	1,253,556.17	1,316,120.69
2. Goodwill	14,612.22	179,087.23
	1,268,168.39	**1,495,207.92**
II. *Tangible fixed assets*		
1. Land, land rights and buildings, including buildings on third-party land	10,406,444.23	10,579,131.81
2. Technical equipment and machinery	52,385,411.26	63,135,276.85
3. Other equipment, operating and office equipment	3,094,229.14	2,361,939.49
4. Prepayments and assets under construction	3,482,486.92	4,307,846.15
	69,368,571.55	**80,384,194.30**
III. *Long-term financial assets*		
1. Shares in affiliated companies	59,136,915.82	50,602,956.20
2. Long-term lendings to affiliated companies	12,854,713.92	7,439,217.37
3. Equity investments	1,152,075.39	1,190,520.43
4. Long-term securities (book-entry securities)	156,993.84	156,993.84
	73,300,698.97	**59,389,687.84**
	143,937,438.91	**141,269,090.06**
B. Current assets		
I. *Inventories*		
Raw materials, consumables, supplies, and spare parts	3,937,501.09	3,271,568.77
	3,937,501.09	**3,271,568.77**
II. *Receivables and other assets*	**69,686,432.12**	**63,634,772.49**
of which due in more than one year: EUR 0.00; previous year: EUR 8,108k		
III. *Marketable securities classified as current assets*		
Marketable securities classified as current assets	97,100.00	107,800.00
	97,100.00	**107,800.00**
IV. *Cash in hand, bank balances*	**2,251,449.83**	**7,226,985.26**
	75,972,483.04	**74,241,126.52**
C. Prepaid expenses	**549,659.93**	**229,255.18**
D. Deferred tax assets	**1,216,233.86**	**965,920.60**
	221,675,815.74	**216,705,392.36**

Equity and liabilities	12/31/2020	12/31/2019
EUR		
A. Total equity		
I. *Subscribed, called, and paid-in capital*	28,845,300.00	28,845,300.00
	28,845,300.00	**28,845,300.00**
II. *Capital reserves*		
appropriated	23,596,066.55	23,596,066.55
	23,596,066.55	**23,596,066.55**
III. *Retained earnings*		
Other reserves (unappropriated reserves)	7,695,268.41	7,695,268.41
	7,695,268.41	**7,695,268.41**
IV. *Net retained profits*		
of which retained profits brought forward: EUR 3,771,871.99; previous year: EUR 766k	**9,379,254.01**	**6,656,401.99**
	69,515,888.97	**66,793,036.95**
B. Special reserve for investment grants	**1,231,146.20**	**1,224,002.53**
C. Provisions		
Other provisions	7,697,472.09	6,628,964.29
	7,697,472.09	**6,628,964.29**
D. Liabilities	**142,542,392.96**	**141,171,804.57**
of which due in less than one year: EUR 58,641,716.90; previous year: EUR 37,997k		
of which due in more than one year: EUR 83,900,676.06: previous year: EUR 103,175k		
of which taxes: EUR 125,906.90; previous year: EUR 118k		
of which relating to social security: EUR 173,986.09; previous year: EUR 170k		
E. Prepaid expenses	**688,915.52**	**887,584.02**
	221,675,815.74	**216,705,392.36**

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This annual report was prepared with the utmost care. However, the possibility of typesetting and typographical errors cannot be ruled out. Furthermore, numerical disclosures may contain rounding differences due to the use of computational aids. This annual report also contains forward-looking estimates and statements. These were made on the basis of all the information currently available. We point out that actual facts—and therefore actual results—may differ from the expectations stated in this report due to a wide variety of factors. In this context, we also refer to the statements on expected developments as well as risks and uncertainties in the group management report, starting on page 70.

We apologize for the fact that, in order to enhance readability, we have chosen to dispense with gender-specific references. We are, of course, addressing both genders at the same time.

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