W.E.B
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CHANGES
CHANCES

2018

WEB Windenergie AG | Integrated Sustainability and Business Report

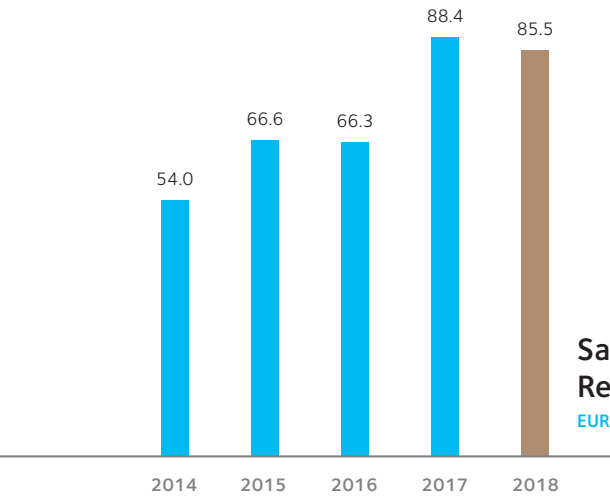
Key Figures W.E.B Group

Key Financial Figures	2014	2015	2016	2017	2018
EUR million					
Sales revenue	54.0	66.6	66.3	88.4	85.5
Operating result	16.5	21.5	16.8	27.5	24.0
Financial result	–7.0	–8.4	–7.3	–8.4	–10.1
Results from ordinary business activity	9.5	13.1	9.5	19.1	13.8
Consolidated net income	7.1	9.3	6.6	15.9	10.6
Total assets	387.7	415.8	519.9	510.4	550.2
Equity	99.9	107.4	129.3	124.3	140.7
Equity ratio (%)	25.8	25.8	24.9	24.4	25.6
Cash flow from operating activities	34.7	46.4	38.6	56.4	50.5
Investments	68.6	53.0	117.9	22.3	70.0
Return on equity (%)	7.6	9.0	5.6	12.5	8.0
Earnings per share (EUR)	25.0	29.9	17.1	48.0	27.5

Power Generation	2014	2015	2016	2017	2018
MWh					
Wind power	571,838	703,784	704,523	991,599	949,253
Photovoltaic power	11,230	12,475	12,534	13,642	19,046
Hydroelectric power	7,306	7,155	7,389	6,177	6,138
Power generation total	**590,374**	**723,414**	**724,446**	**1,011,418**	**974,437**

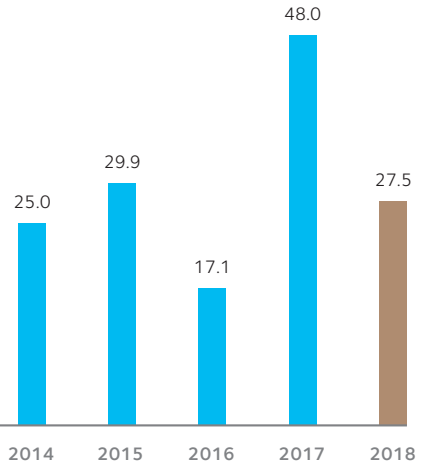
Power Plants	2014	2015	2016	2017	2018
Number as of Dec 31					
Austria	107	117	124	130	137
Germany	58	57	52	53	53
France	21	21	33	33	39
Canada	3	14	20	20	20
Czech Republic	8	8	8	8	8
USA	–	–	5	5	5
Italy	2	2	2	2	4
Power plants total	**199**	**219**	**244**	**251**	**266**

Installed Capacity	2014	2015	2016	2017	2018
MW as of Dec 31					
Austria	172.2	189.8	205.4	207.5	228.4
Germany	88.4	88.4	96.9	97.7	96.3
France	24.8	24.8	63.2	63.2	84.8
Canada	3.3	15.4	21.8	21.8	21.8
Italy	6.4	6.4	6.4	6.4	12.3
Czech Republic	9.1	9.1	9.1	9.1	9.1
USA	–	–	9.1	9.1	9.1
Installed capacity total	**304.2**	**333.9**	**411.9**	**414.8**	**461.8**



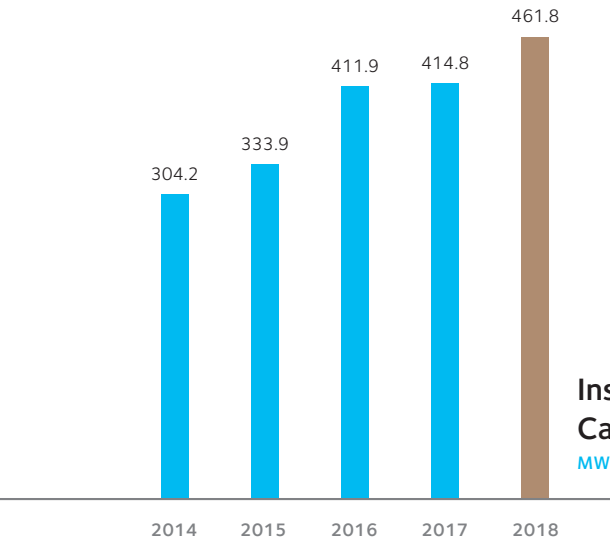
Sales Revenue

EUR million



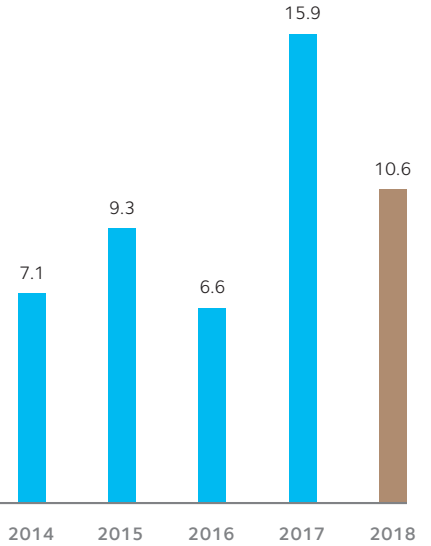
Earnings per Share

EUR



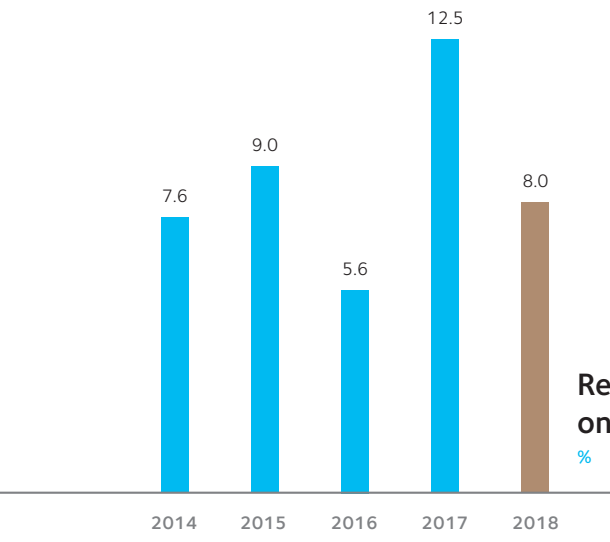
Installed Capacity

MW



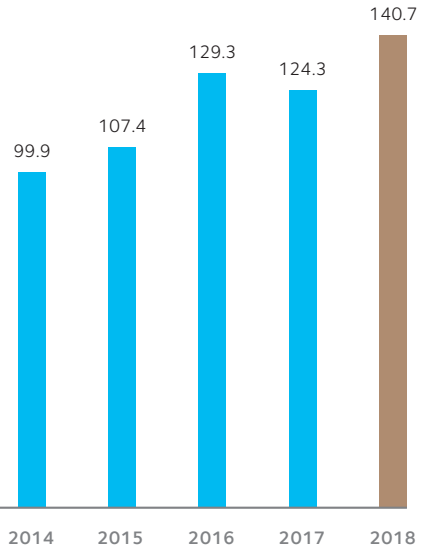
Consolidated Net Income

EUR million



Return on Equity

%



Equity

EUR million

CHANGES

In almost 25 years since its foundation, W.E.B has developed from a regional pioneer to the largest Austrian citizen participation company in the field of renewable energy that is operating internationally. W.E.B now even produces more electricity with its power plants outside of Austria than at home.

Not only W.E.B itself changed – society's understanding of the challenges of climate change is also quite different from that of the 1990s. The idea of sustainability has increasingly found its way into legislation and is also reflected in the financial markets. Technology, especially in the field of wind turbines and power storage systems, has developed rapidly.

In this annual report, Frank Dumeier und Michael Trcka will talk in detail about the social and economic changes they see as special opportunities for W.E.B and how to maintain the pioneering spirit in a company that is now matured and continues to grow.

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Starting in 2019, the W.E.B website will also be available at **www.web.energy**, which additionally reflects the increasing internationality of W.E.B.

2018

Key Figures »

EDITORIAL

Katowice Gave us a Lot of Energy

After another good year for W.E.B we are heading full of optimism into the 25th year since our foundation. The UN Climate Change Conference in Katowice last December confirmed once again that the issue of energy transition has now reached broad public awareness. Many players are working together today for a common goal. Technological advances and new utilization concepts for green electricity – keyword „sector coupling" – contribute to this, as do innovative marketing concepts that range from direct supply of green electricity to private customers to far-reaching agreements with large customers.

The fact that the generation of electricity from wind and solar energy is now also superior to conventional forms of generation in terms of costs adds to the momentum. The growing independence from subsidies makes renewable energy an increasingly attractive alternative – even in countries that have been hesitant to date. The worldwide trend towards ethical and green investments impressively confirms that renewable energies are a worthwhile investment. Our own bond emissions are also regularly in high demand. For the most recent hybrid bond, we even had to prematurely terminate the subscription period.

In other words, we face excellent conditions for continuing and even accelerating our moderate growth course. W.E.B was founded in 1994, based on a wind power project in Michelbach, Lower Austria. By the end of 2018, W.E.B had 151 employees and 99 power plant sites in Austria, Germany, the Czech Republic, France, Italy, Canada and the USA, making it the largest private wind power company in Austria. Around 5,600 investors, including more than 3,900 shareholders, are committed to this remarkable success story – and continue to live the idea of citizen participation. Together with them, we are fully committed to make the energy transition a reality. And Katowice gave us a lot of energy for this.

Frank Dumeier
Chief Executive Officer

Michael Trcka
Chief Financial Officer

Contents

ADDITIONAL INFORMATION

W.E.B at a Glance

As of December 31, 2018

Largest independent wind power producer in Austria

462 MW
installed capacity

239
wind power plants

24
photovoltaic power plants

3
hydroelectric power plants

W.E.B ...

... ensures a sustainable future ...

Generating renewable energy where it is consumed – we primarily use the power of wind and sun to produce clean, regional green electricity.

... and relies on broad citizen participation.

The energy transition is a major common project. Therefore it is the objective of W.E.B to bring as many people as possible on board in all countries. More than 5,600 investors are currently accompanying us on our way to a future with clean energy.

5,600 investors
of which **3,900** are shareholders

Founded in
1994[1]

[1] The predecessor company, WEB GmbH, was founded in 1994. The founding year of its legal successor WEB Windenergie AG was 1999.

2 continents

7 countries

Office Locations

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

151 employees

38 % women

36 years of age on average

We stand for ...

... energy transition and innovation, ...

If possible, energy should be generated and temporarily stored where it is actually consumed. In order to achieve this goal, we are constantly working on innovative concepts.

... stability and growth.

Renewable energies are the best energy supply option, not only for ecological reasons. The economic development is also clearly positive. W.E.B aims to grow with the market, translating its experience into improvements and solidifying what has been achieved.

We operate ...

... regionally and internationally, ...

W.E.B is regionally anchored through its employees and business partners. Together they form an international network of experts that reacts flexibly to changing requirements.

... ecologically and economically sustainable.

W.E.B employees are convinced that mankind's energy needs can be met from renewable sources – and in an even more economically efficient way than from fossil and nuclear energy.

2018 at a Glance

International growth through regional power generation

7 projects completed or purchased in **4** countries

3 wind farms

4 photovoltaic projects

48.5 MW

capacity increase

WORLD PREMIERE

Construction start of the first W.E.B wind farm in **Italy**

The year 2018 was ...

... a year of construction.

In 2018, W.E.B continued to focus on a future with even more renewable power generation. In France, the Flesquières wind farm was opened in June, and in Tuscany, construction began in the summer to implement the first W.E.B wind energy project in Italy. In Germany, the ground-breaking ceremony for the repowering project in Wörbzig took place, and with the start of construction for the Albert wind farm, we expanded into a new province in Canada. In Austria, there was a lot of construction activity as well: The Dürnkrut-Götzendorf II and Höflein West wind farms went into operation before the end of the year. With the acquisition of the Italian photovoltaic parks Conza and Arso as well as the installation of photovoltaic roof systems in Burgenland, W.E.B continues to rely not only on wind but also on solar power.

W.E.B CREATES JOBS

+25

employees

Ground-breaking ceremony for the **expansion of the company headquarters**

INVESTORS TRUST W.E.B

+38 %

increase in the **average share price for the year**

EUR 15 million

issue volume of **Green Power bonds**

GREEN ELECTRICITY IN DEMAND

No. 1

in Austrian **green electricity ranking**

+125 %

in green electricity customers

Number of customers **more than doubled**

... shaped by investor confidence.

Renewable energies not only provide sustainable electricity, they also offer a sustainable investment. Many investors continued to place their trust in W.E.B in 2018. The average share price in the "traderoom" rose continuously and increased by around 38 % compared to the previous year. The second option of the eco-investment was also a complete success, as the Green Power bonds issued in the summer yielded a total of around EUR 15 million. The year 2018 therefore confirms once again that we are moving in the direction of decentralized energy transition, together with our investors.

W.E.B Portrait

W.E.B considers itself as an international energy transition and citizen participation company. It develops power plant projects, builds and operates power plants based on renewable energies with a focus on wind and solar energy. The electricity generated is sold both indirectly – via electricity traders, electricity suppliers and, given the legal framework for green electricity, via national settlement agencies – and directly to business and private customers.

WEB Windenergie AG, headquartered in Pfaffenschlag near Waidhofen an der Thaya, Austria, is the parent company of the W.E.B Group and an unlisted stock corporation with broad free float.

W.E.B is active in seven countries in Europe and North America: Austria, Germany, France, Italy, the Czech Republic, Canada, and the USA. In these countries, W.E.B operates power plants and has local teams primarily involved in the development of new projects or the acquisition of projects at various stages of development.

Project Development

In its various locations, W.E.B coordinates all steps of project development as they are mapped in the so-called gate system of W.E.B.

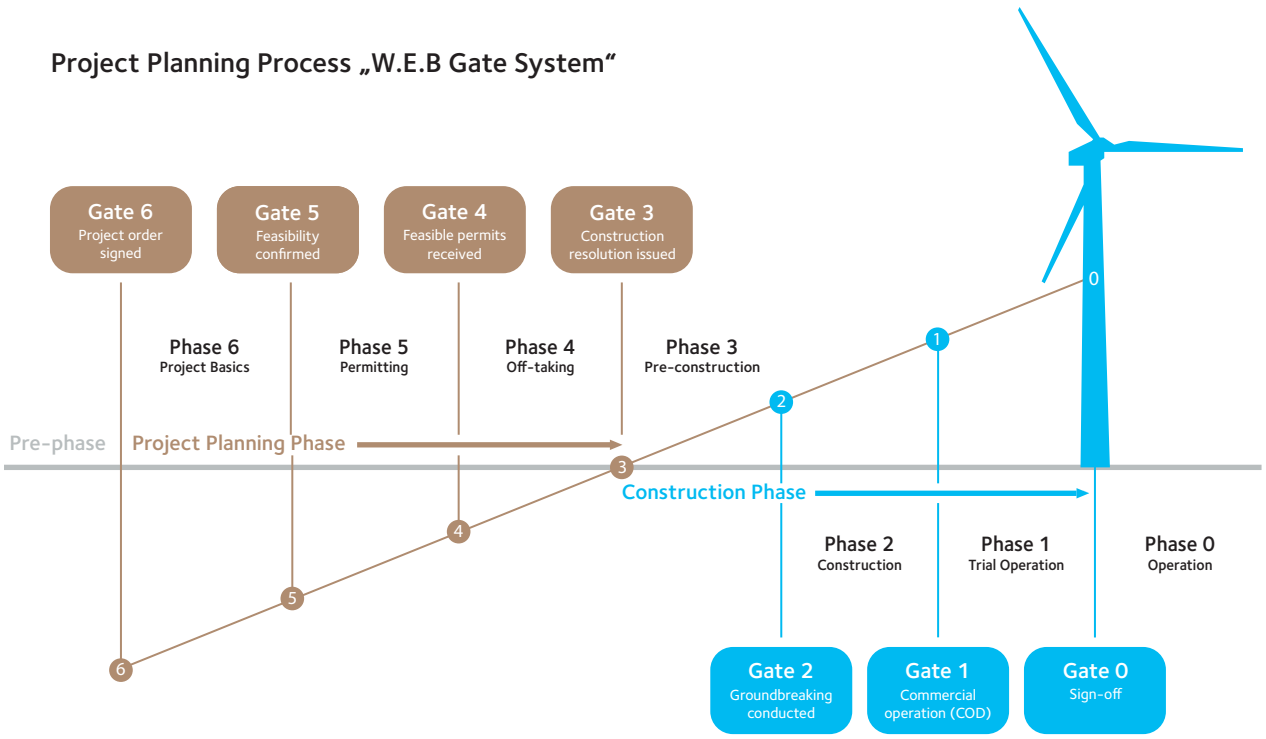
The technical feasibility, in particular the estimation of the future wind and sun volume, and the economic feasibility are examined in detail by internal experts. The marketing of the electricity generated is ensured before the start of the construction phase. Numerous project steps are implemented in cooperation with regional partners, such as investigations into potential environmental impacts, construction work for paths and foundations, as well as for lines and substations.

Wind turbines are erected by the manufacturers or by W.E.B itself. The majority of the plants come from world market leader Vestas, others from Enercon and Siemens Gamesa. In the case of photovoltaic systems, the diversity of suppliers means that W.E.B can be flexible and thus always use the latest technology with the appropriate quality.

Long-term lease agreements exist for the majority of the power plant sites, with only a small portion owned by W.E.B.

An essential component of the projects is the involvement of people in the regions that goes beyond legal requirements.

Project Planning Process „W.E.B Gate System“



Wind turbines were previously designed for a service life of at least 20 years, but the development is now reaching 25 operating years and beyond. However, even with increasing operating time, W.E.B will have to renew existing wind farms in due course. During this so-called repowering, the old plants are usually replaced by more powerful, efficient and technically mature plants, so that more electricity can be generated in the same space with fewer plants.

W.E.B not only develops its own power plant projects, it also acquires projects at various stages of development, whether in the planning phase or already in operation.

The financing of the projects is mainly based on a combination of bank loans, equity and corporate bonds.

Operations

The Monitoring Center in Pfaffenschlag monitors all W.E.B power plants worldwide. Depending on the messages received from the plants, the Monitoring Center decides on the further processing of the events that have occurred. If on-site intervention is necessary, regional site guards get involved. In case of more complex incidents, the special technical expertise required for the repair work is provided either by the W.E.B service teams or by technicians from the plant manufacturers.

With a preventive service and maintenance strategy, W.E.B strives to limit cost-intensive repairs as much as possible. Its maintenance concept includes the ongoing analysis of plant data in order to optimize early fault detection, ongoing inspections of the plants and the preventive replacement of large components such as gearboxes or generators.

In order to be able to replace large components quickly and thus keep downtimes of systems to a minimum, a corresponding number of replacement components is stocked in the central warehouse.

Sales

The price for electricity from wind and solar energy in numerous W.E.B countries has so far been determined by state-fixed grid feed-in tariffs. Depending on the country, the terms of the tariffs last between 13 and 25 years. The fixed tariffs for new power plants are increasingly being replaced by more flexible models, based on the regulatory framework of the country or region. Examples of possible variations are: fixed prices by means of tenders; or tariffs composed of a fixed premium and a variable base price; or certain mandatory shares of renewable energies in the electricity mix are fixed, whereby the price is agreed freely, but on a long-term basis.

A few years ago, the electricity generated was only sold indirectly on the basis of a subsidy environment. Direct sales to business and private customers, which W.E.B launched in Austria in 2013, are becoming increasingly important. Particularly in the business customer segment, W.E.B focuses not only on the supply of electricity but rather on comprehensive energy solutions towards an energy transition and by way of electricity production, storage and coupling of the electricity, heat and mobility sectors.

Citizen Participation

W.E.B was founded by people who were so convinced of the opportunities offered by renewable energies that they financed the first plants almost entirely from their own resources. W.E.B has remained true to the idea of a broad economic participation of people in its further development. WEB Windenergie AG was formed in 1999 from the merger of such citizen companies and even the growth of the following decade was based on the expansion of the equity base through issuing shares. W.E.B has been issuing corporate bonds since 2010, opening up a form of investment for investors with a lower affinity for risk. W.E.B also implements further regional investment opportunities, as much as possible, at the project level in the host countries.

The Vision of W.E.B

We are taking on a leading role in the decentralized energy transition.

For us, energy transition means the complete switch from fossil fuels to renewable energy sources. Our claim to a leading role is based on the three pillars of project development, power plant operation and electricity marketing. Broad citizen participation is the foundation on which these pillars are built.

Project Development

Through efficient project development, we ensure that projects are profitable in the long term, even in competitive markets.

- We focus on wind energy, W.E.B's long-standing core competency, and photovoltaics as a second growth pillar.
- Our standardized gate system ensures professional project development on an international level.
- We expand into new markets once a critical entry level and corresponding growth potential have been identified.
- Repowering also ensures the sustainable use of existing locations.

Power Plant Operation

With our operating model, we set new benchmarks in terms of costs and plant availability.

- Long-standing and efficient use of locations is a central element of the operating strategy.
- Modern remote monitoring and data mining allow for early error detection and is capable for continuous improvement.
- Optimized service for our most important plant types ensures high levels in plant availability.

Electricity Marketing

Following the electricity path from producer to consumer, we are implementing new marketing models for a decentralized energy transition.

- We are therefore constantly exploring the potential of new business models, developing them further and implementing them quickly.
- Direct sales of our green electricity and accompanying services are aimed at our stakeholders among the private customers as well as business customers.
- We see long-term partnerships with large-scale consumers and a convergence of electricity marketing and project development as a key pillar of future energy markets.

Citizen Participation

Citizen participation enables broad sections of the population to participate in the energy transition. We would like to implement this concept in all of W.E.B's core markets.

- Originally founded through the initiative of a group of dedicated individuals, W.E.B is now owned by more than 3,900 shareholders.
- It is important for us to involve people in the energy transition even in those phases in which no capital increases are necessary. W.E.B bonds are a good instrument for this.
- With investment opportunities for local investors, we are also strengthening our proximity to citizens in our international markets.

INTERVIEW WITH THE W.E.B BOARD OF DIRECTORS

Frank Dumeier and Michael Trcka

After 25 Years, W.E.B Is Clearly Better Off Than We Had Ever Dreamed

An interview with Frank Dumeier and Michael Trcka, the two board members of W.E.B, about professionalism, optimism and further accelerated growth.

Mr. Dumeier, after W.E.B had exceeded the "magic threshold" of 1 TWh in electricity production for the first time in 2017, the generation volume in 2018 remained slightly below this value. Disappointed?

Frank Dumeier: Absolutely not, because 2018 was nevertheless a very remarkable and good year for W.E.B. We successfully completed everything we started in 2017: Seven projects in four countries went online in 2018. We announced an expansion of around 50 MW, and we kept that promise. In addition to our new construction projects, we succeeded in acquiring two existing photovoltaic parks in Italy with a combined capacity of around 6 MW. We have thus almost doubled our generation capacity in this segment in Italy. The acquisition also fits so well into the picture because we want to grow more strongly in the photovoltaic segment in the future.

We also made significant gains in direct marketing in 2018: Particularly in the second half of the year, we recorded a brisk influx of new customers, especially from the SME sector. Similarly, we were again able to win over many shareholders to purchase green electricity from us. After being able to welcome our thousandth green power customer in 2017, we now supply around 4,500 metering points. Thus, we distribute around 20 % of our total production directly.

Michael Trcka: The fact that we are doing a good job here is also confirmed time and again by external parties: In the Austrian ranking of electricity suppliers by the two environmental protection organizations WWF and GLOBAL 2000, we were once again ranked at the top in autumn 2018 and continue to enjoy the attribute "driver of the electricity future". We also received several other awards last year, such as the Austrian Eco-label or the "Green Brands" award, as well as a good ranking at "Austria's Leading Companies". The nomination among the Top 3 voting "Austrian of the Year" carried out by the newspaper "Die Presse" was something very special, because we hadn't expected that. All this has very practical effects on our everyday lives: We are basically overwhelmed with requests for green electricity.

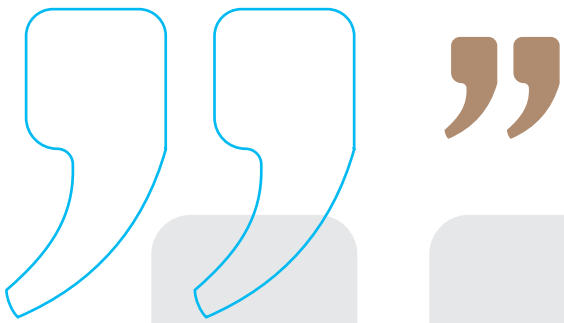
Frank Dumeier: As far as production is concerned, 2018 was indeed one of the most difficult production years for W.E.B to date. We only produced above planned values in four out of twelve months. Unfortunately, the opposite was the case during the rest of the year. We owe the fact that we nevertheless achieved a very respectable production level of 974.4 GWh to the fourth quarter. Thanks to extraordinary wind conditions, we were

able to catch up significantly in October and December. In addition, the fact that some of our new power plants produced at full capacity much earlier than planned also helped. And of course, our high level of professionalism in operational management and maintenance had a positive effect again. All in all we have come quite close to the 1 TWh mark. Considering the extremely difficult wind situation, this is a very reasonable result: the total wind volume was 5.6 % below target, while our production was only 3.2 % below target. And we are still more than a third above the 2016 figure.

What is the recipe for this very respectable performance given the difficult wind conditions?

Frank Dumeier: Let's put it that way: Our operation is as stable as a Swiss clockwork. In recent years, we have achieved a considerable level of professionalism in operational management and maintenance that is well above the industry average. This of course has a positive effect on our generation plants. With income availability, we are increasingly focusing on complex cost- and profit-oriented optimization in our service decisions.

At the same time, we are continuously increasing the profitability of our power plant portfolio. For example, we are in the process of extending the original 20-year operating life of our 2 MW class turbines to 25 years. Since the plants are fully depreciated after 20 years, we are tapping additional earnings potential. We usually make extensive maintenance and repair measures for this purpose well before the end of the original operating period. In 2018 alone, for example, our teams carried out twelve powertrain changes.



In 2018, Austria accounted for only about 40 % of new projects, 54 % of our electricity production already came from international markets.

And how did the restrained production affect the economic performance of W.E.B?

Michael Trcka: Of course, the weaker production is also reflected in our other figures: Group sales revenues have fallen by around 3 % and the earnings of EUR 27.5 per share are significantly lower than in the previous year. Nevertheless, this is the third best result in the company's history and speaks for the stability of our business model.

Our shareholders and bond investors also see it this way. 2018 has not only seen a significant increase in the average trading price of our shares, we have been able to place two Green Power Bonds again at attractive conditions: a ten-year bond with a coupon of 2.25 % and a hybrid bond with 4.5 % interest and no maturity date. The hybrid bond was even oversubscribed and we had to terminate the subscription period early. This means that this new instrument, which we were the first wind power company in Austria to offer in 2014, is now widely accepted.

In total, we raised EUR 15.1 million from the two 2018 bonds, which are now being used for the further expansion of our power plant portfolio. Once again, we were able to offer a novelty: The two products are the first corporate bonds for private investors to be listed on the "Green and Social Bonds" platform of the Vienna Stock Exchange, which was founded in 2018 and specializes in sustainable investments.

Photovoltaics are playing an increasingly important role at W.E.B – both nationally and internationally.

You mentioned the expansion of the power plant park: Which projects were completed or acquired in 2018?

Frank Dumeier: As I stated briefly at the beginning, we expanded our power plant portfolio in 2018 to include plants with just under 50 MW – 48.5 MW to be precise. The year began with the takeover of a photovoltaic plant with 3.3 MWp in Sant'Andrea di Conza (Campania, Italy) and smaller photovoltaic plants with around 200 kWp in Germany. We have also connected around 200 kWp to the grid in Pöttsching, Burgenland. In June we launched our new wind farm in Flesquières, France, with 21.6 MW. This was followed in October by the acquisition of the Arso solar park, also in Sant'Andrea di Conza in Italy, with just under 2.5 MWp. The Austrian wind farms Dürnkrut-Götzendorf II with 13.8 MW and Höflein West with 6.9 MW were connected to the grid at the end of the year.

By the way, the increasing internationalization of our business is very nicely reflected in the following: In 2018, Austria accounted for only about 40 % of new projects, and 54 % of our electricity production already came from international markets.

And how will this growth continue?

Frank Dumeier: Projects with a total capacity of almost 60 MW are currently under construction, which we want to complete all in 2019. If you subtract the repowering projects , the current projects alone account for a net capacity increase of around 45 MW. However, we also see potential for further construction and acquisitions. In any case, we have announced to our shareholders that we will achieve further growth of around 50 MW.

We started three of the projects currently underway in 2018: the wind farm in Wörbzig, Germany, with 21.6 MW, the Foce del Cornia wind farm, Italy, with 19.8 MW and the Albert wind farm, Canada, with 18 MW. These new projects are all based on successful tender bids. Even though such tariff regulations are not the most desirable way, we can deal with it. This is made possible by further technical developments and reductions in plant and production costs. The favourable financing situation obviously helps here, as do the rising prices on the electricity exchanges.

An increase by another 50 MW in 2019 from the current 462 MW would mean that your former long-term target of 500 MW will be reached. Where will you go from there?

Michael Trcka: We will definitely continue to grow. However, we are not working towards a target value, but focus on how much growth we can handle. Thanks to good conditions in our international markets, a greater project potential is currently discernible. This prompted us to think strategically about our growth course. The result of these considerations: We would like to accelerate our moderate growth course a bit. We want to increase the annual growth rate in production capacity from the current 12 % to 15 %, or even more.

Frank Dumeier: Of course, we are also preparing our internal structures and processes for this accelerated growth. We have competent teams in seven countries, which we are now gradually expanding, especially in the area of project development. The planned expansion will not only affect Austria, but also our international teams. However, all this does not change our clear commitment to remain a lean, agile company – the same applies in the medium term to our proven management structures. This requires that we continue to raise the level of professionalism and to work on our efficiency.

But growth also requires sufficient financing ...

Michael Trcka: That is why we will continue our successful investment offers. The placement success of the two bonds in the past year confirms this strategy. As in the past, the timing and scope of future emissions – whether on the debt or equity side – will depend on current, specific requirements. However, I do not rule out relatively short-term transactions.

Let's return from the medium and long-term perspective to the present: Which topics and priorities will shape the year 2019?

Frank Dumeier: In the current year, it will be very important to complete the projects already under construction, with a capacity of around 60 MW, as planned and at the same time to break ground on constructions for growth in 2020. At the same time, we will take important steps to expand and professionalize our international organization. In 2019, however, we will also celebrate the 25th anniversary of our company and at the same time – as already mentioned – cross the threshold of 500 MW. This is a good opportunity to look back and reflect as Austria's oldest and most experienced wind power company.

Michael Trcka: The review of the year 1994, in which the preparations for our first wind turbine started in Michelbach, is clearly positive: After 25 years, W.E.B is much better off than we had ever dreamed. In the mid-1990s, nobody would have thought it was possible for a start-up like W.E.B, founded by a handful of enthusiastics, to employ more than 151 people just a quarter of a century later, to operate in seven countries in Europe and North America, and to generate a volume of electricity equivalent to the needs of more than 300,000 households year after year. We will continue this growth and success story.

2018 was a busy construction year, as depicted here in Wörbzig (photo: Sissi Großmann, Project Manager, and Gisbert Tüchler, Technical Construction Manager). Also in the future some spade stings will follow.

Frank Dumeier about “Chances & Changes”

Mainstream Renewable Energies

The advance of renewable energies has not only impacted the technology of plants themselves. Accompanying technologies such as systems for energy storage and flexible availability have also developed rapidly; marketing models are ever changing. Within a generation, we will hardly recognize our energy industry any more. This will create opportunities we aim to exploit.

The UN Climate Change Conference in Katowice last December impressively demonstrated that we have made decisive progress in recent years regarding the implementation of the energy transition. A very important – if not the most important – aspect is that the urgency of this matter has finally reached a broad awareness level. Meanwhile, the various stakeholders – whether it is politics, the large number of NGOs involved, science, industry or the general public – are no longer working against each other but are almost all working together towards the same goal. People want the energy transition and are committed to it. The Fridays for Future movement and Greta Thunberg are particularly dedicated to this change.

This is also the most important prerequisite for development to further accelerate. Many examples show that this is the case: whether it is technical progress and new approaches in the generation and storage of renewable energies, new usage models such as sector coupling, innovative marketing concepts or simply the significantly increasing demand for renewable energies.

The intertwining of all these elements brings even more momentum to a development that – originally set in motion by a few visionaries and with the help of state subsidies – has long since become mainstream. The common objective is to limit global warming to 1.5 degrees Celsius by avoiding CO_2 emissions as much as possible. The most important step in this direction is the phasing out of fossil energies, which are finite anyways. Katowice has once again clearly shown that this is no longer a vision from the ivory tower, but a specific and reachable goal.

All this encourages us to accelerate our growth course. We want to produce as much green energy as possible and thus avoid as much CO_2 as possible. We see this as our mission and our responsibility.

Technical progress, ...

The growth path is being supported by significant technical advances that have been made in our field in recent years and decades. While the typical wind turbines were originally in the range of a few hundred kilowatts, we are now preparing for 6 MW turbines. Needless to say, that these new wind turbines are much more mature and their "yield rate" is much higher. Their service life is also increasing: While the original expectation was for a maximum of 20 years, the W.E.B maintenance and operating model is now based on a service life of 25 years and more. The specific costs have decreased –

either through economies of scale, because simply more plants are produced, or thanks to technical improvements. Both wind power and photovoltaics are not only competitive today, but are even economically superior to fossil technologies.

... sector coupling ...

The comparison is even more favorable if the use of renewable energies is combined and integrated in various areas, as is increasingly happening under the buzzword of sector coupling. Green electricity is not "only" used in the household, but also for mobility purposes – keyword e-cars – and for industrial applications. On the one hand, this will further reduce the use of fossil fuels in these areas; on the other hand, innovative approaches to consumption management can also alleviate the problem of volatility in renewable production by coordinating producers and consumers.

In other words: If it is possible to consume electricity when it is available, the problem of storage will be reduced. Although the storage of green electricity that is temporarily not needed remains the "last equation of the energy transition", the concept of sector coupling will alleviate much of it in the next ten years.

A multitude of new business models opens up interesting options for W.E.B as well. With ELLA as our flagship project, we are on the way to an Austria-wide charging network for electric mobility. We will further intensify our commitment here in 2019. In addition to mobility, it is important to note that sophisticated charging management for electric cars represents a considerable storage function for excess wind power in car batteries. The so-called thermo-active building system for the storage of heat or cold, which is generated by a heat pump from wind or solar power, has a similar effect. An important milestone in this area is a residential construction project in Vienna, where we will equip 160 apartments with the W.E.B climate package.

Interesting new industrial application concepts are also contributing to energy storage, such as the generation of so-called renewable gas using the electrolysis of water. The hydrogen produced this way through the use of wind or solar power can be stored and then reused as an environmentally friendly energy source if required.

Renewable instead of fossil! Sector coupling is an important factor in energy transition.

... and innovative marketing

The market penetration of renewable energies is increasingly being supported by new marketing concepts. For us and many other companies in our sector, the simple feeding of electricity into the general grid is a thing of the past. Increasingly, we market our electricity directly to private customers, companies, organizations or municipalities. We are thus responding to wishes expressed by consumers, where environmentally friendly power generation is increasingly important, especially as it is now possible to conveniently switch to wind or solar power. Doubling our number of customers within a year speaks for itself. We have just been able to conclude a supply contract with the diocese of Graz-Seckau for around 1,500 metering points.

Many companies that put their electricity supply out to tender now require 100 % renewable generation. And many conclude so-called PPAs (Power Purchase Agreements) with wind and solar power generators, which in turn lead to the construction of further wind and solar parks. This also changes the business model in our industry in an advantageous way. Whereas in the past power plants were built first and the electricity generated was marketed after, the order will be reversed in many future cases. We would also like to test this model in practice over the next few years via several pilot projects as direct marketing offers great advantages for both partners.

Moving ahead fully committed

All these examples show: Our industry is highly dynamic, which leads very clearly to one goal: the energy transition. This is exactly what I felt confirmed at the Climate Conference in Katowice.

I came back from Katowice with great confidence, that

- the target of 1.5 degrees Celsius is being actively pursued by many people and organizations worldwide,
- already today, much more capital flows into renewable energies worldwide than into conventional energy supplies, and
- this momentum will generate enormous potential for our business model in the coming years.

But Katowice has also sharpened my consciousness, that

- the "fossil lobby" continues to postulate many untrue theses,
- the consequences of climate change will occur faster and more drastically than feared; and
- for example, around 100 million people will have to be resettled by 2030 due to rising sea levels or droughts.

> Reason enough for W.E.B to continue working with all its energy on the realization of the energy transition.

Michael Trcka about “Changes & Chances”

Leading Renewable Energies Ecologically and Economically

When a few decades ago, around the time W.E.B was founded, politicians recognized that renewable energies were an opportunity for the future and against climate change, broad subsidies were the means of choice to bring renewable energies to market maturity. If we look at the cost structures and capital markets today, we can see that subsidization has been largely successful. The market is now strengthening renewable energies; politicians are still deciding on the pace of energy transition.

Times when renewable energies were just a pet project for a minority of green people are over. There has long been a widespread certainty that fossil fuel production cannot be sustained economically in the long term, especially if all subsequent costs are included in the calculation.

Wind and solar power have long been competitive

Above all, however, the generation of electricity from wind and solar energy has long been able to compete with fossil and nuclear energy sources in terms of costs. In some countries, wind and solar power are already competitive without financial support. As valuable and indispensable as subsidies may have been at the beginning of development, today, they primarily determine the pace of development, no longer its direction. This was also the consensus in Katowice.

A recent study by the Fraunhofer Institute showed impressively that wind power and photovoltaics have emerged for the first time as the cheapest forms of power generation. Prices on the electricity exchanges rose significantly in 2018. Combined with a simultaneous significant reduction in generation costs, this results in a very optimistic medium- and long-term outlook for renewable energies: In Central Europe, models are conceivable that do not require subsidies.

Progress in North America

This is most likely the reason why wind and solar power are now on the advance in the USA, where the development was less triggered by public subsidies than by the fact that simply the math speaks for renewable energies. Apart from a general increase in environmental awareness, the transformation of energy systems is predominantly successful due to market mechanisms. In terms of installed capacity, the USA is now the world's largest wind energy market after China. We have also been operating a wind farm with 9 MW in the state of Maine since 2016.

The situation is similar in Canada, which used to rely heavily on oil and gas production and was regarded as one of the biggest opponents of

international climate agreements. A rethinking has taken place there in recent years as well, driven strongly by falling costs. Wind energy is therefore one of the most cost-effective forms of electricity in Canada today, alongside natural gas. In some cases, the provinces, which are important for the electricity supply in Canada, pursue even more ambitious goals than the Canadian nation as a whole or the USA. W.E.B has also been actively exploiting the positive trend in Canada since 2013: We now operate 20 turbines with a combined output of just under 40 MW at twelve locations in the province of Nova Scotia and are currently building another 18 MW wind farm in Riverside-Albert in the province of New Brunswick.

Tendering trend brings further increase in efficiency

With the increasing competitiveness of renewable energies, market-based mechanisms are also increasingly finding their way into project allocation. In the past, the focus was on conventional applications for subsidies, but today tenders are increasingly deciding which provider is to be selected for a project. Although this increases the pressure on individual producers, it also promotes efficiency and thus the long-term prospects of the industry. Companies like W.E.B that have worked consistently on their professionalism and cost structure for many years do not have to fear tenders today.

Canada is increasingly focusing on renewable energies, as here at the W.E.B wind farm North Beaver Bank. There are not only ecological but also economic reasons for this.

Additional capital thanks to green investments

No wonder that the trend to invest ethically or even green is increasing massively. Not only mildly ridiculed "do-gooders" have placed their faith in "responsible investments" for a long time, but also cooly calculating investors. Large institutional investors are leaving fossil investments behind to attract large audiences, including major players such as Allianz, SwissRe, Zurich and Axa, the Rockefeller Family Fund and the Norwegian state pension fund, as well as some of its US counterparts. At the same time, more and more capital is flowing away from oil, gas and coal towards renewable energies. Ethically or green-oriented investment funds are springing up, the number of relevant indices is constantly increasing, and many stock exchanges already have their own trading segments for green bonds. In 2018, the Vienna Stock Exchange responded to this trend by establishing the "Green and Social Bonds" platform, which specializes in sustainable investments.

Environmental activists also jumped on this bandwagon a while ago and are thus reinforcing the trend towards "clean money". Today, they are regularly to be found on the podiums of business events where ethical investment is promoted because they have recognized the leverage of green investments: The more capital flows into wind and solar power production, the faster the energy transition will become reality. They are therefore purposely using the capital market today to enforce their message.

We also feel the impact of this in our investment offers. Green bonds are well received and always reach new types of investors. Our corporate bonds are regularly met with high demand, as it was the case with our wind power hybrid bonds offered for the first time in 2014. In the case of our latest hybrid bond, offered in 2018, we even had to prematurely terminate the subscription period. Investors are thus confirming the general picture:

Wind and solar power are the solutions for the future, not only for environmental and climate protection reasons, but also – and increasingly – for sober economic considerations. Because they just pay for themselves. This means that the energy transition can no longer be held back from an economic point of view.

“The Wind Blows Very Strongly”

The international growth course allows W.E.B to expand into all kinds of regions in the world. Even though every project and every country poses different challenges to the W.E.B teams, there is one constant theme: We want to produce clean, regional energy with the support of local people. In Canada, the W.E.B subsidiary SWEB Development collaborates with particular project partners.

On the road to a sustainable future, citizen partizipation is a main building block. The commitment to involving people in the projects has made W.E.B Austria’s largest public company in the field of renewable energies. However, this access is not limited to Austria. At the Canadian wind farm Albert, W.E.B is working together with the Woodstock First Nation, which is also reflected in the regional name of the project: “Wisokolamson” – which means nothing less than “the wind blows very strongly” in the Woodstock language.

Tradition meets modernity: The Woodstock First Nation, together with W.E.B, will produce clean energy from wind in the future.

We're breaking new ground

In 2013, W.E.B dared to expand across the Atlantic and built the first wind farms in North America. Since then, W.E.B has continued to expand its activities overseas; its 20 Canadian plants are among the top performers in the portfolio and make an important contribution to the energy transition. Various expansion stages in Canada took place in the Maritime province Nova Scotia; our Canadian "home port", whose capital Halifax also accommodates the Canadian W.E.B office. In 2018, W.E.B was awarded the contract for the most recent wind farm project in North America, near the small town of Riverside-Albert. Thus, W.E.B also gained a foothold in New Brunswick, the second of Canada's three Eastern Maritime Provinces.

First nations as strong partners

The project partners are closely linked to New Brunswick's history, as the land on which the wind farm is being built belongs to the Woodstock First Nation, descendants of the Wolastoqey, the indigenous people of southwest New Brunswick. In the shared belief that the energy transition can only be a large joint project, the representatives of Woodstock were full of energy from the very beginning and provided valuable input in the project development. After completion, the wind farm will also be operated jointly. The Albert wind farm will not only provide clean energy, but also smart minds. Two scholarships will be awarded annually from the proceeds of the power generation over the entire duration of the wind farm, from which Woodstock students can benefit who study renewable energies or similar subjects.

Construction work started in September 2018 and at the end of November 2018 the project went into a winter break. The commissioning of the five Vestas V126 turbines with a total capacity of 18 MW is planned before the end of 2019.

Wind energy is in demand

In the development of wind farms, the acceptance and support of the local people is a central concern for us. Hence, W.E.B teams are in close contact with community representatives and citizens during all phases of project planning and implementation as well as during the subsequent operation. This applies to all countries W.E.B is operating in.

In the course of a planned wind farm expansion in the Lower Austrian municipality of Spannberg, an intensive dialogue with the population occurred over many weeks. The inhabitants of Spannberg honoured the effort in an impressive way. In the ensuing referendum in January 2019, more than two thirds voted in favor of the expansion of wind power – with a voter turnout of more than 70 %. The result also proves that reservations about wind energy are decreasing and acceptance even increases once people in a region are familiar with wind turbines.

Growth: The right mix makes the difference

Wind and sun, national and international – 2018 provided a small taste of the development of the W.E.B Group in the years to come. Projects were completed or existing plants purchased in four countries. Most of the growth took place outside Austria, and as the portfolio shows over the course of 2018, photovoltaics is playing an increasingly important role alongside wind.

3
wind farms

4
photovoltaic projects

48.5 MW completed or purchased

International growth is progressing

The preparation of the last few years culminated in several project launches and completions in 2018. With Dürnkrut Götzendorf II and Höflein West, we concluded wind energy projects in Austria for the first time since 2016. In addition, two photovoltaic systems were installed in Pöttsching in Burgenland (Austria). In the sunny south of Italy, W.E.B acquired Conza and Arso, two photovoltaic parks, and in Flesquières, France, W.E.B celebrated the opening of a new wind farm in June.

The past year was also a time of ground-breakings and premieres. In Germany, the repowering project Wörbzig was launched. In Piombino, construction works of W.E.B's first Italian wind farm began. In the fall, construction started on the Albert wind farm, where W.E.B is expanding into New Brunswick and thus a new Canadian province.

Commissioning

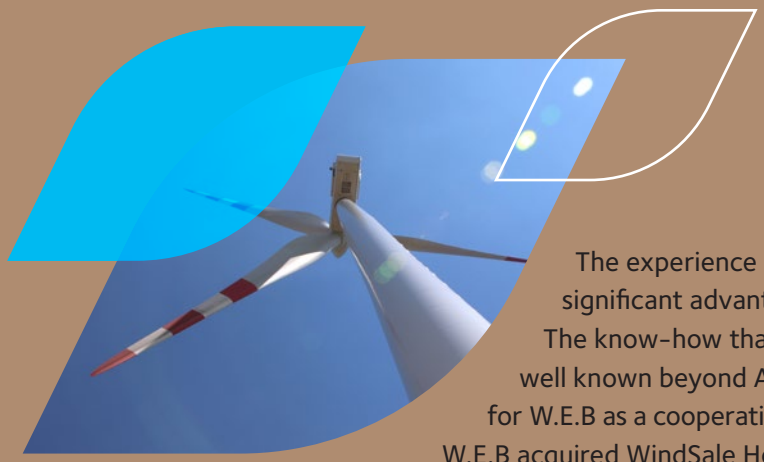
Pöttsching I & II	PV	Austria	March/May 2018	195 kWp
Flesquières	Wind	France	June 2018	21.6 MW
Dürnkrut-Götzendorf II	Wind	Austria	October 2018	13.8 MW
Höflein West	Wind	Austria	December 2018	6.9 MW

Acquisitions

Hagena	PV	Germany	February 2018	187 kWp
Conza	PV	Italy	February 2018	3,355 kWp
Arso	PV	Italy	August 2018	2,482 kWp

Start of Construction

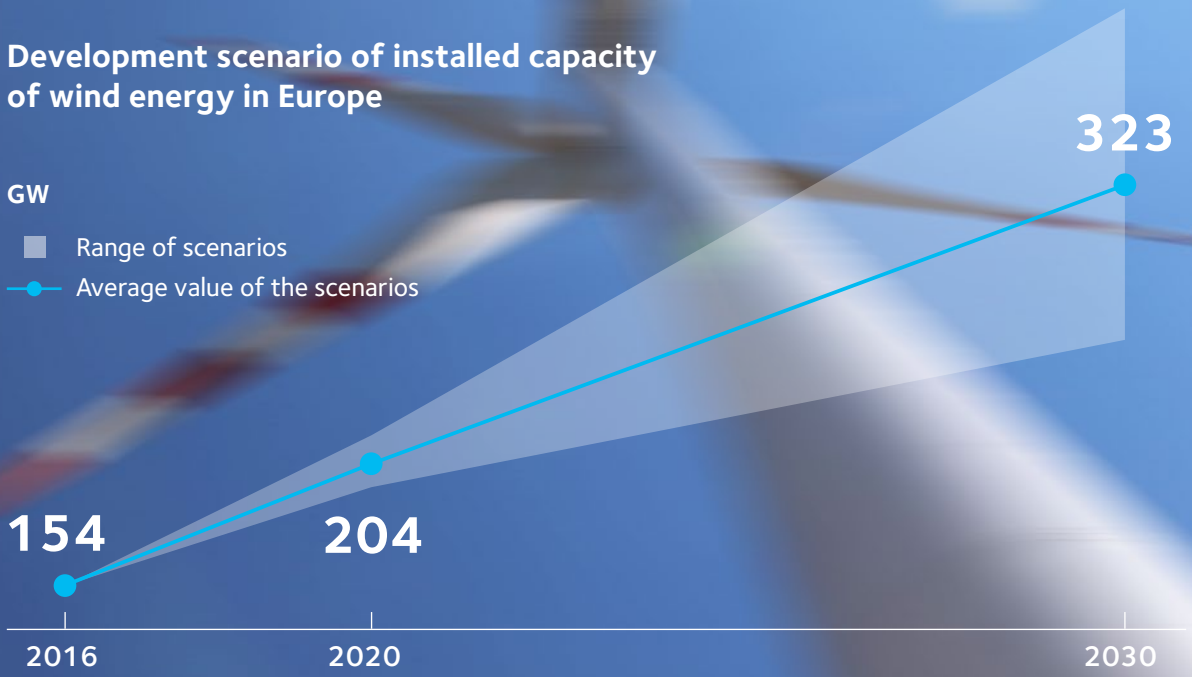
Wörbzig RI	Wind	Germany	September 2018	21.6 MW
Albert	Wind	Canada	September 2018	18.0 MW
Foce del Cornia	Wind	Italy	October 2018	19.8 MW



The experience of W.E.B as a pioneer in wind power is a significant advantage in executing our growth strategy. The know-how that we developed over the last few years is well known beyond Austria's borders, resulting in a reputation for W.E.B as a cooperation partner that is in high demand. In 2018, W.E.B acquired WindSale Holding GmbH in Germany, and with it a pipeline that includes twelve projects which will be further developed with a regional partner. This is just one example that the acquisition of projects in various development phases represents an essential facet of W.E.B's strategy.

CONTINUE THE EXISTING

Development scenario of installed capacity of wind energy in Europe



Clean and inexpensive: The forecasted growth will bring more sustainable electricity which is an important pillar in the fight against climate change. In addition, due to the increase in efficiency, wind energy is becoming more affordable and will be cheaper than coal-based electricity in the long run.

Source: WindEurope

Centralized Remote Monitoring

Two continents, seven countries – employees of the W.E.B Monitoring Center are watching over 300 power plants of W.E.B and its partners around the globe. Every day a massive amount of data from the various countries is collected and sent to the W.E.B headquarters in the Waldviertel. In order to guarantee maximum efficiency, the team of the Monitoring Center is on duty or on standby 24 hours a day, seven days a week.

The Internet has changed the world, and consequently W.E.B's internal workflows. In 1995, the first W.E.B plant in Michelbach was connected to the telephone line. Today, high-speed internet ensures that for the purpose of data collection, analysis and processing, it makes no difference whether the plant is located in North America or in Europe. Whether in Canada, France or Austria: The incident management process in the W.E.B Monitoring Center is standardized.

Automation

A modern wind turbine is equipped with a large number of sensors and delivers operating data to the W.E.B Monitoring Center every ten minutes. In addition to the sensor data, standstill messages arrive, which are designated as incidents and treated separately. The great challenge is therefore to identify and filter out such data and incidents from the dataset that indicate anomalies in operations. If a technical incident occurs, the exact type of incident is detected in 99 % of cases within fifteen minutes and the underlying error is addressed. Like the data transmission of the system, the work processes in the Monitoring Center are standardized, too. If the problem cannot be solved from the control station or by site guards, an error message is sent from the Monitoring Center to the service technicians. The system already records this order semi-automatically in advance. By sending the error message, it is recorded in W.E.B's own Service Order Tracking module, which allows the status quo to be tracked appropriately.

Service technician on the move

To enable the system to produce electricity again as quickly as possible, a large amount of data is available to the technicians. The error message contains the exact listing of the error, the plant number, the error description and the previous error history of the plant. On arrival at the plant, the technicians log on to the

Monitoring Center. If there is no major damage, the technicians usually get the plant up and running again immediately. They then provide a detailed description of the activity and what has been repaired. Once the work is completed, the plant is ready again to make its contribution to a sustainable future.

Depending on complexity and region, major damages are repaired directly by W.E.B service teams or in cooperation with service partners.

Learning from mistakes

A core task of the Monitoring Center is the logging of incidents that have occurred. Due to the quantity of data, this represents a major challenge. But it's worth the effort because thanks to the documentation, the error history is visible at a glance. What's even more important: If an identical malfunction occurs again or elsewhere, the system can identify the action that rectified the malfunction in prior incidents, and the correct steps are taken immediately. This learning process contributes significantly to the high availability of the W.E.B plants.

A detailed error message is important for the W.E.B service technicians, in order to carry out the work on the plant efficiently.

Efficient troubleshooting

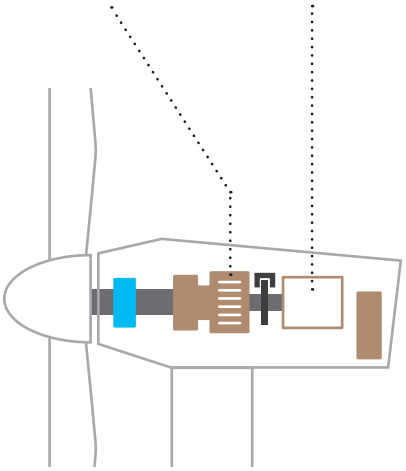
Given the amount of data we collect on a daily basis, efficiency is essential. The professional competence of the employees in the Monitoring Center makes this efficiency possible at a high level. For example, a new software automatically displays a list of all previous causes of a malfunction when it occurs. This includes information on how often the cause of the malfunction has occurred, the exact error pattern, the measures taken to rectify it, and the materials used. Thus, the probable cause of the malfunction can be assessed as soon as it occurs and the appropriate material can be given to the service technicians accordingly. In addition to the optimization of processes for troubleshooting, another positive aspect will emerge in the future: Once enough data has been collected, it is possible to optimize proactive maintenance processes and replace critical components in a timely and cost-optimized manner.

Sustainable renewal

Operating wind turbines up to 20 years and beyond requires a well thought-out strategy. W.E.B developed a concept of preventive maintenance of powertrains for this purpose. As part of this concept, gearboxes and generators in the second "half of the plant life" are replaced preventively. The result is a dual benefit: On the one hand, standstills due to major component damage are avoided, and on the other hand, the replaced components can be very well refurbished and thus reused. In 2018, a total of nine drive trains were renewed in Austria, Germany and France.

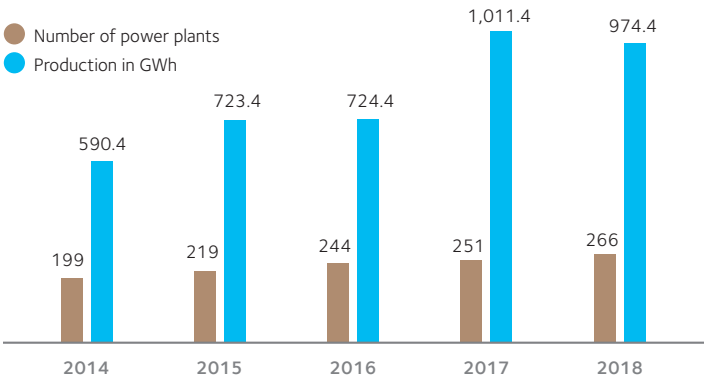
Exchanges of large components in 2018, carried out by W.E.B

10 gearboxes | **11** generators



22 turbines older than 20 years

Power plants and power generation



A Year of Operational Challenges

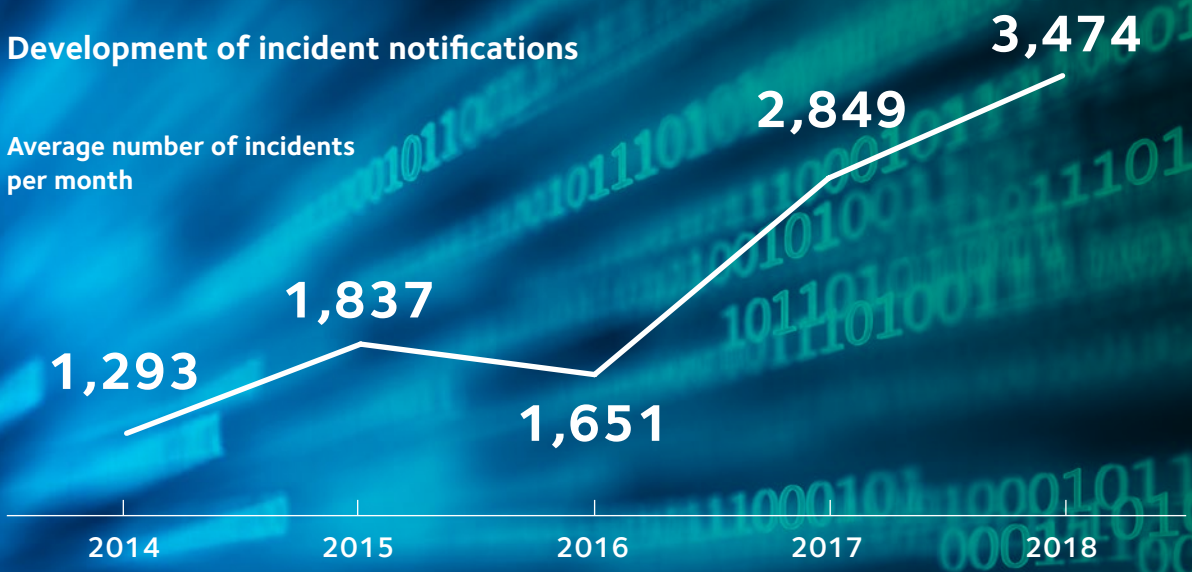
The plant availability achieved (98.5 %) shows that 2018 was a very challenging year for our operations. Snow storms swept over Nova Scotia at the beginning of the year; the storm damage led to shutdowns and required repairs or replacement of plant components. Overall, weather-related shutdowns due to ice and storms as well as grid shutdowns accounted for more than 20 % and 13 %, respectively, of non-realizable electricity generation. In addition, for reasons of nature conservation, for example, because the weather and light conditions make bat trips probable, plants are switched off. Together with the shutdowns due to potential shadow emissions or for noise measurements requested by officials, these yield losses accounted for around 10 %. The number of such planned or automated shutdowns is increasing; each of them represents an incident documented by the Monitoring Center.

To make the manual entry of recurring turbine incidents a thing of the past, W.E.B developed software together with ENERTRAG in 2017 that largely automates the process. In the course of 2018, this software was extensively tested and perfected in operation. The automated processing of frequently occurring incidents reduces the manual workload by about one person-year, provides high data quality and optimizes the power plant operation because the team can concentrate on important incidents. In addition, the innovative spirit of the W.E.B team led to the first patent application by W.E.B.

INNOVATIVE DIGITALIZATION

Development of incident notifications

Average number of incidents per month



The task of the Monitoring Center is to identify and analyze plant incidents quickly and to filter out technically caused shutdowns as quickly as possible in order to initiate appropriate measures. Nature conservation and environmental protection shutdowns have caused the number of incidents to skyrocket in recent years. This makes it all the more important to develop digital filters that support the control attendant during the evaluation.

A Sustainable Diocese

In 2015, Pope Francis got much attention for his encyclical "Laudato si". For the first time in the long history of the Catholic Church, its leader explicitly dealt with the topic of the environment and climate protection under the title "On the care for our common house". In Austria, the diocese of Graz-Seckau responded to the Pope's call by signing contracts for W.E.B Grünstrom (Green Power) with Eco-Label in 237 parishes and for large buildings of other legal entities and orders in 2018.

In 2015, immediately after the wake-up call of Pope Francis, the Austrian Bishops' Conference drew up its own ecological goals and thus committed itself to a consistent implementation of climate and environmental protection in the church sector. The diocese of Graz-Seckau is a true "model diocese". In 2018 it decided to purchase its electricity from W.E.B and opted for the"W.E.B Grünstrom with Eco-Label" tariff.

Own climate and energy strategy

In order to respond in the best possible way to the challenges of climate change, the diocese of Graz-Seckau has developed its own climate and energy strategy in a process lasting more than a year. The measures are comprehensive: In new buildings, only the lowest energy house standard will be used; in renovations, new buildings or conversions, only ecological building materials will be used in future. In addition, it was decided to phase out fossil fuels altogether – and that is where W.E.B comes into play.

The beginning of a partnership

When W.E.B was awarded the Austrian Eco-Label at the beginning of the year, the diocese of Graz-Seckau became aware of us because they were looking for a suitable green power supplier. Typical for an energy transition partnership, W.E.B prepared an offer individually tailored to the potential customer. One thing became clear right away: This will be the largest green power deal in the company's history to date. Not only will the diocesan institutions themselves be supplied with sustainable energy from W.E.B power plants in the future, but numerous parishes and other church institutions in the diocese also want to follow this example. At the beginning of 2019, 1,200 metering points switched to W.E.B Grünstrom – making the diocese of Graz-Seckau the largest W.E.B customer.

Thinking ahead

A simple change of electricity provider was by no means enough for the diocese, because the goal is a long-term and comprehensive partnership. We developed a concept with three modules that will interlock step by step over the next few years. In this process, the diocese also endeavours to participate in sustainable energy production. Thanks to the work of the past years, W.E.B has a project in the pipeline that has successfully passed all approval stages and can be implemented together with the diocese in the not too distant future. Based on the future-oriented view of both partners, a joint project development is also planned for the future. The diocese wants to push ahead with decentralized energy transition and produce clean electricity within its estate. Based on this motivation, W.E.B and the diocese of Graz-Seckau could in future form a strong alliance in the fight against climate change.

The diocese of Graz-Seckau is on the way to an ecological future. The Cathedral in Graz is supplied with green power, too.

Green electricity for sustainable companies

In March 2018, W.E.B was awarded the Austrian Eco-Label. The seal of quality for the highest ecological standards awarded by the Federal Minister for Sustainability and Tourism, Elisabeth Köstinger, identifies W.E.B as a supplier of sustainable energy that has been produced without the use of nuclear and fossil fuels. More and more Austrian companies are opting for the Eco-Label because of their sustainable corporate strategy. In order to supply these companies with certified energy under the same standard, W.E.B has created the product line "W.E.B-Grünstrom Umweltzeichen" ("W.E.B Green Power Eco-Label").

Double award

The award of the Austrian Eco-Label and thus the labelling of W.E.B as a certified green electricity supplier was not the only distinction in 2018. WWF and GLOBAL 2000 once again examined 125 Austrian green electricity suppliers. W.E.B secured the first place again with its green electricity offer making us a "driver of the electricity future" for the environmental organizations. These external recognitions confirm once again the path of W.E.B and thus our special position within Austria because W.E.B Grünstrom stands for sustainable energy from Austria.

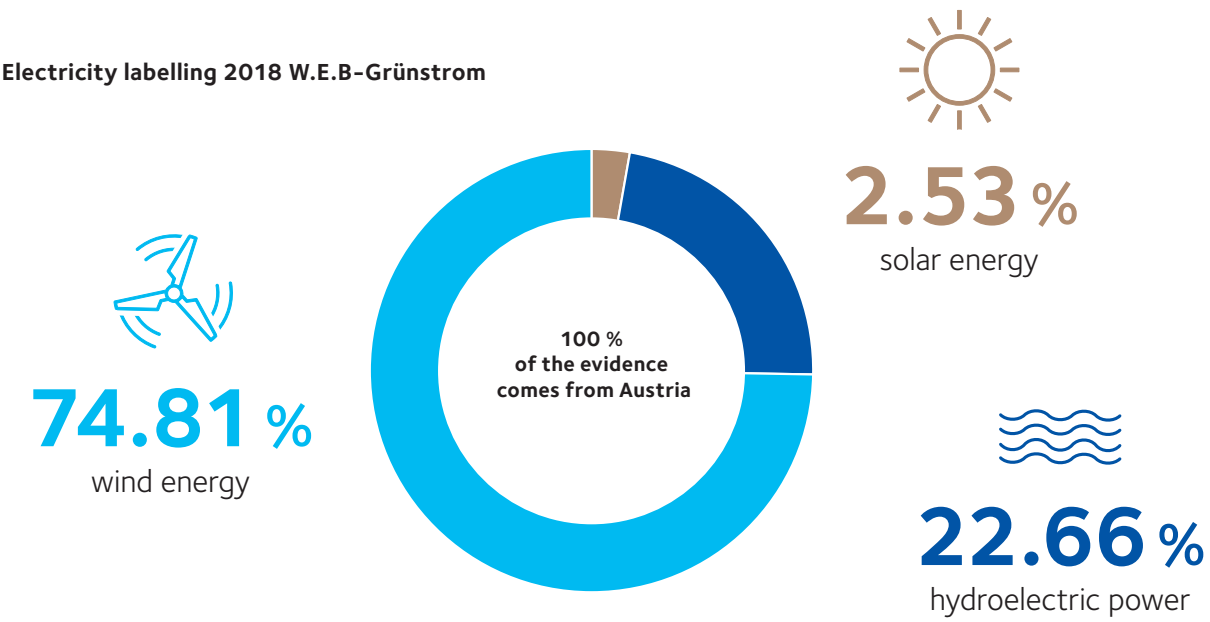
W.E.B Grünstrom in demand like never before

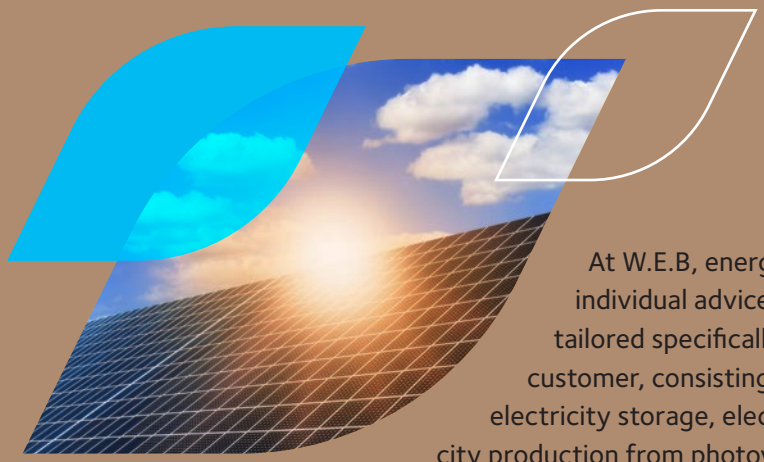
Not only because of the awards, W.E.B experienced a lively influx of customers in 2018. The number of customers has more than doubled in one year. W.E.B offers private and business customers a wide choice of tariffs that meet their individual needs.

Wind plus water and sun

W.E.B Grünstrom means clean energy from the Austrian W.E.B power plants. W.E.B strives to operate its plants as long as possible. For W.E.B Grünstrom, for example, electricity from wind farms that no longer have a subsidy tariff is used for the most part. The rest comes from W.E.B's photovoltaic and hydroelectric power plants. Wind is the most important form of energy in the electricity mix, accounting for more than two thirds of the total.

Electricity labelling 2018 W.E.B-Grünstrom

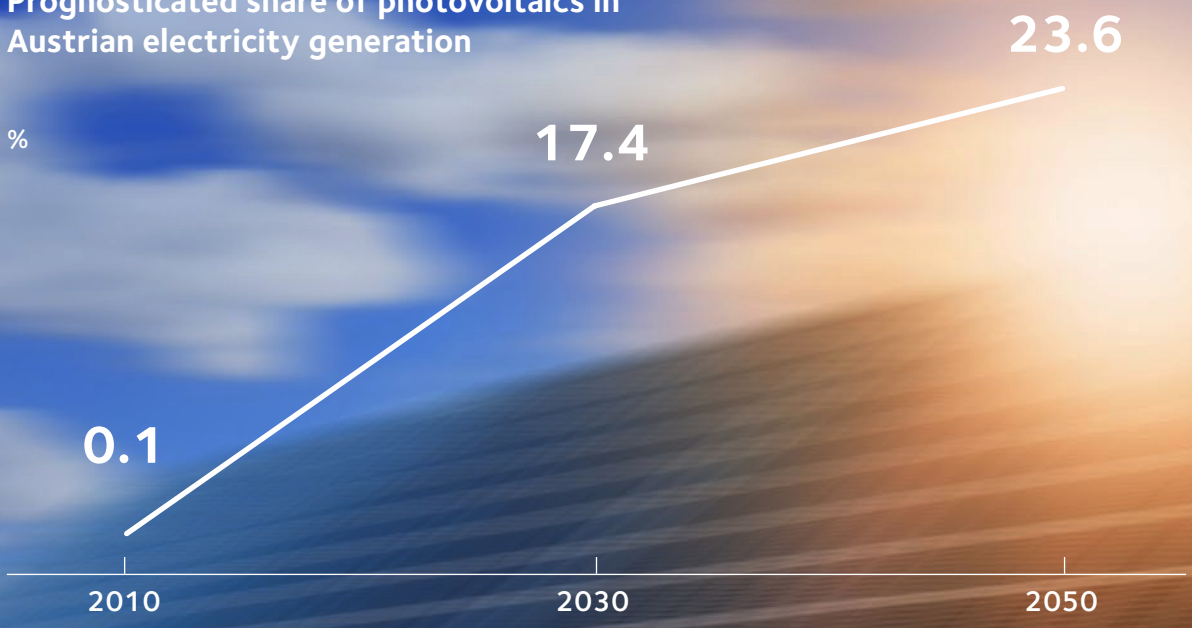




At W.E.B, energy transition partners are provided with individual advice. The W.E.B team develops a package tailored specifically to the needs of the respective business customer, consisting of the following modules: energy supply, electricity storage, electromobility and load optimization. Electricity production from photovoltaics also plays a central role. The future lies in decentralized electricity production, and solar energy will cover a large proportion of this. W.E.B therefore aims to equip as many roofs of SME energy transition partners as possible with photovoltaic systems. For this reason, we are constantly searching for like-minded companies who want to join us in our path.

SUNNY PROSPECTS

Prognosticated share of photovoltaics in Austrian electricity generation



The future in Austria is sunny. By 2050, almost one fifth of domestic electricity generation could come from photovoltaics.

Source: TU Wien, EEG; Endbericht Stromzukunft Österreich 2030

Investing in the Future

Within 25 years, W.E.B has evolved from a regional wind power pioneer to a global energy transition company. The international growth strategy will bring change in the future. However, the foundation will continue to be citizen participation, on which W.E.B's sustained success has always been based. In 2018, W.E.B made it again possible for investors to participate in two new Green Power bonds that were both green and lucrative.

In order to push ahead with the decentralized energy transition internationally, construction work on a number of promising projects began in 2018. As in previous years, many people were supposed to have the opportunity to participate. This is why investors once again had the opportunity to make their contribution to a sustainable future through bonds in late summer.

Green investment

In order to offer an attractive option or combination, W.E.B has issued a conventional partially redeemable bond with a maturity of ten years and a low subordinated hybrid bond.

The classic ten-year bond bears an annual interest rate of 2.25 %; in addition, 10 % of the invested capital is repaid each year. The hybrid bond offers an interest rate of 4.5 %. It has no maturity date and is particularly suitable for investors who wish to participate more closely in the company's development. The main difference to the conventional bond is that if no dividend is paid out in one year, W.E.B may suspend interest payment and redemption of the hybrid bond for that year. However, the interest payments will be made up at at latest in the next year with a dividend payment with compound interest, the term of the bond being extended accordingly.

Debut on the Vienna Stock Exchange

The pioneering spirit of W.E.B does not end with renewable energies. We are also constantly breaking new ground in the area of financing, as demonstrated by Austria's first wind power bond in 2010 and the first hybrid bond in 2014. The Green Power bonds in 2018 were another big step, as the two bonds were the first corporate bonds for private investors to be listed on the newly established bond platform "Green and Social Bonds" of the Vienna Stock Exchange, which specializes in sustainable investments.

W.E.B welcomed a total of 230 participants at four stops of the Green Power Tour.

As high in demand as ever

Once again, the emission went extremely well. A total of around EUR 15 million was raised. The hybrid bond was particularly in demand this time. Its volume was already increased to a maximum of EUR 10 million around two weeks after the bond was launched, and the subscription period was prematurely terminated due to the persistently high demand. The conventional bond was also very well received, bringing in just over EUR 5 million. There were around 800 enthusiastic investors interested in the bonds; 155 of them invested in W.E.B for the first time ever.

Citizen participation in France

In 2018, Green Power Bonds were not the only way to invest in W.E.B. In France, W.E.B offered regional citizens the opportunity to participate directly in the Les Gourlus wind farm, which went into operation in 2016. This was achieved by means of registered bonds which were offered on www.lumo-france.com. The type of crowdfunding offered via this platform was specifically created for projects in the field of renewable energies.

The project-related registered bonds were available in the period from summer to late fall 2018 for EUR 25 each. The term is five years and the interest rate is 4.25 %. In the first stage, the subscription was limited to persons from the project region. A total of 136 people participated with EUR 131,200 in the Les Gourlus wind farm, the largest wind farm in the history of W.E.B to date. Further participation projects in France are to follow in the coming years.

Green Power bonds 2018 in figures

Term	Interest	Type	Emission volume (MEUR)
10 years	2.25 %	Annual partial redemption	5.1
No maturity	4.5 %	Hybrid	10.0
			15.1

Bond types in detail

Conventional bond: 2.25 %, partial redemption per year

The partially redeemable 2.25 % bond has a term of ten years from 2018 to 2028. Investors thus receive annual interest and one tenth of the invested capital.

4.5 % hybrid bond

This mixture of equity and debt capital is riskier for the investor, which is reflected in a higher interest rate of 4.5 %. Hybrid bonds are low subordinated corporate bonds for which annual interest payments and redemptions may be suspended under certain conditions. If everything goes according to plan and dividends are paid out in the following ten years, interest payments and repayments are completed after ten years in the hybrid model.

W.E.B bonds since 2010

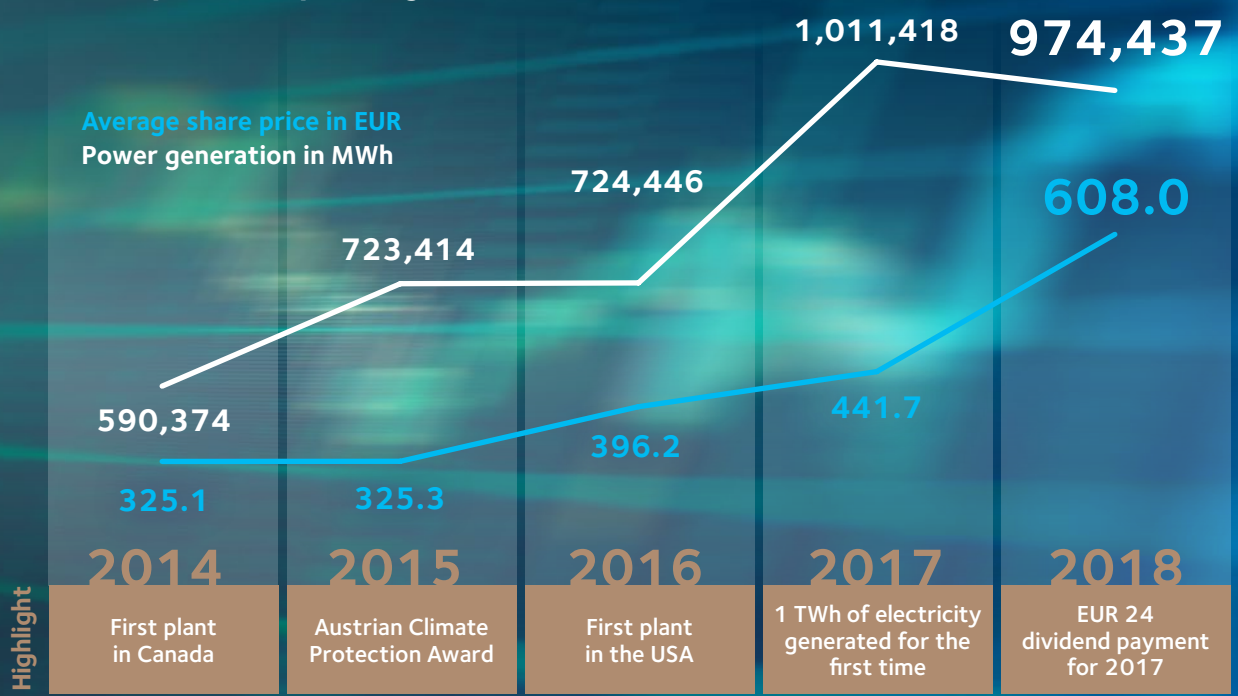
Year	Term	Interest	Type	Volume (MEUR)
2010*	5 Years	5.00 %	Bullet repayment	10.2
2011*	5 Years	5.00 %	Bullet repayment	6.5
2013*	5 Years	4.00 %	Bullet repayment	
2013	10 Years	5.25 %	Annual repayment	24.6
2013	10 Years	5.50 %	Bullet repayment	
2014	5 Years	3.50 %	Bullet repayment	15.0
2014	No fixed maturity date	6.50 %	Hybrid	
2015	5 Years	2.75 %	Bullet repayment	
2015	10 Years	4.00 %	Annual repayment	22.3
2015	No fixed maturity date	6.50 %	Hybrid	
2016	5 Years	2.50 %	Bullet repayment	
2016	10 Years	3.75 %	Annual repayment	20.2
2016	No fixed maturity date	6.25 %	Hybrid	
2018	10 Years	2.25 %	Annual repayment	15.1
2018	No fixed maturity date	4.5 %	Hybrid	
				113.9

*Already repaid (as of 31 December 2018)

Installed megawatts isn't the only indicator that W.E.B is becoming an increasingly international company. The performance of the W.E.B share shows that many people support this growth course. Over the past five years, installed capacity has risen from 304 to 462 MW and electricity production from 590,374 to 974,437 MWh. Over the same period, the average price of the shares traded in the Traderoom rose from EUR 325 to over EUR 608.

SUSTAINABLE SUCCESS

Performance of the W.E.B shares in the traderoom | Development of power generation



Broadly Enshrined

With the generation of electricity from renewable energies, sustainability is at the heart of W.E.B's business activities. With the company's steady growth in mind, W.E.B explicitly defined the future focus of sustainability in 2018.

Due to its core business, W.E.B is deeply enshrined in sustainability. With energy from renewable sources, the company is making a direct contribution to reducing CO_2 emissions and mitigating climate change in order to meet one of the greatest challenges mankind is facing today.

At the same time, W.E.B offers a product whose necessity is completely out of the question. A secure and affordable energy supply is an essential building block for the functioning of our society.

As an unlisted public limited company with a broad free float, W.E.B is committed to its owners: the more than 3,900 shareholders, who are almost exclusively private individuals. Hence, W.E.B is independent from companies operating in the fossil fuel or nuclear energy sectors and fully committed to renewable energies, energy transition and the changes required for it.

Taking a leading role in the energy transition is the vision of W.E.B which means to complete the energy transition and switch exclusively to renewable sources. Therefore, W.E.B is not only engaged in the expansion of wind energy and photovoltaics, but also develops technical solutions and business models that essentially complement the electricity production. These include intermediate storage of energy, load management and sector coupling to the mobility and heating sectors.

In 2018, a working group of W.E.B dealt in depth with the question of how the company can ensure sustainability on a broad basis in the future considering growth and increasing internationalization of the company.

In several workshops and interviews, the central stakeholders of W.E.B were corporately discussed and revised. In alphabetical order these are:

- Business partners
- Competitors
- Customers
- Employees
- Governmental organizations and authorities
- Investors: shareholders, banks, bond subscribers
- Landowners (power plants)
- Neighbors (power plants)
- Non-governmental organizations
- Politics
- Supervisory Board
- Suppliers

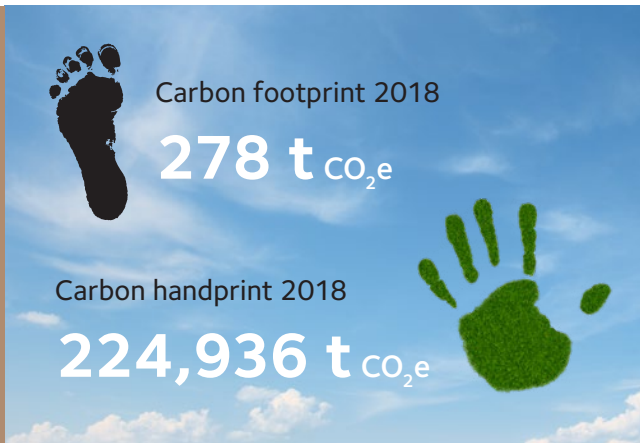
In addition, the working group discussed the issues that are important for W.E.B with regard to sustainability which resulted in the following priorities:

- **Contribution to a sustainable ecological development:** Renewable energies make a significant contribution to mitigating climate change. All measures that also contribute to the reduction of CO_2 emissions should therefore continue to receive special attention. For example, the switch of corporate and private cars to electric vehicles will be further accelerated.
- **Protection of biotopes and the landscape:** Special attention is to be paid to the environment during planning, construction and operation of power plants. W.E.B goes beyond the legal requirements with its corresponding measures.
- **New market conditions:** The international and national political commitment to renewable energies has been particularly strong since the 1990s, but has changed to the extent that regulatory price fixing is gradually giving way to competitive forms. As a result, the conditions are changing, especially in the area of project development.
- **Innovative services:** If renewable energies replace those from fossil sources, products and services related to electricity must also be redesigned. In the future, electricity will no longer be generated when it is needed, but will be consumed (or stored) when it can be generated. W.E.B works primarily on pilot projects that are already close to market maturity. These include, for example, the energy transition house concept or the network of electricity production, storage and consumption at the Pfaffenschlag site.
- **International growth:** The international growth path also presents W.E.B with internal challenges, which W.E.B will have to deal with more and more. These include topics such as standardization and digitization of processes, work-life balance, equal opportunities and diversity in the workplace.

However, the decisions of the working group 2018 are only a starting point for stakeholder management, which W.E.B will further develop and expand in the coming years considering its growth.

Carbon footprint and handprint

As a result of this focus exercise, W.E.B has decided to determine the carbon footprint of WEB Windenergie AG for the year 2018 in accordance with the requirements of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol). This not only covers CO_2, but also all other greenhouse gases under the Kyoto Protocol. The carbon footprint of W.E.B in Austria is compared to its carbon handprint, i.e. the electricity from renewable energies fed into the Austrian grid.



Talents for the Energy Transition

W.E.B continues to develop as an organization and actively invites young talents to shape the future of energy. In 2018, a trainee program was initiated in order to offer graduates of universities and technical colleges an attractive start. Internships in various forms also assist young people to join the company; more than one third of entries in 2018 joined through internships.

Trainee program

In 2018, W.E.B developed a trainee program and published the first call for applications. The program is primarily geared towards graduates of universities who have recently completed their studies. Within W.E.B, the trainees pass through several departments – possibly also organizations in other countries – and they are also given challenging, interdisciplinary tasks from the outset and thus contribute directly to the design of the company. The first trainees started in the first quarter of 2019.

Internships

For many years now, W.E.B has been offering pupils and students the opportunity to gain important professional experience through internships. The year 2018 was a highlight in the history of W.E.B as an internship provider: A total of 25 young people have started an internship in the W.E.B Group. Their fields of work are as broad as the trainees' training paths and range from Project Development to Operations Management, Monitoring Center and Engineering & Service to Controlling and Communications.. For more and more of them, the internship is proving to be a stepping stone for a permanent position at W.E.B. For example, two new French project developers and a team member at the legal department started their W.E.B careers with an internship and were then offered permanent positions.

During the application process, W.E.B takes a lot of time for the applicants so that they have the opportunity to get to know the company.

Recruiting

It is important for W.E.B to have respectful communication with the applicants, from the first contact up to the approval or rejection after a selection process. This is not only a question of corporate ethics, it also pays off – for example, in 2018, when we were able to recruit two employees who had not been selected in a previous selection process.

The number of employees in the W.E.B Group rose internationally from 126 to 151 in the past fiscal year. New hires joined the company mainly in positions related to project development. A team for photovoltaic projects was set up in the USA and the development teams in Austria, France, Italy and the Czech Republic were strengthened. In line with the growth of the plant portfolio, employees were also recruited for the Monitoring Center and the Engineering & Service areas. The company's Legal Department was also further expanded in France and Austria. In the HR Department two new employees were added, among them a new department manager.

New country team

To strengthen project development in the USA, a new team with an office location in Massachusetts was set up in 2018. For this purpose, a member of the Canadian team was sent to the USA. The team is completed by two newly recruited US employees.

Onboarding of new employees

In order to make it easier for new employees to join a continuously growing company, W.E.B introduced an onboarding program in 2016. As part of the program, the new colleagues receive a concise insight into all areas of the company through short introductions and basic training, while at the same time getting to know colleagues from other departments better. International employees who work intensively with colleagues at the Pfaffenschlag headquarters complete this program as part of their work visits or technical training in Austria. Based on the high number of new employees in 2018, this program was put to the test extensively.

Employee survey

In the annual employee survey, the satisfaction of employees in the work environment of W.E.B is evaluated. The results serve as a basis for the development of appropriate optimization measures and for the creation of specific concepts in the area of employee satisfaction. Last year's outcome contributed to the decision to work more closely with managers and employees on the culture of cooperation in 2019 considering the organization's rapid growth. It has also led to the creation of an internal working group whose aim is to further develop work-life balance measures, as this issue is particularly important to the millennials who enter the working life.

Human Resources Development

The management development program implemented in 2016 was continued with a focus on employee appraisals and target agreements. On this basis, the guidelines for employee appraisals were revised and adapted to current requirements. The need for further training and for individual development plans for employees is determined as part of the employee appraisals. On average, every W.E.B employee across the entire corporate group completed just under three training days in 2018.

Work and family

In addition to the labour law regulations on parenthood, W.E.B creates a working environment that makes it easier for mothers and fathers to coordinate the demands of work and family life. An essential part of this are individual arrangements regarding part-time work and work location that are being coordinated with the operational processes.

The "Staff Roses Program"

Excellent working conditions are a central concern for W.E.B. Flexible management of working hours and the working environment, which takes into account the needs of employees as well as colleagues and the company, has been implemented on a broad basis at W.E.B. Regional and freshly prepared lunch menus at the Pfaffenschlag site as well as joint sports activities in all countries are further essential elements of the Roses Program, named after the flower which is presented as a welcome gift to new employees.

Personnel data at a glance

W.E.B Group:
Number of employees by country and gender

	Dec 31, 2017	Dec 31, 2018
Austria (AG)	**87**	**105**
Male	52	62
Female	35	43
Germany	**13**	**14**
Male	12	10
Female	1	4
Canada	**13**	**11**
Male	10	8
Female	3	3
France	**9**	**13**
Male	7	8
Female	2	5
Italy	**3**	**4**
Male	2	3
Female	1	1
Czech Republic	**1**	**2**
Male	0	1
Female	1	1
USA	**0**	**2**
Male	0	2
Female	0	0
Total	**126**	**151**
Male	83	94
Female	43	57
Share of women	34 %	38 %

W.E.B Group:
Number of employees by employment relationship and gender

	Dec 31, 2017	Dec 31, 2018
Full-time	**103**	**119**
Male	78	90
Female	25	29
Part-time	**23**	**32**
Male	5	4
Female	18	28
Total	**126**	**151**

W.E.B Group:
Number of employees by employment contracts (permanent versus temporary) and gender

	Dec 31, 2017	Dec 31, 2018
Permanent	**123**	**143**
Male	80	92
Female	43	51
Temporary	**3**	**8**
Male	3	2
Female	0	6
Total	**126**	**151**

W.E.B Group:
Number of employees by age

	Dec 31, 2017	Dec 31, 2018
Up to 20 years	1	1
21-30 years	36	46
31-40 years	42	51
41-50 years	34	39
51-60 years	12	12
60 years and older	1	2
Total	**126**	**151**
Average age	37.1	36.3

WEB Windenergie AG:
Number of employees by employment contract and gender

	Dec 31, 2017	Dec 31, 2018
Office staff	**76**	**91**
Male	41	48
Female	35	43
Field staff	**11**	**14**
Male	11	14
Female	0	0
Total	**87**	**105**

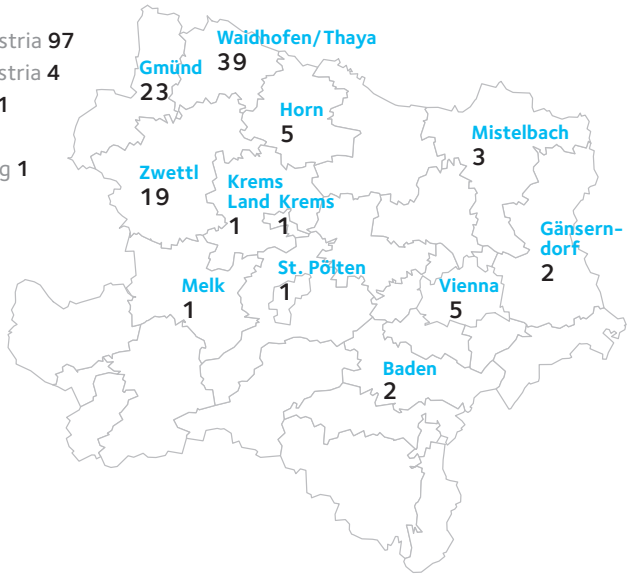
Key figures 2018

- Number of employees (Group): 151
- Full-time equivalents (Group): 134.8
- New employees: 63, thereof 25 trainees
- Resignations: 38, thereof 17 interns and 2 due to parental leave
- Recruiting lead time: 2.6 months
- Average length of employment: 4.8 years
- Ratio of the total annual remuneration of the person with the highest salary compared to the average level (median) of the annual remuneration of all employees (Group): 6.9
- Percentage of total employees covered by collective bargaining agreements (Group): 80 %

Employees by region/state/district

Where do the Austrian W.E.B employees live?

Lower Austria **97**
Upper Austria **4**
Salzburg **1**
Vienna **5**
Vorarlberg **1**



Sustainable Trust

The success of W.E.B is based on its economic and ecological sustainability – this also applies to the investments in W.E.B. The confidence of investors was reflected in the continuing upward trend in the price of traded shares in 2018.

Citizen participation is the foundation on which W.E.B has evolved from a regional company to an international group active in Europe and North America. W.E.B has gone from being an installer of individual wind turbines to a planner and operator of wind and photovoltaic parks, which also sells its green energy directly. This development is supported by W.E.B's shareholders and bond subscribers, whose numbers continued to rise in 2018.

W.E.B Shares

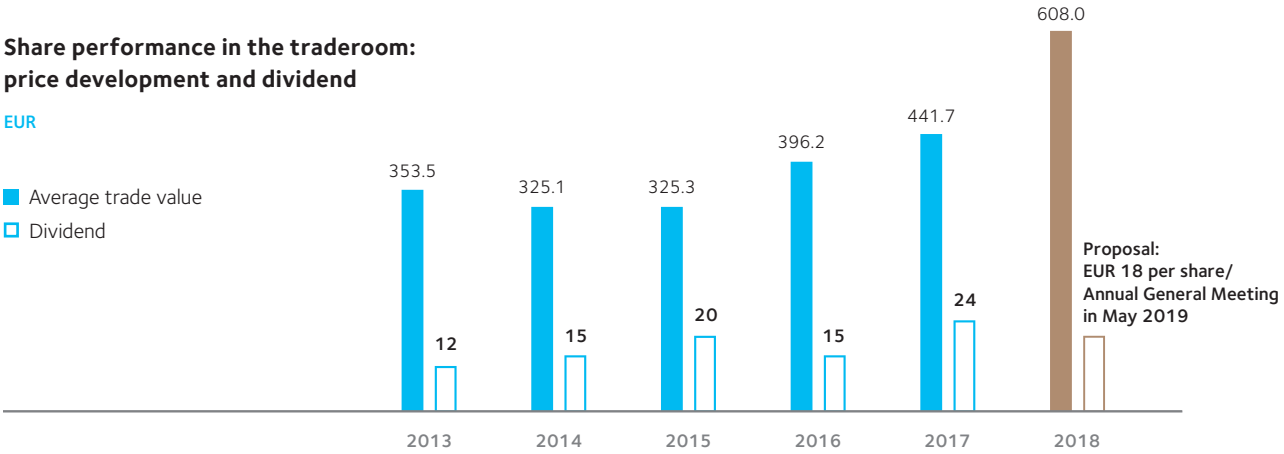
W.E.B shares are a green investment option for everyone who want to directly participate in the energy transition. As a solid form of investment, they have also proved to be stable in times of economic crisis and have so far performed very respectably for our shareholders. The sustainable dividend policy is a significant contribution to this, which the W.E.B Board of Directors unreservedly acknowledges. Having so far channeled all the company's profits into further expansion, W.E.B has been able to distribute dividends to its shareholders regularly since 2010. The focus here is less on a constant payout ratio than on a reliable dividend.

W.E.B shares are registered shares with restricted transferability which are not listed on the stock exchange and therefore cannot be traded on the exchange. With the traderoom (www.traderoom.at), however, W.E.B provides its shareholders with an electronic "bulletin board" that allows direct transactions between buyers and sellers.

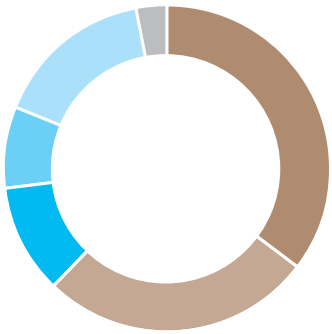
As of December 31, 2018, the number of common shares (unchanged from the previous year) amounted to 288,453. As in previous years, the number of shareholders rose steadily from 3,821 at the end of 2017 to 3,902 as of December 31, 2018. The share price in the traderoom showed a clear upward trend, particularly in the fourth quarter: The average price of the share for the year was around EUR 608, and the corresponding monthly value for November was around EUR 687, marking a new high in the company's history.

All facts at a glance – W.E.B Shares

Share performance in the traderoom: price development and dividend

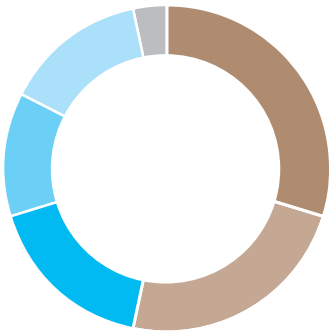


Distribution of shares by region[1]



Number	Percentages		Region
101,868	35.3 %		Waldviertel
78,047	27.1 %		Lower Austria excluding Waldviertel
30,942	10.7 %		Vienna
23,518	8.2 %		Upper Austria
45,683	15.8 %		Austria excluding Upper A., Lower A. and Vienna
280,058	**97.1 %**		**Austria total**
8,395	2.9 %		International
288,453	**100 %**		**All shares**

Distribution of shareholders by region[1]



Number	Percentages		Region
1,170	30.0 %		Waldviertel
914	23.4 %		Lower Austria excluding Waldviertel
666	17.1 %		Vienna
474	12.2 %		Upper Austria
551	14.1 %		Austria excluding Upper A., Lower A. and Vienna
3,775	**96.8 %**		**Austria total**
127	3.2 %		International
3,902	**100 %**		**All shareholders**

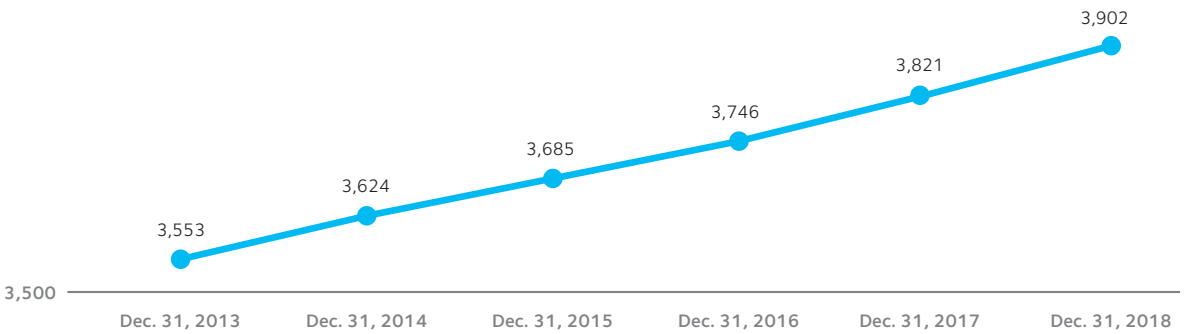
[1] As of December 31, 2018

Shareholders by share size[1]

Number of shares	From	To	Shares	%	Shareholders	%
Up to 0.1 % of shares	1	288	149,234	51.7 %	3,705	95.0 %
From 0.1 % to 0.5 %	289	1,442	96,348	33.4 %	181	4.6 %
From 0.5 % to 1 %	1,443	2,885	24,849	8.6 %	13	0.3 %
From 1 % to 2 %	2,886	5,769	9,081	3.2 %	2	0.1 %
From 2 % to 3 %	5,770	8,654	0	0.0 %	0	0.0 %
From 3 % to 4 %	8,655	11,538	8,941	3.1 %	1	0.0 %
Total			**288,453**	**100 %**	**3,902**	**100 %**

[1] As of 31 December 2018

Development of shareholder numbers



W.E.B Bonds

Another form of investment in W.E.B is the subscription to one of our bonds. Since 2010, W.E.B has been issuing bonds in various forms almost every year to finance new power plants. Once again the company plays a pioneering role in this field: Its 5 % bond 2010–2015 was the first wind energy bond in Austria, followed by the country's first wind energy hybrid bond in 2014.

In 2018, W.E.B offered two different bond products for subscription. Thanks to renewed high investor interest, the total volume placed reached an impressive EUR 15.1 million. Since 2010, W.E.B has thus issued a total of EUR 113.8 million in bonds, which have supported the implementation of our extensive investment program. By the end of 2018, a total of approximately EUR 38 million had been repaid.

All W.E.B bonds are listed on the third market of the Vienna Stock Exchange in the "corporates prime" segment, the premium segment for corporate bonds. W.E.B thus commits to more transparency than required in the third market.

With the Green Power bonds 2018, W.E.B has once again set a milestone: The two bonds were the first corporate bonds for private investors to be listed on the newly established "Green and Social Bonds" platform of the Vienna Stock Exchange, which specializes in sustainable investments.

W.E.B bonds are traded exclusively on the Vienna Stock Exchange, but the above-mentioned traderoom (www.traderoom.at) enables or facilitates investors willing to buy and sell to find corresponding offers.

All facts at a glance – W.E.B Bonds

Bond issues [1]

Year	Volume (EUR million)
2010	10.2
2011	6.5
2013	24.6
2014	15.0
2015	22.3
2016	20.2
2018	15.1

Bond 2018 by subscription volume

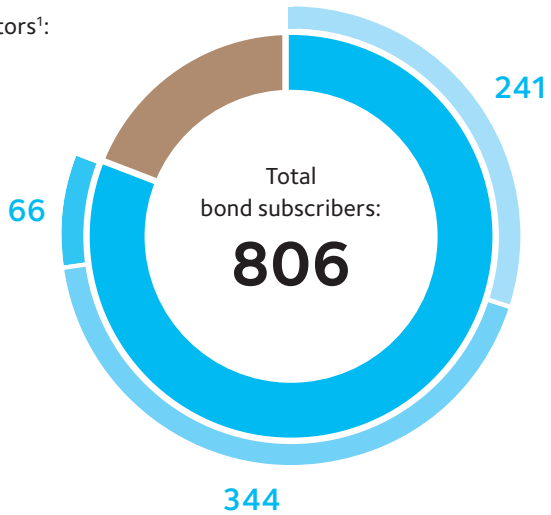
From	To	Number of Bond Subscribers
1 pcs.	20 pcs.	652
21 pcs.	50 pcs.	118
51 pcs.	100 pcs.	24
> 100 pcs.		12

[1] The bonds were each issued in a denomination of EUR 1,000 (nominal value).

Bond 2018

New investors[1]:

155



Total existing investors:

651

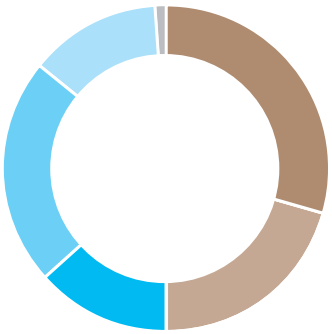
- thereof shareholders[2]
- thereof bondholders[2]
- thereof shareholders & bondholders[2]

[1] No investors of WEB Windenergie AG until 2018 bond subscription
[2] Have been investors of WEB Windenergie AG previously

Parameters of active bonds

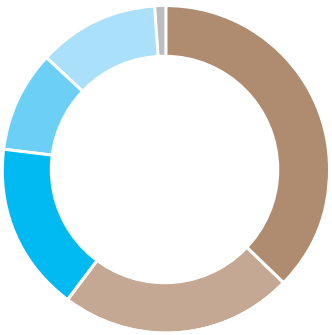
Year	Interest	Term	Type
2013–2018	4.00 %	5 years	Bullet repayment
2013–2023	5.25 %	10 years	Annual repayment
2013–2023	5.50 %	10 years	Bullet repayment
2014–2019	3.50 %	5 years	Bullet repayment
2014	6.50 %	No fixed maturity date	Hybrid bond
2015–2020	2.75 %	5 years	Bullet repayment
2015–2025	4.00 %	10 years	Annual repayment
2015	6.50 %	No fixed maturity date	Hybrid bond
2016–2021	2.50 %	5 years	Bullet repayment
2016–2026	3.75 %	10 years	Annual repayment
2016	6.25 %	No fixed maturity date	Hybrid bond
2018–2028	2.25 %	10 years	Annual repayment
2018	4.50 %	No fixed maturity date	Hybrid bond

Distribution of bonds by region[1]



Number	Percentages		Region
26,183	29.4 %		Waldviertel
18,370	20.7 %		Lower Austria excluding Waldviertel
11,825	13.3 %		Vienna
20,117	22.6 %		Upper Austria
11,565	13.0 %		Austria excluding Upper A., Lower A. and Vienna
88,060	**99.0 %**		**Austria total**
843	1.0 %		International
88,903	**100 %**		**All bonds**

Distribution of bond subscribers by region[1]



Number	Percentages		Region
1,199	37.4 %		Waldviertel
743	23.1 %		Lower Austria excluding Waldviertel
537	16.7 %		Vienna
314	9.8 %		Upper Austria
386	12.0 %		Austria excluding Upper A., Lower A. and Vienna
3,179	**99.0 %**		**Austria total**
33	1.0 %		International
3,212	**100 %**		**All bond subscribers**

[1] As of December 31, 2018

W.E.B Traderoom

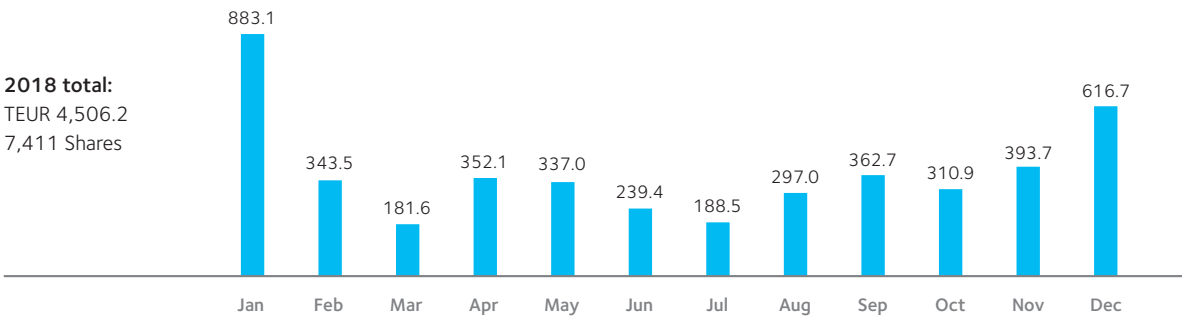
W.E.B shares are not listed on the stock exchange, but transactions can be easily initiated via the online platform www.traderoom.at. Offers to buy or sell W.E.B bonds can also be placed in the traderoom, though the actual trade is carried out exclusively via the Vienna Stock Exchange.

Registering for the traderoom and processing transactions is quick and easy, and there are no fees. All shareholders and interested parties can post purchase or sale offers on the platform www.traderoom.at or search for existing purchase or sale offers. This is merely an exchange of information; W.E.B does not act as an intermediary in the process.

In 2018, a total of 7,411 shares totaling TEUR 4,506.2 were exchanged via the traderoom. The average price per share rose from around EUR 561 in January 2018 to around EUR 662 in December 2018.

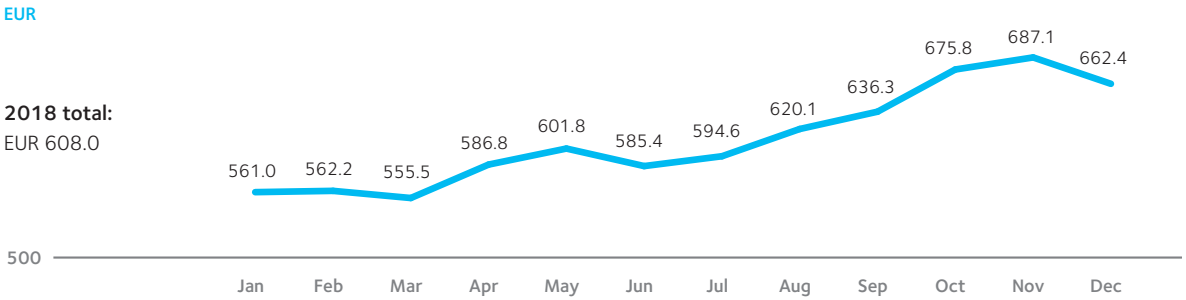
Traderoom: W.E.B shares traded in 2018

Trade value, TEUR



Traderoom: Average price per share in 2018

EUR



A total of 1,371 shares were transferred outside the traderoom in the reporting period. W.E.B is aware of the transaction price for 434 of these shares, which was EUR 566.2 on average.

Corporate Bodies

Supervisory Board

Josef Schweighofer

Chairman of the Supervisory Board

Born in 1964

- Member of the Supervisory Board since July 5, 2002
- Current term of office until the Annual General Meeting in 2021
- Chairman of the Audit Committee
- Financial expert of the Audit Committee pursuant to Section 92 (4a) AktG[1]

Reinhard Schanda

Deputy Chairman of the Supervisory Board

Born in 1965

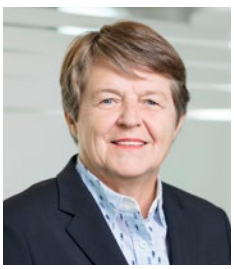
- Member of the Supervisory Board since June 19, 2009
- Current term of office until the Annual General Meeting in 2019
- Member of the Audit Committee

Stefan Bauer

Member of the Supervisory Board

Born in 1977

- Member of the Supervisory Board since May 1, 2005
- Current term of office until the Annual General Meeting in 2021
- Member of the Audit Committee



Brigitte Ederer

Member of the Supervisory Board

Born in 1956

- Member of the Supervisory Board since May 25, 2018
- Current term of office until the Annual General Meeting in 2023

[1] Austrian Stock Corporation Act

Martin Zimmermann
Member of the Supervisory Board

Born in 1968

- Member of the Supervisory Board since June 18, 2011
- Current term of office until the Annual General Meeting in 2021

Andreas Dangl
Appointed Member of the Supervisory Board

Born in 1962

- Member of the Supervisory Board until May 25, 2018
- Appointed by Windkraftanlagen Errichtungs- und Betriebsgesellschaft mbH (now FutureDriving Dangl GmbH)

Board of Directors

Frank Dumeier
Chief Executive Officer (CEO)

Born in 1962

- Member of the Board of Directors since April 2010
- Current term of office: April 1, 2015 to March 31, 2020 (prematurely extended to 31 March 2025 in April 2019)

Michael Trcka
Chief Financial Officer (CFO)

Born in 1970

- Member of the Board of Directors since May 2009
- Current term of office: May 1, 2019 to April 30, 2024

Investments

100 % participation

WEB Windpark GmbH & Co KG	Austria
WEB DHW Wind GmbH & Co KG	Austria
WEB DHW Wind GmbH	Austria
WEB Windenergie Betriebs GmbH	Austria
ELLA GmbH & Co. KG (formerly: ELLA AG)	Austria
ELLA Verwaltungs GmbH	Austria
WEB Windenergie Germany GmbH	Germany
WEB Windenergie Loickenzin GmbH	Germany
WEB Windenergie Loickenzin Betriebsgesellschaft GmbH & Co KG	Germany
WEB Windpark Wörbzig Verwaltungs GmbH	Germany
WEB Windpark Wörbzig GmbH & Co. KG	Germany
Windpark Grube Verwaltungs GmbH	Germany
WindSale Holding GmbH	Germany
WEB Energie du Vent SAS	France
Parc éolien de Champigneul Pocancy SAS	France
Les Gourlus Holding SAS	France
Parc éolien des Portes du Cambresis	France
CEPE de Bel-Air Nord SAS	France
W.E.B Parc éolien des Vallées SAS	France
W.E.B Parc éolien des Vents du Serein SAS	France
W.E.B Parc éolien du Pays Blancourtien SAS	France
Les Gourlus Holding II SARL	France
WP France 4 SNC	France
Société d'Electricité du Nord SARL	France
WEB Wind Energy North America Inc.	Canada
SWEB Development Inc.[1]	Canada
Wisokolamson Energy GP Inc.	Canada
WEB Větrná Energie s.r.o.	Czech Republic
Friendly Energy s.r.o.	Czech Republic
WEB Italia Energie Rinnovabili s.r.l.	Italy
Società di gestione impianti fotovoltaici srl	Italy
Società Elletrica Ligure Toscana s.r.l.	Italy
WEB CONZA S.R.L	Italy
ARSOLAR S.R.L	Italy
WEB USA Inc.	USA
SWEB Development USA LLC	USA
Regenerative Energy Bulgaria EOOD	Bulgaria

> 25 % participation

WEB PV GmbH & Co KG	Austria
WEB PV GmbH	Austria
WEB Traisenwind GmbH	Austria
Sternwind Errichtungs- und BetriebsgmbH	Austria
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Austria
Zweite WP Weener GmbH & Co. KG / 2. Windpark Weener Verwaltungs GmbH	Germany
WEB GRID SASU (formerly: WEB Tortefontaine SASU)	France
SASU ENERGIE VERTE PLAINE D'ARTOIS	France
Scotian Web Inc.[1]	Canada
Scotian Web II Inc.[1]	Canada
Scotian Web III Inc.[1]	Canada
SWEB Ownership Ontario Inc.[1]	Canada
SWEB Development Ontario Inc.[1]	Canada
Wisokolamson Energy LP	Canada
Black Spruce Windenergy GP Inc.[1]	Canada
Pisgah Mountain USA LLC	USA

< 25 % participation

Tauernwind Windkraftanlagen GmbH	Austria
oekostrom AG	Austria
Windkraft Simonsfeld AG	Austria
Weinviertler Energie GmbH & Co KG	Austria
ANE GmbH & Co. KG	Germany

Indirect investments

Sternwind III GmbH	Austria
Windpark Weener Pooling GmbH & Co. KG / Windpark Weener Pooling Verwaltungs-GmbH	Germany

[1] Incl. Limited Partnership Contract

Corporate Governance

W.E.B's Commitment to Corporate Governance

As a citizen participation company, W.E.B is particularly committed to responsible and transparent corporate management. WEB Windenergie AG has therefore been committed to complying with the Austrian Corporate Governance Code (ÖCGK) since mid-2006, which is applied in accordance with the following explanations.

The ÖCGK was basically created as a set of rules for listed companies in Austria that supplements the legal provisions of Austrian stock corporation and capital market law by means of additional self-regulation rules. Non-listed stock corporations may also apply the Code by means of a voluntary decision. W.E.B has accordingly resolved to comply with the rules of the ÖCGK.

The aim of the ÖCGK is to ensure responsible and long-term value-oriented corporate management and control. This is achieved through comprehensive rules for transparency and internal organization.

For WEB Windenergie AG, the code provides a key element in strengthening the trust shareholders, business partners, employees and the general public have in the company.

The current version of the ÖCGK can be found at www.corporate-governance.at.

The ÖCGK contains almost one hundred rules that impose different degrees of commitment on a company that subjects itself to them:

- **L-Rule (Legal Requirement):** Rule based on mandatory legal provisions
- **C-Rule (Comply or Explain):** Rule is to be followed, any deviation must be explained and justified
- **R-Rule (Recommendation):** The nature of this rule is a recommendation; non-compliance requires neither disclosure nor explanation

Implementation of the Corporate Governance Code by WEB Windenergie AG in the Fiscal Year 2018

The Board of Directors and Supervisory Board constantly strive to comply with all the rules of the Code to the best of their ability and to continuously optimize internal company standards. In those cases where full compliance is not established, the reasons for such deviation are stated. As the company is not listed on the stock exchange and is in regular individual communication with its shareholders – all of which are registered shareholders – the starting point for WEB Windenergie AG is considerably different from that of other publicly owned companies. Not all L-Rules apply to WEB Windenergie AG either, as several provisions are only for companies listed on the stock exchange.

WEB Windenergie AG does not publish its own Corporate Governance Report because it is not obliged to do so as an unlisted joint stock company; however, the contents which such a report would have to contain are essentially to be found in the Annual Report (in particular the composition of the executive bodies, i.e. Board of Directors and Supervisory Board).

In order to take account of the fact that WEB Windenergie AG has voluntarily subjected itself to the ÖCGK, any deviations from the rules laid down in the Code are briefly explained below and published on the website. Deviations are discussed and resolved in an open discussion within the Board of Directors – and the Supervisory Board as necessary – if WEB Windenergie AG is of the opinion that the deviation should be upheld with a justification. The justification for each deviation can be found in the description of the respective deviation in the following summary.

In the reporting period, deviations were recorded for the following rules of the ÖCGK:

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."

WEB Windenergie AG is a medium-sized company despite continuous growth. Due to the size of the company, an internal audit department is not considered economical.

C-Rule 31:

"The fixed and variable performance-linked annual remunerations of each individual management board member are to be disclosed in the Corporate Governance Report for each financial year. This shall also apply if the remuneration is paid through a management company."

The remuneration of the Board of Directors as a whole and the corresponding criteria for variable remuneration are stated in the Annual Report. A separate publication for the individual members of the Board of Directors is omitted in order to protect the privacy of the persons concerned.

C-Rule 39 (and, mutatis mutandis, 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 authorisation to take decisions in urgent cases.

The majority of the committee members shall meet the criteria for independence of the 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."

The Supervisory Board of WEB Windenergie AG consists of a maximum of nine members in accordance with Section 12 of the Articles of Association, although currently there are only five members. Due to the small number of members, but also due to the specific circumstances of the company, only an Audit Comittee was established; the formation of further committees is not deemed expedient, so that the Supervisory Board consistently performs its tasks as a whole. The ÖCGK also provides for the establishment of a nomination committee pursuant to Rule 41 or a remuneration committee pursuant to Rule 43 as mandatory only for seven or more Supervisory Board members, meaning it requires a "critical size", which WEB Windenergie AG does not achieve with five Supervisory Board members. The rules of the Supervisory Board, however, do provide for the formation of committees in addition to the Audit Committee so that this would be possible, if it were necessary. When electing to the Supervisory Board, care is also taken to ensure that the necessary competencies are appropriately diversified (finance, law, technology, social competence).

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."

In the absence of a legal obligation, the company does not publish a Corporate Governance Report. However, information on contracts requiring approval under L-Rule 48 can be found in the Notes to the Financial Statement. This includes the mandate contract with the law firm Sattler & Schanda (Supervisory Board member Reinhard Schanda is a partner of this law firm) and the leasing of agricultural land for ecological measures in project locations of WEB Windenergie AG carried out by Martin Zimmermann.

L-Rule 60:

"The company must 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."**

WEB Windenergie AG does not have a woman as a member of the Board of Directors; Brigitte Ederer has been a member of the Supervisory Board since the Annual General Meeting in 2018. In addition, several women are active at the second management level: Two women, Claudia Bauer and Stefanie Markut, have been appointed authorized signatories, five women were employed as department heads in 2018, and two positions as country managers are occupied by women.

There is currently no explicit diversity concept – not least due to the medium size of WEB Windenergie AG.

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 makes its annual financial reports available for download in both German and English on its company website. Interim reports are published in German on the website.

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 an explicit evaluation of risk management. However, a risk assessment is carried out and discussed as part of the audit of the financial statements.

Report of the Supervisory Board

According to Section 96 of the Austrian Stock Corporation Act (AktG)

Dear Shareholders!
Dear readers of this report!

Supervisory Board Organization

During the fiscal year 2018, and until the 19th Annual General Meeting on 25 May 2018, the Supervisory Board consisted of four members elected by the Annual General Meeting and one member appointed in accordance with Section 12 (2) of the Articles of Association: Josef Schweighofer (Chair), Reinhard Schanda (Deputy Chair), Stefan Bauer, Martin Zimmermann and Andreas Dangl. At the Annual General Meeting on May 25, 2018, Brigitte Ederer was elected as a further member of the Supervisory Board by the Annual General Meeting, while Andreas Dangl resigned from office on the same date. Since this date, Future Driving GmbH has not exercised its right of appointment pursuant to Section 12 (2) of the Articles of Association and the Supervisory Board thus consists of five persons elected by the Annual General Meeting.

Pursuant to Section 92 (4a) AktG, the company is obliged to appoint an Audit Committee from among the members of the Supervisory Board, to which at least three persons must belong. Josef Schweighofer, Reinhard Schanda and Stefan Bauer were the three elected members of the Audit Committee. Josef Schweighofer was elected Chair of the Audit Committee. At the same time, he was also nominated as a financial expert of the Audit Committee pursuant to Section 92 (4a) AktG.

The term of office of Reinhard Schanda expires at the end of the 20th Annual General Meeting on 24 May 2019. As Mr. Schanda will be available for another term, the Supervisory Board proposed him for re-election in the course of its obligation to make proposals as stipulated in Section 198 (1) AktG. The proposed candidate has confirmed his professional qualifications and independence with a corresponding declaration pursuant to Section 87 (2) AktG. The Supervisory Board is convinced that this composition provides the necessary balance due to the different educational and professional experience of the persons involved.

The tasks incumbent upon the Supervisory Board according to the law, the articles of association and rules of procedure were performed with due care during the reporting period. On the basis of the comprehensive reporting of the Board of Directors, we provided advice in regard to the management of the company and constantly monitored the management activities. Over the course of a total of seven meetings, which were always attended by all members of the Supervisory Board, as well as further discussions and telephone conferences, we discussed the operative business policy and earnings of the Group based on regular timely written and oral reports from the Board of Directors.

Furthermore, the future strategic orientation of the company, including the major subsidiaries of the Group, were discussed. The review, performed in the context of open and constructive discussions between the Board of Directors and the Supervisory Board, revealed no reason for objections. As Chairman of the Supervisory Board, I was also in constant contact with the Board of Directors in order to be informed about the latest developments on a regular basis.

Audit Committee

In the year under review, the Audit Committee held two meetings, discussed individual topics in detail and subsequently reported to the Supervisory Board. In April 2018, all issues relating to the 2017 Annual and Consolidated Financial Statements and the proposal for the appointment of the auditor for 2018 were discussed. In October 2018, the auditor provided an overview of the planned course of action and the focal points of the audit for the 2018 financial year. In addition, the Audit Committee examined the Corporate Governance Report and the monitoring of the accounting process, reviewed the effectiveness of the Internal Control System (ICS), including risk management, and monitored the independence of the financial auditor. The Audit Committee also had the opportunity to discuss and exchange information with the financial auditor without the presence of the Board of Directors.

Board of Directors

In the past fiscal year, the company was managed by the Board of Directors members Frank Dumeier (Chief Executive Officer) and Michael Trcka (Chief Financial Officer). As both are at the end of their second term of office, one of the main tasks of the Supervisory Board in 2018 was to negotiate terms of a possible contract extension with them.

At the Supervisory Board meeting on February 21, 2019, the contract with Michael Trcka was extended for a further five years until April 30, 2024. The contract with the CEO, Frank Dumeier, was extended early, to March 31, 2025, in the Supervisory Board meeting on April 24, 2019. The Supervisory Board is confident that the Board of Directors team will continue its successful activities of the past ten years also in the future and that the two gentlemen will succeed in tackling the challenges of further growth, leading the W.E.B Group into a stable, sustainable future.

Results

The annual result for the past fiscal year 2018 was below plan and could not keep up with the record year 2017. From an operational point of view, 2018 was characterized in particular by poor wind conditions, which were the main reason for the negative deviation from planed values and thus responsible for the low earnings of EUR 27.48 per share compared with the record year. However, considering that 2018 was one of the worst years in the history of the W.E.B in terms of wind, the result, which ranks third in the history of W.E.B, must be considered satisfactory.

The fact that a solid result, compared to the last few years, could be achieved despite the unfavorable wind conditions, is due to the highly optimized operation of the park portfolio and the high degree of plant availability, as well as the steady growth in a low interest environment.

Review and Outlook Project Development

2018 was again a significant year of growth for W.E.B, after the project preparations and a number of groundbreakings in 2017. A total of 48.5 MW of new power plant capacity was commissioned, so that W.E.B had a production capacity of 462 MW in its own portfolio at the end of the fiscal year.

Noteworthy are the new Flesquières site in the windy north of France and the two projects in Dürnkrut and Höflein, which have strengthened our wind power fleet consisting of modern Vestas turbines of the 3 MW class.

The growth in the photovoltaics (PV) segment is also remarkable, where we were able to increase output by more than 48 % to 19.8 MWp. In addition to several new larger roof systems, the acquisition of the two existing PV parks Conza and Arso in Italy should be highlighted, acquiring an increase in output of 5.8 MWp. As the plants, which are located close to the W.E.B parks Montenero di Bisaccia, were integrated into the W.E.B operations, synergies were created which also ensure long-term, economical operations.

In the planning for further growth, a ratio of 80/20 between wind and PV energy is targeted. Especially in our home market of Austria, we are eagerly awaiting the Renewable Energies Expansion Act to be announced at the end of the year, which is intended to create the framework for the expansion of renewable energies in the coming years. The W.E.B project pipeline is well filled, enabling W.E.B to make its contribution to the Energy Strategy 2030 of the Austrian government.

For 2019, W.E.B is working intensively on connecting the large wind projects started in 2018 to the grid. The first Italian W.E.B wind farm, which has a capacity of 19.8 MW and is located in Tuscany, will be connected to the grid at the end of the second quarter. Around the same time, the German repowering project in Wörbzig will strengthen the W.E.B portfolio and, with the largest W.E.B turbines installed to date, produce a lot of electricity for the energy transition for the next 20 years. The Albert project in the Canadian province of New Brunswick will complete the major project commissionings in the fourth quarter with an 18 MW increase. The W.E.B Group will thus exceed the threshold of 500 MW of installed capacity in the fiscal year 2019.

Review operations management and electricity marketing

We can look back on a very stable year in terms of power plant operations, which were centrally controlled from Pfaffenschlag. W.E.B has realized further synergy effects with the growing plant portfolio. A particular priority was to prepare the 2 MW fleet for 25 years of operation. In addition to the replacement of nine complete drive trains, the technical team also undertook extensive inspections and repairs of the plant wings. Due to the further rise in prices on the electricity market, we expect that with a technically stable production the aging plants will utilize their earnings potential.

The expansion of W.E.B's electricity marketing team, which began in 2017, had a clearly positive effect in 2018, as the W.E.B green electricity business has skyrocketed by doubling the number of customers. In addition, W.E.B was confirmed by Global 2000 & WWF as No. 1 in the Austrian electricity supplier ranking and awarded the "UZ46" Eco-Label by Federal Minister Elisabeth Köstinger. Even if a price adjustment is to be expected for 2019, electricity marketing will be further strengthened.

Review citizen participation

In 2018, W.E.B issued two bonds, raising approximately EUR 15 million of capital for the further development of projects. It should be noted that these bonds were also placed on the newly created "Green and Social Bonds" platform of the Vienna Stock Exchange, where they were the first corporate bonds for private investors. Despite this capital measure, demand for W.E.B shares also remained high, leading to the highest monthly average price to date of EUR 687 in November. The number of shareholders exceeded the 3,900 mark.

Strategy

In the Supervisory Board meeting on 30 November 2018, the members of the Board of Directors presented the key points of the current strategic direction of W.E.B. The three pillars of the W.E.B strategy (Develop – Operate – Market) were again intensively discussed and confirmed at the meeting.

In particular, however, the development of the efficiency and profitability of renewable energies over the past decade was discussed. The W.E.B Group is also characterized by rising productivity and falling unit costs per unit of energy generated. The Board of Directors and the Supervisory Board have come to the conclusion that an economic comparison with conventional and highly environmentally harmful or risky technologies is no longer to be avoided. These only remain competitive with renewable energies because of subsidies and the partial outsourcing of costs to the general public.

Both the Board of Directors and the Supervisory Board assume that the competitiveness of wind power and photovoltaics will continue to improve over the next few years, and that the expansion of renewable energies is therefore expected to increase sharply. Therefore, it was decided in the strategy meeting that the current moderate growth course should be intensified in the coming years in order to optimally take advantage of the market potential. The cornerstones and the necessary adjustments were discussed in detail.

The Supervisory Board and the Board of Directors are aware that the strategy of an intensified growth course will temporarily increase the risk and impact the result negatively. In the medium to long term, this step will enable the company to reduce its costs per unit, resulting in the ability to produce even more affordable electricity and thus increase W.E.B's competitiveness. In the interests of sustainable corporate development, the W.E.B Group must be safeguarded in the long term in an expectedly tougher market environment.

2018 Financial Statements and Proposal for the Appropriation of Earnings

KPMG Niederösterreich GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 2340 Mödling, which was appointed as auditor for the fiscal year 2018, audited the Annual Financial Statements for the fiscal year 2018 including the Management Report and the Consolidated Financial Statements for the fiscal year 2018 including the Group Management Report and issued an unqualified audit opinion in each case.

All documents relating to the financial statements, the proposed appropriation of profits and all audit reports by the auditor were discussed in detail with the auditors at a meeting of the Audit Committee on April 24, 2019. Furthermore, for the audit of the individual and Consolidated Financial Statements for the fiscal year 2018, the auditor submitted a separate report to the Audit Committee pursuant to Article 11 of Regulation (EU) No. 537/2014 in conjunction with Section 92 (4a) 2 AktG. At this meeting, the Audit Committee also dealt with the Corporate Governance Report and the monitoring of the accounting process, reviewed the effectiveness of the Internal Control System (ICS), including risk management, and monitored the independence of the auditor. In the course of this meeting, the Audit Committee came to the conclusion that the documents examined were legal and correct and that there were no grounds for objection. The Audit Committee also had the opportunity here to discuss and exchange information with the auditor without the presence of the Board of Directors. The result of this Audit Committee meeting was reported to the full Supervisory Board and the legally required proposals were submitted.

At the Supervisory Board meeting on April 24, 2019, the Annual Report and the Consolidated Financial Statements including the Group Management Report were discussed in a joint meeting with the Board of Directors, the Supervisory Board and the auditors.

The Supervisory Board concurred with the results of these audits and approved the Annual Financial Statements dated December 31, 2018, submitted by the Board of Directors, approved the related Management Report of the Board of Directors and approved the proposal for the appropriation of earnings. The Annual Financial Statements are thus adopted in accordance with Section 96 (4) AktG. The Supervisory Board approved the Consolidated Financial Statements and the Group Management Report.

The Supervisory Board concurs with the proposal of the Board of Directors to distribute EUR 5,192,154.00 (EUR 18.00 per share) of the total earnings of EUR 5,958,059.40 and to carry forward the remainder of EUR 765,905.40 to new account.

Audit of Annual Financial Statements 2019

In addition, a proposal for the election of the auditors and group auditors for the fiscal year 2019 has been prepared by the Audit Committee for the 20th Annual General Meeting on May 24, 2019. KPMG Niederösterreich GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 2340 Mödling, is proposed as auditor of the Financial Statements and Consolidated Financial Statements for the fiscal year 2019 (1 January to 31 December 2019).

Thanks

Finally, on behalf of the Supervisory Board, I would like to express my thanks and appreciation to the entire Board of Directors, the managing directors of the Group companies and all employees for their successful work and commitment in the past fiscal year 2018. We would also like to express our gratitude to our customers, shareholders, bond subscribers, joint venture partners and business partners both in Austria and abroad for the trust they have placed in us.

For the Supervisory Board

Josef Schweighofer
Chairman of the Supervisory Board
Pfaffenschlag, April 2019








in pictures 20

18 in numbers

Group Management Report
for the Fiscal Year 2018

1. General, Business Area

WEB Windenergie AG (short: W.E.B) headquartered at Davidstraße 1, 3834 Pfaffenschlag, Lower Austria, commercial registry court: District Court of Krems an der Donau (FN 184649v), is a company with a focus on project development and operating power plants in the renewable energy sector. This includes projects and plants in the areas of wind power, photovoltaic and hydroelectric power. We operate in Austria, as well as internationally, including Germany, the Czech Republic, Italy, France, Canada and the USA. The company's international focus and technological diversification through projects form the basis of successfully dealing with the challenges of sustainable decentralized energy supply. This task is becoming increasingly important, not only due to ecological reasons, but also due to the expectations of a long-term increase in energy demands as well as decreasing fossil fuel resources. In addition, we are engaged in the marketing of electricity generated from renewable sources.

The parent company is WEB Windenergie AG, Pfaffenschlag. The consolidated companies are referred to in the Notes to the Consolidated Financial Statements.

2. Market and Industry

The global expansion of renewable energy continued in 2018. In 2018, USD 332.1 billion was invested in renewable energy worldwide (source: Bloomberg New Energy Finance – Clean Energy Investment Trends). 2018 was thus slightly below 2017. Around USD 131 billion was invested in photovoltaics and around USD 129 billion in wind power.

3. General Framework

3.1 Energy-Economic Framework

The upward trend in electricity prices, which began in 2016, continued in 2018. The relevant electricity price on the Leipzig electricity exchange (Phelix Baseload Year Future) for our core markets in Austria and Germany increased from approximately EUR 38/MWh to approximately EUR 55/MWh in the course of the year. This corresponds to an increase of 45 %. The current electricity exchange price is thus approaching a level where the generation of renewable energy, even without subsidies, is within reach.

Electricity Price Development 2010-2018

Base load (EUR/MWh)

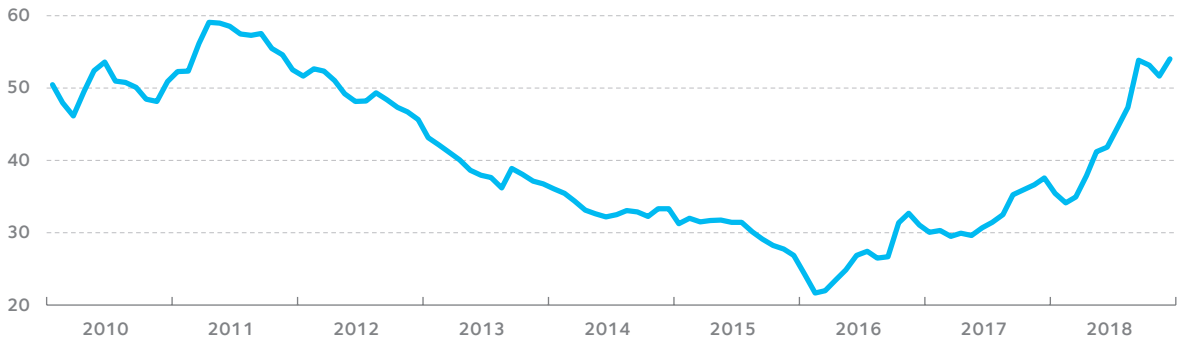


Figure 1: Development of the wholesale price for electricity in EUR/MWh based on monthly average – Phelix Base Year Future 2010-2018 (EEX)

Source: European Energy Exchange AG, finanzen.net

3.2 Regulatory Framework

Based on the EU climate and energy strategy published in 2014, previous strategies were further developed; in 2015, a follow-up agreement to the Kyoto Protocol was concluded at the Climate Change Conference (COP21) in Paris. A binding target for EU internal reductions of greenhouse gas emissions of at least 40 % compared to 1990 and a binding EU target for the share of renewable energies in energy consumption of at least 27 % were agreed upon. In addition, an indicative energy efficiency target of at least 27% energy savings by 2030 was adopted. In November 2016 and 2017, the European Commission presented its proposals in the "Clean Energy Package" as well as in the "Clean Mobility Package" starting in 2017, in order to set the course in the spirit of the Paris Climate Agreement. The main topics are the reorganization of European legislation in the areas of the internal electricity market, governance of the Energy Union, renewable energy, energy efficiency, buildings and mobility.

The "Clean Energy for all Europeans" package was politically concluded during the Austrian Council Presidency in the second half of 2018; the necessary implementation into national legislation still has to take place.

Currently, the 20-20-20 targets are still valid, which focus on energy efficiency, completion of the internal market, technology leadership, consumer protection and international partnerships.

The European Commission is focusing on achieving the energy efficiency target set out in the EU Energy and Climate Package. Among other things, energy suppliers are encouraged to persuade their customers to save energy. Energy efficiency should also become a central evaluation criterion for the approval of new generation capacities. Furthermore, a pan-European integrated energy market with corresponding infrastructures is to be created and Europe's technological leadership, e.g. in the area of electricity storage and smart grids, maintained and expanded.

According to the Energy and Climate Package of the European Union adopted in December 2008, Austria is obliged to increase the share of renewable energy sources in gross final energy consumption to 34 % by 2020 and at the same time to reduce its greenhouse gas emissions in sectors not subject to emissions trading by at least 16 % by 2020, based on the 2005 emission values.

At the beginning of 2018, Austria presented a new climate and energy strategy ("#mission2030"), outlining specific measures to implement the climate targets. By 2030, Austria will reduce its greenhouse gas emissions by 36 % compared to 2005. In addition, the national total electricity consumption is to be covered 100 % (on a national balance sheet basis) by renewable energy sources – this requires the expansion of all renewable energy sources, infrastructure, storage facilities and investments in energy efficiency. According to #mission2030, Austria aims to phase out the fossil fuel industry – decarbonization – by 2050.

In 2014, the EU adopted new guidelines for subsidies in the environmental and energy sector, which came into effect on July 1, 2014. The new guidelines are intended for the energy market to incorporate energy from renewable sources and limit governmental aid to a bare minimum. Feed-in tariffs are to be gradually replaced by tendering processes. However, only aid that has not yet been approved by the Commission needs to be brought in line with the new guidelines. The Austrian Green Electricity Act 2012 was approved by the Commission on February 8, 2012 for a period of ten years, i.e. the aid has already been approved. Existing aid to promote renewable energy will only have to be adapted to the new guidelines if it is extended or substantially modified, or if it has to be re-notified ten years after its approval. The amendment of the Green Electricity Act, adopted in 2017, increased the amount of subsidies in Austria to allow a continuation of the current funding scheme for renewable energies.

In implementation of Directive 2012/27/EU ("Energy Efficiency Directive"), Austria enacted the Federal Energy Efficiency Act (EEffG) in the summer of 2014, which primarily obliges large companies to introduce an energy management system and aims to encourage energy suppliers to improve their own and their customers' energy efficiency. In this context, W.E.B is subject to reporting obligations.

According to the Federal Ministry of Science, Research and the Economy, the objective of the Federal Energy Efficiency Act is "to improve energy efficiency by 20% by 2020, thus strengthening the security of energy supply at the same time, increase the share of renewable energies in the energy mix and achieve a reduction in greenhouse gas emissions".

The German energy regulatory agency (Bundesnetzagentur) and the European regulatory agency, ACER, pushed for the separation of the current common electricity market between Austria and Germany, which was implemented to a limited extent in October 2018. This is based on the expectation that the creation of a shortage will reduce the currently unrestricted trade of mainly German wind power to the south as the physical flow of electricity will pass through the Czech Republic and Poland, immensely burdening the grids.

Studies on the effects of this separation of the electricity markets expect that the price of electricity in Austria will rise moderately compared to that in Germany. Most of the times, the new shortage will not have any impact. In periods of very high wind production in northern Germany, however, this shortage will be filled, and it will no longer be possible to import cheap wind power from Germany.

On the other hand, there are potentially higher expenses for balancing energy if the German intraday market can no longer be used for short-term intraday trading due to the shortage.

From the producer point of view with fluctuating production, it is therefore expected that the separation will be cost-neutral or even result in slightly higher electricity revenues. However, reliable results will only be available in a few months.

3.3 Electricity Labeling

The delivery volume in 2018 of 21,909,554 kWh consisted of 74.81 % wind energy, 22.66 % hydroelectric power and 2.53 % solar energy. The environmental impact of the supply mix of WEB Windenergie AG in 2018 amounted to 0.0 g/kWh CO_2 emissions and 0 mg/kWh radioactive waste.

Electricity price labelling of W.E.B-Grünstrom

Electricity labeling according to Section 78 paragraphs 1 and 2 ElWOG 2010 and according to electricity labeling regulation 2011 for the period from January 1, 2018 to December 31, 2018.

Energy mix (%)	Energy source
74.81 %	Wind energy
22.66 %	Hydroelectric power
2.53 %	Solar energy
100.00 %	Total

Environmental impacts

Production waste of electricity from W.E.B-Grünstrom

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

Figure 2: Tips on saving energy can be found here: www.e-control.at/de/konsumenten/energie-sparen/energiespartipps
Energy consulting firms can be found here: www.e-control.at/de/konsumenten/energie-sparen/links

3.4 Financial Markets – Interest Rates

As in the previous year, interest rates in 2018 were at historically low levels. Both the 3-month and 6-month EURIBOR were well below the zero percent mark throughout the year. The low interest rate level was taken advantage of by concluding long-term power plant financing at favorable conditions.

Development of Reference Interest Rates

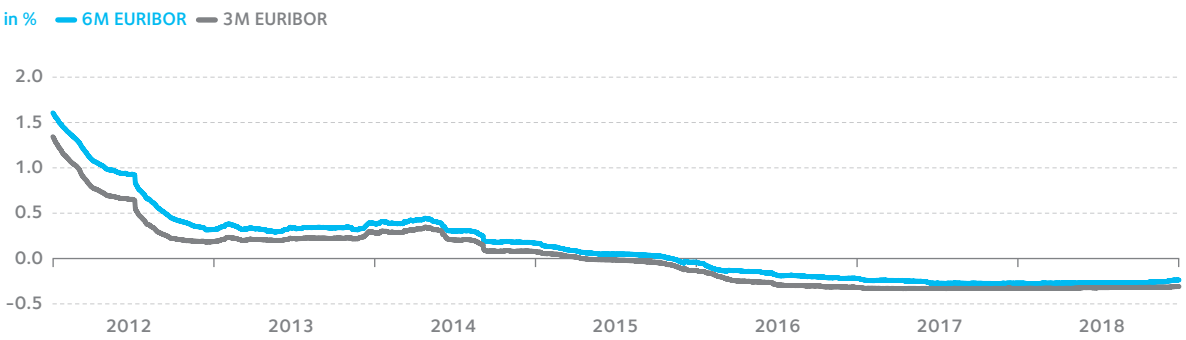


Figure 3: Development of 3 month and 6 month EURIBOR

Source: Own depiction with Deutsche Bundesbank data

3.5 Development of Relevant FX-rates

In 2018, the euro gained in value against the Canadian dollar. While the exchange rate was 1.51 CAD per EUR at the beginning of the year, the exchange rate increased to around 1.56 CAD per EUR at the end of the year. The second North American foreign currency of relevance to us, the US dollar, depreciated against the euro. The EUR/USD exchange rate fell from around 1.20 to 1.14, which corresponds to a decline of around 5 %. The value of the Czech koruna rose from around 25.5 to around 25.7 over the course of the year.

Exchange Rate Development

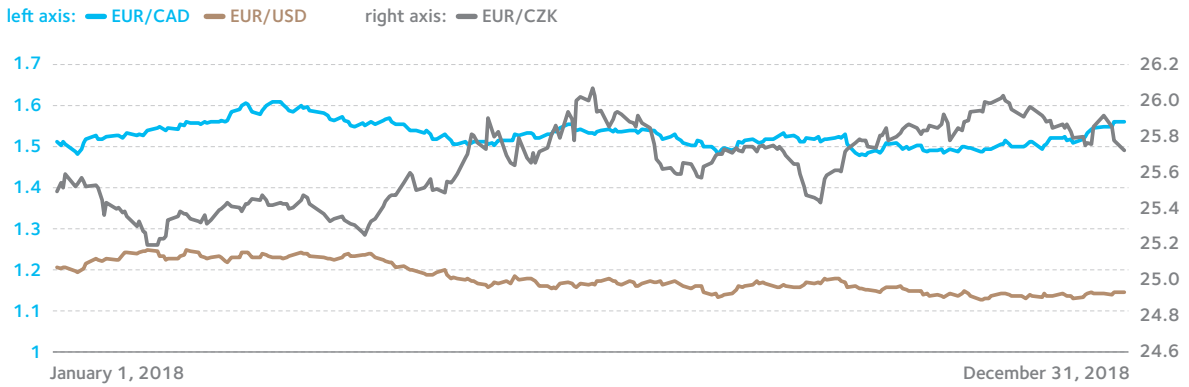


Figure 4: Relevant exchange rates Source: https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-cad.en.html

3.6 Country-specific Subsidy Conditions

In **Austria**, the Green Energy Act of 2012 (ÖSG 2012), amended in 2017, is in effect. On December 22, 2017, the green electricity feed-in tariff regulation 2018 was passed. The tariff for wind power plants was set at 8.20 cents/kWh for complete applications to the Clearing and Settlement Agency for Green Electricity 'OeMAG' and conclusion of contract in 2018, and 8.12 cents/kWh for complete applications and conclusion of contract in 2019.

Due to the link between the subsidies (annual quota corresponding to the available subsidies – see Section 12 ÖSG) and the current electricity price, only a modest expansion in capacity for wind energy is expected for Austria over the next few years. The enactment of the Renewable Energies Expansion Act 2020 is expected to regulate the remuneration for green electricity in a new way.

With the Renewable Energy Sources Act (EEG 2017) now in force, Germany offers a predictable framework for the expansion of wind projects. The reference location model also ensures the cost-effectiveness of plants at less attractive locations. The currently planned expansion road map for onshore wind energy provides for an annual gross capacity increase of 2,800 MW in the years 2017 to 2019 and 2,900 MW per year from 2020 onwards. The gross expansion volume includes all new power plants, even when they replace old plants. The funding period remains at 20 years.

There is currently no feed-in tariff for new projects in the **Czech Republic**. Most of the project developers have therefore left the market. Existing projects are supported by a premium system, whereby, in addition to the electricity revenue sold on the market, a fixed premium ("green bonus") is received, which depends

on the technology and year of commissioning. In the future, a tender system is planned for wind, but the exact key dates are not yet known.

In **Italy**, tender processes for new projects that generate green electricity exist for quite some time. It provides a good basis for a moderate expansion of capacities for wind energy projects. The Italian Ministry of Economy sent a new legislative proposal to the European Union at the end of 2018 and received it back in January 2019 without any objections. We assume that the law will be passed shortly. It envisions that around 400 MW will be awarded in various tranches by the end of 2020 as part of an auction process. The tariff is expected to be fixed for 20 years without indexation.

Although **France** is already one of the major wind energy nations in Europe, there is still great potential for further projects. Renewable energies are promoted by means of feed-in tariffs and tax advantages. Based on the EU guidelines, a tender process was also introduced in France in 2017.

In several provinces of **Canada**, feed-in regulations with fixed tariffs similar to the European subsidy regimes apply to existing projects. All provinces are successively switching to tendering processes, some of which are similar to the models chosen in the EU. The resulting predictability and cost-effectiveness of new projects continue to make this market attractive for us.

In the **USA**, we are concentrating on project developments in the New England states, driven by our team in Halifax, but also by our US-team from our office in Boston-Natick. The expansion targets for renewable energies defined at the level of the individual federal states will also enable constant expansion in the coming years. Here, projects are awarded both through tendering processes and through the conclusion of supply contracts with end users.

4. Business Performance

The fiscal year 2018 was characterized by a wind volume slightly below planned values and thus electricity generation for our plants was below the planned production figures. Compared to the previous year, sales revenues could not be increased in the year under review despite newly installed capacities.

Project planning activities to further increase power plant capacities were continued in all markets.

4.1 Influencing Factors

The first few months of 2018 had extremely weak winds. The summer months also fell well short of expectations. This year, the trend that has been observed for some time, where high-pressure areas extend over most of Europe, bringing air mass movements almost to a standstill, was very clear. That means existing weather conditions remain stable and permanent. As this year, this can lead to severe drought or thunderstorms that do not move, but rain down on the spot and lead to flooding or debris flows. It took until October and December when production volumes returned to significantly above-average levels.

From a total portfolio view for 2018, this results in a production result of –3.2 % (previous year: +1.7 %). Despite new installations, the production volume of the previous year could not be achieved this year, and we remained below the 1 TWh mark due to the weak wind volume.

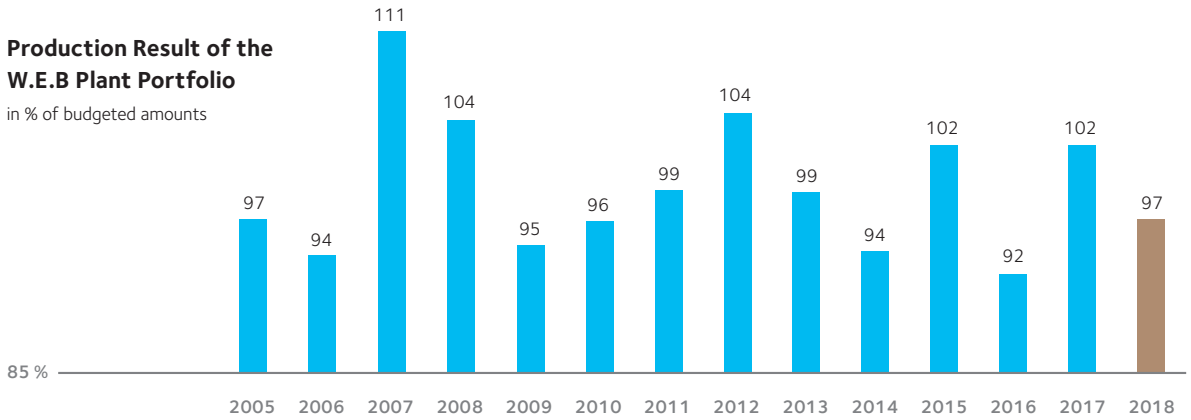
The total annual production of the Austrian power plant park in 2018 was below target (–3.2 %). Production in Germany and France also fell short of expectations (–9.3 %, –8.8 %). In the Czech Republic, Italy, Canada and the USA, production was well above plan in some cases (+3.8 %, +49.6 %, +10.9 % and +4.7 %).

The photovoltaics division significantly exceeded its target production, primarily due to the acquisition of the Conza and Arso PV systems (+34.1 %). Drought and necessary rehabilitation measures affected the hydroelectric power plants (–14.7 %).

In terms of new installations, the year 2018 was a successful one. In the wind division, we commissioned two new wind farms in Austria (Dürnkrut II: 4 x Vestas V126 with 3,450 kW each and Höflein West: 2 x Vestas V126 with 3,450 kW each) and a wind farm in France (Flesquières: 6 x Vestas V126 with 3,600 kW each). In the PV division, two plants were added to our portfolio in Austria (Pöttsching I with 77 kW and Pöttsching II with 120 kW), one plant in Germany (PV Hagena with 187 kW) and two megawatt plants in Italy (Conza with 3,355 kW and Arso with 2,482 kW). In total, 48.5 MW were newly installed or purchased. At the Wörbzig wind farm in Germany, a plant has already been sold to a neighboring operator (Vestas V66 with 1,650 kW) due to repowering starting in 2019. For this reason, the installed capacity in Germany decreased compared to the previous year.

Production Result of the W.E.B Plant Portfolio

in % of budgeted amounts

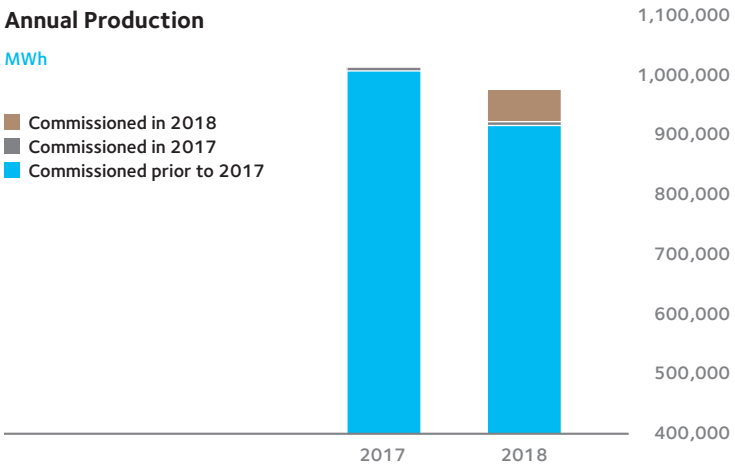


Power Generation and Installed Capacity	2018 Capacity	2018 Production	2017 Capacity	2017 Production
	kW	MWh	kW	MWh
Austria	228,438	450,743	207,542	494,980
Germany	96,272	157,229	97,735	184,136
France	84,800	160,374	63,200	130,061
Czech Republic	9,080	15,687	9,080	15,740
Italy	12,264	13,409	6,427	9,095
Canada	21,831	145,685	21,831	146,328
USA	9,075	31,310	9,075	31,078
Total	**461,760**	**974,437**	**414,890**	**1,011,418**

Capacity based on shareholdings at year-end

Only the production of investments of 50 % or more shareholdings is allocated to the W.E.B Group at 100 %. The reported output capacity is shown on the basis of our investment quota. Investments that are not fully consolidated are not included in the production data. The capacity indicated includes also plants for investments below 50 % in shareholdings.

In order to show the effects of production fluctuations of the existing plants on the total production, the following graph shows existing power plants separately from newly commissioned power plants:



4.2 Earning Position

Earnings after taxes in 2018 were TEUR 5,264.7 or 33.2 % below the comparable figure for the previous year. This is mainly due to production below plan in the year under review.

Consolidated Income Statement	**2018**	**2017**
TEUR		
Revenues	**85,483.4**	**88,391.7**
Other operating income	2,208.3	2,306.6
Operating income	**87,691.8**	**90,698.4**
Costs of material and purchased services	–2,219.8	–2,227.5
Personnel expenses	–9,343.7	–8,659.4
Depreciation	–33,511.5	–33,809.3
Other operating expenses	–18,656.8	–18,491.8
Sub-total	–63,731.8	–63,188.1
Operating result	**23,959.9**	**27,510.3**
Net financial result	**–10,149.1**	**–8,432.3**
Earnings before income taxes	**13,810.9**	**19,078.0**
Income tax expenses	–3,209.0	–3,211.5
Earnings after income taxes	**10,601.9**	**15,866.6**

4.2.1 Revenues

Revenues in 2018 of EUR 85.5 million were below the level of the previous year (EUR 88.4 million) due to the wind volume and the expiration of subsidized tariffs for some wind farms.

Revenues based on categories are as follows:

Revenue Split by Category	2018	2017	+/– %
TEUR			
Wind	78,565.9	83,181.7	–5.5 %
Photovoltaic	5,726.7	4,553.9	25.8 %
Hydroelectric	160.5	210.0	–23.6 %
Revenue from the sale of electricity and direct sales	1,030.4	446.2	130.9 %
Total	**85,483.4**	**88,391.7**	**–3.3 %**

4.2.2 Other Operating Income

At TEUR 2,208.3, other operating income remained almost at the same level as the previous year (TEUR 2,306.6).

4.2.3 Cost of Materials and Purchased Services

This item includes expenses for electricity procurement, grid loss charges and grid utilization charges (TEUR 2,062.7, previous year: TEUR 2,140.8) as well as cost of materials.

In total, this item decreased by TEUR 7.7 or 0.4 % to TEUR 2,219.8.

4.2.4 Personnel Expenses

Personnel expenses increased by TEUR 684.3 or 7.9 % to TEUR 9,343.7 in 2018 compared with 2017. The increase is primarily a result of the increase in the number of employees, necessary for the international expansion and the further internalization of services.

4.2.5 Other Operating Expenses

In 2018, other operating expenses increased by TEUR 165.0 or 0.9 % year-over-year to TEUR 18,656.8. The increase is mainly due to the installation and acquisition of plants during the reporting period and the resulting increase in maintenance and operating costs.

4.2.6 Net Financial Result

Interest expenses in the reporting period were higher than in the previous year. This is primarily due to the decline in interest income due to loan repayments, an increase in financial liabilities and currency fluctuations. In total, the financial result amounts to TEUR –10,149.1 (previous year: TEUR –8,432.3).

4.3 Asset Position

	31/12/2018		31/12/2017	
	TEUR	%	TEUR	%
Long-term assets	496,179.8	90	451,514.3	88
Short-term assets	54,043.9	10	58,837.6	12
Total assets	**550,223.6**	**100**	**510,351.9**	**100**
Equity	140,656.6	26	124,278.5	24
Long-term debt	339,483.2	62	334,117.5	65
Short-term debt	70,083.9	12	51,955.8	11
Total liabilities and equity	**550,223.6**	**100**	**510,351.9**	**100**

The changes in the consolidation group are referenced in chapter 9.1 of the Notes to the Consolidated Financial Statements. For a detailed description of the balance sheet items, see chapter 4 of the Notes.

4.4 Financial Position

	2018	2017
TEUR		
Operating cash flow	50,515.3	56,381.4
Cash flow from investing activities	–77,012.9	–26,390.6
Cash flow from financing activities	14,917.2	–19,944.9
Cash flow total	**–11,580.3**	**10,046.0**

For a detailed description of the consolidated cash flow statement, see chapter 8.2 of the Notes.

4.5 Dividend and Distribution Policy

A dividend of EUR 24.00 per share (TEUR 6,922.9 in total) for the fiscal year 2017 was approved at the Annual General Meeting on May 25, 2018. The payout occurred on June 30, 2018. Due to the decision at the Annual General Meeting to distribute dividends for the fiscal year 2017, partial repayments in the amount of TEUR 443.8, TEUR 672.7 and TEUR 634.9 and interest payments of TEUR 201.9, TEUR 349.8 and TEUR 357.1 were made in late fall of 2018 in accordance with the terms and conditions of the hybrid bonds issued in 2014, 2015 and 2016, respectively.

We are pursuing a steady dividend policy, as defined in 2016. As a result, we distribute disproportionately high dividends in years with comparatively lower earnings and moderate dividends in years with comparatively good earnings. In line with this steady dividend policy, a distribution of EUR 18.00 per share will be proposed at the Annual General Meeting in 2019.

4.6 Investments

TEUR	2018	2017
Investments in intangible assets	1,258.9	63.2
Investments in tangible assets	68,724.8	22,281.8
Total	**69,983.7**	**22,345.0**

The majority of investments in 2018 relate to power plants under construction in Austria, Germany, Italy and France.

4.7 Financing

In the fiscal year 2018, long-term loans were taken out to finance the construction of the Dürnkrut II and Höflein West wind farms in Austria and Flesquières in France.

In addition, bonds were issued again in 2018. Specifically, fixed-interest, partially redeemable bonds with a coupon of 2.25 % were issued. The volume placed amounted to TEUR 5,088.0. In addition, W.E.B issued hybrid bonds with a volume of TEUR 9,999.0 and a coupon of 4.50 %.

5. Performance Indicators

5.1 Key Figures

	2018	2017
EBIT margin	28.03 %	31.12 %
Net gearing	255.92 %	263.96 %
Return on equity	8.00 %	12.51 %
Debt repayment period	6.26	5.35
Interest coverage ratio I	4.82	5.26
Interest coverage ratio II	2.01	2.36

5.1.1 EBIT Margin

The EBIT margin expresses the EBIT in relation to the revenue achieved and thus shows the profitability of the company independent of interest expenses, extraordinary items and taxes.

At 28.03 %, our EBIT margin for 2018 is below the 2017 figure (31.12 %).

5.1.2 Net Gearing

Net gearing represents the ratio of net debt, calculated from non-current financial liabilities less cash and cash equivalents, to the equity of the company. This makes it an important indicator for assessing the crisis resistance of a company.

Since net debt increased less than equity in 2018, the net gearing value of 255.92 % was below the previous year's level.

5.1.3 Return on Equity

The return on equity represents the net income for the year in relation to the equity. It indicates how high the interest was on capital provided by the equity investors minus income taxes in a given period.

In 2018, we achieved a return on equity of 8.00 %.

5.1.4 Debt Repayment Period

The debt repayment period is calculated based on the ratio of net debt to EBITDA. Compared to the previous year, this value increased to 6.26 years.

5.1.5 Interest Coverage Ratio

The interest coverage ratio is calculated using two methods: firstly, as the ratio of EBITDA to interest expenses (interest coverage ratio I) and secondly, as the ratio of EBIT to interest expenses (interest coverage ratio II).

5.2 Employees

For us, as a growing company, our employees are a key resource. Their commitment and know-how contribute significantly to the success of the company.

In line with the company's growth, we continued to invest in the training and further education of our employees during the past fiscal year.

	2018	2017	2016	2015
Personnel as of 31 December (head count)	151	126	119	106
Direct education expenses per employee (EUR)	1,049	604	1,111	450
Average age (years)	36	37	36	37

In order to conduct employee appraisals in a structured manner, managers jointly developed a new form and a guideline for conducting these appraisals in 2018. The aim of the appraisal interview is to provide mutual feedback in order to learn from it and, if necessary, improve cooperation, review the achievement of objectives in the previous period, clarify deviations and, in particular, align the objectives for the following year with those of the organizational unit. It also serves to expand competencies and prepare employees for the current and future challenges of the company. In this context, development plans are worked out in collaboration with the respective employees.

The company's internal newsletter "W.E.B intern" will continue to be sent out every two weeks, providing all employees with ongoing information on current developments within the company.

Since 2012, the number of part-time employees has risen from 9 to 27. This development is primarily based on the employment of individuals previously on leave who either take advantage of flexible working hours or prepare for re-entry as full-time employees.

In 2017, a new organizational position was implemented to manage corporate organizational topics. A further focus is on the use of Microsoft SharePoint, which offers all employees corporate-wide quick and efficient access to internal information, regardless of their location, as well as the possibility of seamless cooperation.

The satisfaction and commitment of the employees have a direct impact on the success of the company. Open, respectful and responsible interaction with one another is very important to us. Ideas and concerns from employees are collected and discussed in annual employee interviews and as part of the annual anonymous employee satisfaction survey. This allows us to discuss specific needs in more detail.

The "W.E.B Rose Program" includes voluntary activities, a company weekend of skiing, offers such as "fruit for employees" and the organization of lunchtime meals. This provides for a balanced and pleasant working atmosphere.

6. Anticipated Development

6.1 Risks and Uncertainties

6.1.1 Opportunities and Risk Management

We consider opportunity and risk management as an essential instrument of corporate management. The objective of opportunity and risk management is to safeguard the net assets, financial position and corporate results of operations as well as existing and future potential for success and growth and to respond promptly to changes in the business environment.

As part of a formalized risk management process, decision-makers discuss key risk factors and assess their probability of occurrence and potential impact on the company's results.

Measures to deal with the identified risks are developed and implemented. The measures' objective is to reduce both the possible extent of damage and the probability of occurrence.

Risk information and measures are recorded in a central database and regularly updated.

6.1.2 Price Risk and Political Risk

Feed-in tariffs are guaranteed on a medium and long-term basis for some of the electricity generated by our plants. Therefore, there is only marginal exposure to market price risks and economic risks.

Guarantee period for tariffs	Share of planned generation 2018	Share of planned generation 2017
No guaranteed tariff	15.9 %	8.6 %
Up to 1 year	4.6 %	9.8 %
1 to 5 years	3.9 %	9.4 %
More than 5 years	75.6 %	72.2 %

These tariffs are locked in under existing laws. A modification of these laws or the elimination of the tariff subsidies would be a significant threat to the economic viability of the generating plants. However, this is highly unlikely. In the German subsidiary, direct marketing contracts have been concluded, allowing for a higher feed-in tariff than the feed-in tariff guaranteed by law. This direct marketing is regulated by law, so that in the event of bankruptcy of the direct marketing partner, it is still possible to switch back to the tariffs subsidized by law. For periods after the expiry of guaranteed tariffs and for that portion of total production without guaranteed tariff, the development of market prices of electricity is of significant importance.

6.1.3 Technical Risks

As of December 31, 2018, we operated a total of 267 power plants: 239 wind power plants, three hydro-electric power plants, and 25 photovoltaic plants. 201 wind turbines come from the world market leader Vestas (including the turbines of NEG Micon, which has since merged with Vestas), 26 from the German manufacturer Enercon and 12 from the Spanish manufacturer Siemens Gamesa. We keep the technical risk as low as possible through the exclusive use of wind turbines from manufacturers with many years of industry experience.

Foundations
In 2010/2011, damage to foundations in the form of cracking occurred at some existing Vestas 2 MW class turbines in Austria. An agreement was reached with the manufacturer under which Vestas is responsible for the maintenance and monitoring of the foundations and ensures that the foundations are stable in the long-term. Since 2012, there have been no noteworthy crack formations.

Large Components
Based on experiences from recent years, the 2 MW turbines of the manufacturer Vestas are increasingly subject to gearbox and generator damage. In this context, both the company's internal competence in damage prevention was expanded and the technical and logistical conditions were created for the prompt repair of major components with our own resources in the event of a fault. In preparation of the 2 MW class for 25 years of operation, a drive train replacement program was started in 2017 and further intensified in 2018.

Climatic and Meteorological Conditions
The generation of electricity by wind power and photovoltaic plants is strongly dependent on the weather conditions. The amount of wind is subject to strong seasonal and annual fluctuations. Management takes this risk into account when selecting project locations.

Country-specific Conditions
In Germany, the so-called Energy Collection Act passed at the end of 2018, resolving the mandatory appropriate night-time identification for all wind turbines equipped with lighting. This new regulation applies both to new wind turbines and to existing ones in Germany. According to current information, 39 wind turbines of the German subsidiaries are affected. At present, the amount of the necessary investment cannot be estimated, since the exact requirements for the system have not been sufficiently defined by the legislator

and corresponding technical solutions are still partly in approval. The investments for the appropriate night identification will be depreciated over the remaining life of the wind power plants.

Rotor Blades
No abnormalities were observed in rotor blades during the reporting period. Inspections were carried out by independent experts and environmental damage remediated. The blades' condition is state of the art.

Operational Management
At 98.5 % (previous year: 98.8 %), the technical availability in 2018 was slightly below the level of the previous year. The availability achieved shows that 2018 was a very challenging year from an operations perspective.

The first level of our operations strategy provisions is made through site guards at the wind farms, who can ensure an efficient issue analysis of the power plants due to on-site observations and quick reaction. The second level of the operations strategy ensures a good state of the power plants through high-quality maintenance by manufacturers, which are supported by inspections and preventive removal of defects of our own, well-trained technicians. The operations control of the third level is concerned with system monitoring and efficient incident management in case of damage. In order to avoid unexpected damage, the operating data of the plants is analysed and the system behavior is assessed. Should there still be events of damage, the fourth level provides consistent repair measures. In this respect, there are specialized service teams, an extensively stocked storage of spare parts and appropriate specialty tools. Partnerships with component manufacturers as well as companies for transportation, logistics and crane services provide appropriate security. In case of resource constraints, it is contractually ensured to have access to the manufacturer's service. The fifth level of the operating strategy focuses on technical improvements, replacements and repairs of large components, as well as servicing of rotor blades. Maintaining high standards and innovative repair approaches are to secure this high technical standard in the future.

A further operational risk is downtime due to icing of the rotor blades, as this also results in production losses.

Project Development
The development of new power plant sites is an essential part of our business activities. It includes the opportunity to invest in wind and photovoltaic power plants at profitable locations. At every stage, from evaluation to planning to obtaining construction and operating permits, there is a risk that a project will have to be terminated and the accumulated project expenditure is lost. The status of each project is documented transparently across all countries using a standardized process through the 'W.E.B Gate-System'. Strict cost management based on the Gate-System and regular evaluation of project costs, project profitability and the probability of obtaining construction and operating permits keep this risk as low as possible. For new risks related to the award of future projects, see below ("Company Development").

6.1.4 Financial Risks

Currency Risks
Our projects are financed in local currency for plants in Canada and the USA. This creates a natural hedge that significantly reduces the currency risk of feed-in tariffs, as feed-in tariffs, loan interest rates and loan repayments are all denominated in the same currency. The same principle applies to the financing of plants in the Czech Republic.

W.E.B has granted its subsidiary a loan in Canadian dollars. An FX forward was concluded to hedge against currency fluctuations. There are also loans in Swiss francs and US dollars. As the share of these loans relative to the total financing volume is relatively small, there are no hedging transactions for these financing transactions. Additional detailed information can be found in the Notes in explanation note (20) Financial Obligations and in chapter 7.2 Currency Risk.

Interest Rate Risk
Loans to finance the power plants are largely subject to variable interest rates. Due to the fixing of earnings (fixed feed-in rates) for the power plants, there is a considerable risk of interest rate changes. For around 71 % (previous year: 67 %) of the existing financial obligations that are subject to variable rates, this risk was hedged through fixed interest rate agreements (interest rate swaps). As of December 31, 2018, around 87 % (previous year: 88 %) of financial obligations were therefore hedged with fixed interest rates.

An increase in the interest rate by 1 percentage point would reduce our result by approximately TEUR 424.4 (previous year: TEUR 340.5) p.a.

Financial Instruments
The existing primary financial instruments mainly include investments, securities, loans, trade receivables, capital reserve accounts, bank balances, financial liabilities, bonds and trade payables. The derivative financial instruments existing at the balance sheet date relate to interest rate swaps and FX forward and are described in the Notes, explanation note (22) Derivative Financial Instruments.

There were no contingent liabilities as of December 31, 2018.

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

Apart from the interest rate swaps and FX forward (see note (22) Derivative Financial Instruments), no special hedging transactions were concluded in the fiscal year 2018.

Financial Futures/Derivatives
For existing contracts and their valuation/accounting treatment on the balance sheet date, see note (22) Derivative Financial Instruments in the Notes.

Default Risk
We supply the energy generated in our plants to both quasi-government and private electricity traders with the highest credit ratings, as well as to private customers. WEB Windenergie AG generated 85 % of its revenue (previous year: 94 %) with the OeMAG-Abwicklungsstelle für Ökostrom AG. The remainder was generated through a German company with a well-established business relationship that existed for years, as well as with customers of "W.E.B-Grünstrom".

The subsidiaries in Austria, the Czech Republic, France, Italy, Canada and the USA also supply the electricity companies responsible for purchasing green energy. In addition, revenues are generated in Germany, Italy and the Czech Republic through direct marketing of the produced energy.

Counterparty Risk – Suppliers
We operate wind turbines from two main suppliers. Both companies are internationally active manufacturers with a significant share of the world market for wind turbines. For new plants, advance payments are made to the manufacturers; for existing plants, warranty and guarantee claims as well as availability guarantees from maintenance contracts exist in some cases. Should any of these manufacturers get into financial difficulties, this circumstance could have a negative impact on the claims.

Liquidity Risks
We try to finance power plants as early as possible with long-term loans in order to minimize the liquidity risk from the construction or acquisition of additional power plants. Comprehensive liens of assets and assignments of receivables have been arranged with the financial institutions for the existing financing arrangements. Furthermore, we are obligated to maintain certain financial ratios. A breach of these ratios could entitle the financial institutions to immediate repayment of the financing. The effects of fluctuations in operating cash flows (primarily fluctuations in electricity revenues due to the wind situation) are minimised through active liquidity management.

6.2 Company Development

The Green Energy Act currently in effect in Austria continues to make building wind power plants financially viable in this market. The expansion quotas currently available, however, cause long delays and therefore, projects which have already received approvals are probably not going to be implemented until 2022 or later. We are aware of these circumstances and therefore, besides our Austrian project development, we invest primarily in project development abroad in order to continue to achieve our growth target of around 50 MW per year.

In 2018, we focused particularly on markets such as France, Italy and Germany.

Our "W.E.B-Grünstrom", which was awarded the Austrian Environmental Label in March 2018, continues to enjoy great popularity and helps us on the one hand to supply shareholders with W.E.B electricity, but is also an instrument to inspire new shareholders for W.E.B.

7. Research and Development

W.E.B is constantly working on minimizing the operating costs of existing plants and maximizing earnings. With the newly introduced total income availability as the primary control parameter for service assignments, these are now triggered at optimum cost. In addition, a concept unique in the industry was implemented to extend the operation of the 2 MW turbine class to 25 years.

Other projects in 2018 also focused on the further development of support and car park charging systems for electricity marketing for e-mobility in conjunction with an integrated load management system.

After implementing a pilot battery storage system combined with a photovoltaic system that is integrated in the building façade and the supply of a company-owned electric car fleet in 2016, the focus was on developing algorithms and processes for the sector coupling at the W.E.B campus in 2017. In addition, a heat pump was installed achieving a successful 'natural cooling' of the entire campus.

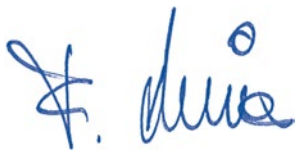
After the successful conclusion of the pilot project in demand-side management related to thermo-active building systems, the 'product' was commercialized in cooperation with a construction company and is now part of the W.E.B climate package offerings. The first 'Energy Transition Houses' with integrated 20-year heating tariff were already sold during the first few months of 2018.

In cooperation with the Institute for Safety and Risk Sciences at the University of Natural Resources and Applied Life Sciences in Vienna, an FFG-funded project for the development of a tool for the simulation of ice falls and ice throws from wind turbines in (near) alpine and wooded areas was applied for.

8. Branch Offices

WEB Windenergie AG has no branch offices.

The Board of Directors
Pfaffenschlag, April 12, 2019



Frank Dumeier

Michael Trcka

Consolidated Financial Statements (IFRS)

Consolidated Income Statement 1/1/2018 – 31/12/2018

TEUR	Note	2018	2017
Revenues	**1**	**85,483.4**	**88,391.7**
Other operating income	2	2,208.3	2,306.6
Costs of material and purchased services	3	–2,219.8	–2,227.5
Personnel expenses	4	–9,343.7	–8,659.4
Depreciation	5	–33,511.5	–33,809.3
Other operating expenses	6	–18,656.8	–18,491.8
Operating result (EBIT)		**23,959.9**	**27,510.3**
Income from associated companies accounted for under the equity method	12	711.7	500.5
Interest income	7	1,305.9	1,865.0
Interest expenses	8	–11,686.4	–11,426.1
Other financial result	9	–480.3	628.4
Net financial result		**–10,149.1**	**–8,432.3**
Earnings before income taxes		**13,810.9**	**19,078.0**
Income taxes	23	–3,209.0	–3,211.5
Earnings after income taxes		**10,601.9**	**15,866.6**
thereof planned share attributable to hybrid capital holders		1,010.8	1,002.2
thereof attributable to non-controlling interests		1,664.7	1,017.1
thereof attributable to owners of WEB AG		**7,926.4**	**13,847.3**
Earnings per share[1] (EUR)		**27.5**	**48.0**

[1] Diluted is the same as undiluted

Consolidated Statement of Comprehensive Income

	2018	2017
TEUR		
Earnings after income taxes	**10,601.9**	**15,866.6**
Items that may be reclassified to profit or loss		
Changes from currency conversions	–430.1	–4,427.4
Changes in market values of financial instruments 'available for sale'	0.0	–733.7
Changes in market values of cash flow hedges	–633.2	409.4
Income tax on other comprehensive income	163.6	89.1
Total other comprehensive income	**–899.7**	**–4,662.6**
Total income after income tax	**9,702.2**	**11,203.9**
thereof attributable to hybrid capital holders	1,010.8	1,002.2
thereof attributable to non-controlling interests	1,318.1	–177.2
thereof attributable to owners of WEB AG	**7,373.3**	**10,378.9**

Explanations see note (18) in the Notes.

Consolidated Balance Sheet as of 31/12/2018

TEUR	Note	31/12/2018	31/12/2017
Assets			
Intangible assets	10	3,610.4	2,812.6
Tangible assets	11	461,603.9	424,151.1
Shares in associated companies and joint ventures	12	3,211.0	4,472.8
Long-term financial assets	13	27,545.8	19,901.7
Deferred tax assets	23	208.8	175.9
Long-term assets		**496,179.8**	**451,514.3**
Inventories	14	3,951.7	3,090.0
Trade receivables	15	14,489.1	13,403.6
Other receivables and assets	16	13,421.1	8,428.5
Income tax receivables		1,733.3	1,832.2
Cash and cash equivalents	17	20,448.7	32,083.4
Current assets		**54,043.9**	**58,837.6**
Total assets		**550,223.6**	**510,351.9**

TEUR	Note	31/12/2018	31/12/2017
Equity and liabilities			
Registered capital	18	28,845.3	28,845.3
Capital reserves	18	23,323.8	23,323.8
Hybrid capital	18	22,203.0	14,025.3
Other reserves	18	–4,909.8	–4,184.5
Retained earnings	18	51,525.3	50,449.4
Share owned by WEB AG shareholders		**120,987.6**	**112,459.3**
Non-controlling interests	19	19,669.1	11,819.2
Equity		**140,656.6**	**124,278.5**
Financial obligations	20	270,211.8	259,780.4
Bonds	21	39,023.8	47,237.9
Deferred tax liabilities	23	14,220.3	13,141.7
Provisions	24	13,177.5	11,722.3
Other long-term obligations	22	2,849.9	2,235.1
Long-term liabilities		**339,483.2**	**334,117.5**
Financial obligations	20	44,220.1	30,492.0
Bonds	21	14,212.0	11,321.2
Obligations from income taxes		1,469.8	1,807.7
Trade payables and other payables	25	10,182.0	8,335.0
Short-term liabilities		**70,083.9**	**51,955.8**
Total liabilities		**409,567.0**	**386,073.3**
Total equity and liabilities		**550,223.6**	**510,351.9**
Equity (excl. hybrid capital and non-controlling interests) per share (EUR)		**341.6**	**341.2**

Consolidated Cash Flow Statement

TEUR		2018	2017
Earnings before income taxes		**13,810.9**	**19,078.0**
+ / –	Depreciation/ appreciation (tangible and intangible assets)	33,511.5	33,809.3
+	Interest balance	10,380.5	9,561.1
+/–	Non-cash result of associated companies accounted for using the equity method	–422.7	–451.5
+/–	Write-downs/write-ups of financial assets	–13.0	0.0
–/+	Profits/losses from disposal of financial assets and other long-term assets	12.6	–912.1
–/+	Profits/losses from disposal of fixed assets	329.0	1,133.1
+ / –	Increase/ decrease of long-term provisions	15.1	10.5
+/–	Other non-cash changes	125.7	953.4
Cash flow from operating activities before working capital changes and taxes		**57,749.4**	**63,181.8**
– / +	Increase/ decrease in inventories and receivables	–1,988.7	–3,133.4
– / +	Increase/ decrease in receivables from affiliated companies	17.5	–8.8
– / +	Increase/ decrease in other receivables	–1,520.1	–1,072.6
+ / –	Increase/ decrease in trade payables and other payables	–1,689.1	1,010.4
–	Income taxes	–2,053.6	–3,596.1
Cash flow from operating activities		**50,515.3**	**56,381.4**
+	Inflows from disposal of asset	513.6	200.0
+	Inflows from disposal of financial assets and other long-term assets	1,147.1	11,740.3
+	Interest inflows	1,115.9	1,374.9
–	Net cash flow from the acquisition of fully consolidated subsidiaries	–7,000.1	0.0
+ / –	Increase/ decrease in obligations due to affiliated companies	2.1	–3.9
–	Outflows due to investments in intangible and tangible assets	–64,465.7	–29,285.0
–	Outflows due to acquisitions of financial assets and other long-term assets	–8,680.9	–10,508.4
+	Dividends received	355.1	91.4
Cash flow from investing activities		**–77,012.9**	**–26,390.6**

TEUR		2018	2017
+	Inflows from non-controlling shareholders	8,533.2	598.2
–	Outflows to non-controlling shareholders	–1,954.7	–9,732.3
–	Dividends paid (includes interest payments for hybrid capital)	–7,831.7	–5,346.8
–	Dividends paid to non-controlling shareholders	–15.0	0.0
–	Interest outflows	–11,472.0	–12,749.4
–	Payments for the repayment of shareholder loans	0.0	0.0
+	Inflows from the increase in financial obligations	62,953.6	71,827.8
–	Outflows due to repayments of financial obligations	–37,993.2	–60,229.4
+	Inflows from the issuance of hybrid capital	9,876.0	0.0
–	Outflows due to repayments of hybrid capital	–1,751.4	–1,751.4
+	Inflows from the issuance in bonds	5,088.0	0.0
–	Outflows due to repayments of bonds	–10,515.5	–2,561.5
Cash flow from financing activities		**14,917.2**	**–19,944.9**
Total cash flow		**–11,580.3**	**10,046.0**
Change in funds			
Liquid assets at the beginning of the period		32,083.4	22,841.4
Currency differences		–54.4	–803.9
Total cash flow		–11,580.3	10,046.0
Liquid assets at the end of the period		**20,448.7**	**32,083.4**

Explanations see chapter 8.2 in the Notes

Consolidated Statement of Changes in Equity

TEUR	Registered capital	Capital reserves	Hybrid capital
Status as of 1/1/2017	**28,845.3**	**23,323.8**	**15,754.4**
Results (after taxes) directly included in equity due to...			
Currency differences			
Changes in value of securities and investments			
Changes in value of hedging transactions			
Total results (after taxes) directly included in equity			**0.0**
Result after income taxes			
Total result for the period			**0.0**
Capital increase			
Repayment to non-controlling interests			
Repayment/distribution hybrid capital			–1,751.4
Issuance hybrid capital			22.3
Dividends (EUR 15.0 per share)			
Status as of 31/12/2017	**28,845.3**	**23,323.8**	**14,025.3**
Status as of 1/1/2018	**28,845.3**	**23,323.8**	**14,025.3**
Adjustment due to the introduction of IFRS 9 after income taxes			
As of 1/1/2018 after adjustment due to the indroduction of IFRS 9 after income taxes	**28,845.3**	**23,323.8**	**14,025.3**
Results (after taxes) directly included in equity due to...			
Currency differences			
Changes in value of hedging transactions			
Total results (after taxes) directly included in equity			**0.0**
Result after income taxes			
Total result for the period			**0.0**
Capital increase			
Repayment to non-controlling interests			
Repayment/distribution hybrid capital			–1,751.4
Hybrid capital issue			9,876.0
Tax implications due to transactions with hybrid capital owners			53.1
Dividends (EUR 24.0 per share)			
Status as of 31/12/2018	**28,845.3**	**23,323.8**	**22,203.0**

Other reserves						
Bonds and investments	Hedging transactions	Currency translation	Retained earnings	Share of WEB AG shareholders	Non-controlling interests	Total equity
723.2	**–1,963.2**	**523.8**	**40,976.5**	**108,183.8**	**21,130.5**	**129,314.4**
		–3,233.1		–3,233.1	–1,194.3	–4,427.4
–551.0				–551.0		–551.0
	315.8			315.8		315.8
–551.0	**315.8**	**–3,233.1**		**–3,468.3**	**–1,194.3**	**–4,662.6**
			14,849.5	14,849.5	1,017.1	15,866.6
–551.0	**315.8**	**–3,233.1**	**14,849.5**	**11,381.1**	**–177.2**	**11,203.9**
					598.2	598.2
					–9,732.3	–9,732.3
			–1,020.0	–2,771.4		–2,771.4
			–29.7	–7.4		–7.4
			–4,326.8	–4,326.8		–4,326.8
172.2	**–1,647.4**	**–2,709.3**	**50,449.4**	**112,459.3**	**11,819.2**	**124,278.5**
172.2	**-1,647.4**	**-2,709.3**	**50,449.4**	**112,459.3**	**11,819.2**	**124,278.5**
–172.2			**–7.2**	**–179.5**	**–31.7**	**–211.2**
0.0	**–1,647.4**	**–2,709.3**	**50,442.1**	**112,279.9**	**11,787.5**	**124,067.3**
		–83.5		–83.5	–346.6	–430.1
	–469.6			–469.6		–469.6
0.0	**–469.6**	**–83.5**		**–553.1**	**–346.6**	**–899.7**
			8,937.2	8,937.2	1,664.7	10,601.9
0.0	**–469.6**	**–83.5**	**8,937.2**	**8,384.1**	**1,318.1**	**9,702.2**
					8,533.2	8,533.2
					–1,969.7	–1,969.7
			–908.9	–2,660.3		–2,660.3
			0.0	9,876.0		9,876.0
			–22.3	30.8		30.8
			–6,922.9	–6,922.9		–6,922.9
0.0	**–2,117.0**	**–2,792.8**	**51,525.3**	**120,987.6**	**19,669.0**	**140,656.6**

Notes to the Consolidated Financial Statements

for the Fiscal Year 2018

The following notes to the Consolidated Financial Statements

- provide information about our company, basics about the preparation of the Consolidated Financial Statements and the applied accounting methodologies,
- contain breakdowns and explanations of individual balance sheet and income statement items,
- indicate the areas in which significant judgments and estimates were required and where certain risks lie, and
- contain other information relevant to an understanding of our activities and results.

The information provided is in accordance with the provisions of the International Financial Reporting Standards (IFRS) and is therefore subject to a specific layout. We have made an effort to display the information as clearly and reader-friendly as possible. We appreciate any suggestions to further improve the comprehensibility.

Contents

1. About Us

WEB Windenergie AG (short: W.E.B) with its registered office in 3834 Pfaffenschlag, Davidstraße 1, Lower Austria, commercial registry court: Regional District Court of Krems an der Donau (FN 184649v), is a company with a focus on project development and operating power plants in the renewable energy sector. This includes projects and plants in the areas of wind power, photovoltaic and hydroelectric power. We operate in Austria, as well as internationally, including Germany, the Czech Republic, Italy, France, Canada and the USA. The company's international focus and technological diversification through projects form the basis of successfully dealing with the challenges of sustainable decentralized energy supply. This task is becoming increasingly important, not only due to ecological reasons, but also due to the expectations of a long-term increase in energy demands as well as decreasing fossil fuel resources. In addition, we are engaged in the marketing of electricity generated from renewable sources.

2. Accounting Principles Used to Prepare the Consolidated Financial Statements

We have prepared these Consolidated Financial Statements in accordance with the International Financial Reporting Standards (IFRS) applicable in the EU and the additional provisions of Austrian commercial law.

In accordance with the accounting rules applied, assets included in the balance sheet are generally recorded at acquisition cost less depreciation and impairments. This excludes certain financial assets that are recorded at fair value. Further explanations of the accounting principles are provided in chapter 9. Information on the significant judgments and estimates required in the preparation of the financial statements is provided in chapter 6.

Sections of the IFRS are revised on a regular basis. Some of the revised standards were already applicable in the fiscal year 2018. The application of the other new standards will only be required in the following years. The new standards to be applied in the fiscal year 2018 had an impact on the Consolidated Financial Statements and are explained below in this chapter. New standards to be applied in the coming years are explained in more detail in chapter 9.4.

Unless otherwise stated, all amounts stated in the Consolidated Financial Statements are stated in thousand euros (TEUR) and are rounded.

The following standards/interpretations have to be applied since January 1, 2018:

Standard	Title of standard/interpretation	W.E.B's obligation for application	Effects on W.E.B's consolidated financial statements
IFRS 9	Financial instruments	1/1/2018	Reconciliation of the classification and valuation of financial instruments; Reconciliation of the impairment of financial assets
IFRS 15	Sales revenues from customer contracts	1/1/2018	No significant effect
Change from IFRS 2	Classification and valuation of share-based payments	1/1/2018	No effect
Change from IFRS 4	Application of IFRS 9 Financial instruments together with IFRS 4 Insurance contracts	1/1/2018	No effect
Change from IAS 40	Transfers into and out of the inventory of investment properties	1/1/2018	No effect
IFRIC 22	Foreign currency transactions and already provided or received considerations	1/1/2018	No effect
Yearly improvements IFRS 2014-2016	Change of IFRS 1 and IAS 28	1/1/2018	No effect

We have applied IFRS 9 Financial Instruments and IFRS 15 Revenue from Sales Contracts, which are effective for fiscal years beginning on or after January 1, 2018, for the first time.

The application of IFRS 15 does not have any impact on the way we recognize revenue.

Revenue from the sale of electricity generated in our wind farms, photovoltaic plants and hydroelectric power plants is recognized in the amount of the existing feed-in tariff at the time it is fed into the respective grid.

Revenue from the supply of green electricity to our customers is recognized when the obligation to perform has been fulfilled. Revenues from operations management and other commercial and technical services are recognized when the services are rendered.

The maintenance contracts concluded with customers cover the repair of major component and rotor blade damage. The average remaining term is around seven years. At the time a service is rendered, revenue is recognized in an equivalent amount.

Changes resulting from the application of IFRS 9 are reflected in the recognition of the fair value of financial assets through profit or loss and in the recognition of impairment losses on financial assets using the expected credit loss model.

In accordance with IFRS 9, financial assets are classified on the basis of the respective business model and the characteristics of the contractual cash flows of the respective financial instruments. Financial assets are valued in accordance with their classification and recorded at either amortized cost, at fair value through profit or loss or at fair value in other comprehensive income.

The application of IFRS 9 has resulted in the following changes in accounting policies:

Financial instrument	Valuation category	Valuation category / Valuation in accordance with IAS 39	Valuation in accordance with IFRS 9
Shares and participations (except to subsidiaries or associated companies)	Available-for-sale financial assets	Available-for-sale financial assets / at fair value; changes in value in other financial results	Fair value; changes in value in the income statement
Securities available-for-sale	Available-for-sale financial assets	Available-for-sale financial assets / at fair value; changes in value in other financial results	Fair value; changes in value in the income statement
Receivables, long-term credit and loans	Loans and receivables	Loans and receivables / amortized cost	Amortized cost

There were no effects on financial liabilities and hedging transactions.

Effects of the first-time application of IFRS 9 on retained earnings and other comprehensive income in the Statement of Comprehensive Income are presented below. Conversion effects at the date of first-time adoption are recognized cumulatively in equity and the comparative period is presented in accordance with previous rules.

Reconciliation of retained earnings IFRS 9	TEUR
Retained earnings incl. consolidated profit 31/12/2017	**50,449.4**
Effects from IFRS 9	**–7.2**
Of which reclassification from other comprehensive income	
(fair value measurement of available-for-sale financial instruments)	229.2
Of which allocation to provisions for expected credit risks in the item	
other long-term receivables	–273.6
Thereof deferred taxes	13.0
Thereof currency effects	24.2
Retained earnings incl. consolidated profit 01/01/2018	**50,442.1**

Reconciliation of other comprehensive income (fair value measurement of available-for-sale financial instruments)	TEUR
Fair value measurement of available-for-sale financial instruments 31/12/2017	**172.2**
Reclassification to retained earnings	–229.2
Deferred taxes	56.9
Fair value measurement of available-for-sale financial instruments 01/01/2018	**0.0**

Reconciliation non-controlling interests IFRS 9	TEUR
Non-controlling interests 31/12/2017	**11,819.2**
Effects from IFRS 9	**–31.7**
Of which from allocation to provisions for expected credit risks in other non-current receivables	–32.3
Of which currency effects	0.6
Retained earnings incl. consolidated profit 01/01/2018	**11,787.5**

Reconciliation of deferred tax liabilities IFRS 9	TEUR
Deferred tax liabilities 31/12/2017	**13,141.7**
Effects from IFRS 9	**–13.0**
Of which from allocation to provisions for expected credit risks in other non-current receivables	–70.0
Of which from available-for-sale financial instruments	56.9
Deferred tax liabilities 01/01/2018	**13,128.7**

Reconciliation of non-current assets IFRS 9	TEUR
Non-current assets 31/12/2017	**19,901.7**
Effects from IFRS 9	**–305.3**
Of which from allocation to provisions for expected credit risks in other non-current receivables	–305.3
Non-current assets 01/01/2018	**19,596.5**

First-time application of IFRS 9 had an impact on the amounts reported for 2017 in the following positions:

Balance sheet as of 31/12/2017

TEUR	IAS 39 31/12/2017	Adjustments	IFRS 9 01/01/2018
Non-current financial assets	19,901.7	–305.3	19,596.5
Deferred tax liabilities	13,141.7	–13.0	13,128.7

3. Further Information on the Income Statement

(1) Sales Revenue

TEUR	2018	2017
Revenue from the generation of electricity at		
Wind power plants	78,565.9	83,181.7
Photovoltaic power plants	5,726.7	4,553.9
Hydroelectric power plants	160.5	210.0
Revenue from the sale of electricity and direct sales to end customers	1,030.4	446.2
	85,483.4	**88,391.7**

Most of the electricity we generate is sold to governmental or quasi-governmental organizations. 69.6 % (previous year: 70.0 %) of electricity revenues are derived from legally regulated subsidy tariffs.

(2) Other Operating Income

TEUR	2018	2017
Income from invoice forwarding	433.4	339.3
Income from services	247.9	209.4
Income from operations management	238.3	272.4
Reversal of allowance for doubtful accounts receivable	200.0	0.0
Construction management revenues	180.0	0.0
Income from the reversal of provisions	175.2	52.1
Income from trading goods	157.6	44.8
Insurance compensation	152.1	356.7
Income from maintenance contracts	127.3	352.2
Rental income	68.3	62.1
Others	228.2	617.4
	2,208.3	**2,306.6**

The position 'Income from invoice forwarding' includes income from the invoice forwarding for expenses that were paid for third parties.

(3) Cost of Materials and Purchased Services

TEUR	2018	2017
Grid loss charges	639.6	1,156.1
Energy consumption power plants	719.5	724.2
Marketing of electricity purchases	703.6	260.5
Cost of sales	157.1	86.8
	2,219.8	**2,227.5**

Previous year's figures have been adjusted.

Cost of sales in the previous year included write-downs of inventories in the amount of TEUR 8.8.

(4) Personnel Expenses

TEUR	2018	2017
Salaries and wages	7,439.2	7,000.7
Expenses for legally mandated fees and contributions	1,665.3	1,396.5
Contributions to staff provision fund	119.1	102.6
Other personnel expenses	120.1	159.6
	9,343.7	**8,659.4**

For each fiscal year, we employed on average (part-time employees are taken into account on a full-time equivalent [FTE] basis):

TEUR	2018	2017
Office staff	111	99
Field staff	18	15
Average (FTE)	**129**	**114**

(5) Depreciation/ Amortization

Amortization of intangible assets and depreciation of property, plant and equipment in the fiscal year 2018 included only scheduled depreciation; in 2017, in addition to scheduled depreciation, impairment losses of TEUR 2,216.6 were recognized for power plants in Austria and Germany. Further explanation is provided in chapter 6.

(6) Other Operating Expenses

TEUR	2018	2017
Maintenance and operating costs of power plants	8,725.3	7,866.4
Rental expenses for power plants	2,226.7	2,017.9
Lease expenditure for land for power plants	1,432.2	1,199.3
Consulting expenses	1,409.7	1,450.3
Travel expenses, vehicle expenses	1,094.1	990.3
Insurance expenses for power plants	818.9	777.1
Advertising expenses	456.4	413.8
Maintenance expenses for operations	445.8	372.9
External business services	395.0	303.1
Project amortizations	313.6	290.1
Expenses for maintenance contracts	177.5	361.0
Education and training	158.4	76.1
Compensation for Supervisory Board	140.0	107.0
Project development expenses	129.2	365.7
Telecommunication costs	111.6	129.7
Others	622.6	1,771.1
	18,656.8	**18,491.8**

Land lease expenses for power plants include TEUR 812.0 (previous year: TEUR 660.8) for amounts dependent on the income generated by the wind turbines.

Expenses for the auditor KPMG Niederösterreich GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and its domestic network of companies totalled TEUR 94.3 (previous year: TEUR 85.9) for the reporting year. Of this amount, TEUR 27.3 (previous year: TEUR 29.8) were attributable to the audit of individual financial statements, TEUR 45.2 (previous year: TEUR 42.7) to the audit of the Consolidated Financial Statements and TEUR 21.8 (previous year: TEUR 13.4) to other services.

(7) Interest Income

TEUR	2018	2017
Clearing accounts	1,092.2	1,755.6
Time deposits/bank balance	213.7	24.7
Default interest	0.0	84.7
	1,305.9	**1,865.0**

(8) Interest Expenses

TEUR	2018	2017
Interest expenses for bank loans	8,259.5	7,782.2
Interest expenses for bonds	1,983.8	2,300.2
Expenses for interest rate hedging	858.5	940.3
Others	584.6	403.4
	11,686.4	**11,426.1**

(9) Other Financial Result

TEUR	2018	2017
Results from investments	21.6	497.4
Profits/losses from changes in exchange rates	–115.9	206.0
Interest on demolition cost provisions	–239.7	–229.0
Others	–146.3	154.0
	–480.3	**628.4**

4. Further Information on the Balance Sheet

(10) Intangible Assets

TEUR	Software	Rights of use	Goodwill	Total
2018				
Historical cost as of 1/1/2018	**912.6**	**7,057.3**	**0.0**	**7,969.9**
Currency effects	–0.6	0.0	0.0	–0.6
Additions	85.8	1,173.1	0.0	1,258.9
Acquisition cost reduction	0.0	–6.5	0.0	–6.5
Disposals	0.0	0.0	0.0	0.0
Initial consolidation IFRS 3	17.6	0.0	42.3	59.9
First-time consolidation of project acquisitions	2.3	0.0	0.0	2.3
Account transfers	0.0	–104.5	0.0	–104.5
Historical cost as of 31/12/2018	**1,017.7**	**8,119.4**	**42.3**	**9,179.5**
Cumulative changes in value as of 1/1/2018	**790.1**	**4,367.2**	**0.0**	**5,157.3**
Currency effects	–0.4	0.0	0.0	–0.4
Depreciation	76.6	293.3	0.0	369.9
Impairments	0.0	0.0	42.3	42.3
Disposals	0.0	0.0	0.0	0.0
Account transfers	0.0	0.0	0.0	0.0
Cumulative changes in value as of 31/12/2018	**866.2**	**4,660.5**	**42.3**	**5,569.1**
Net book value as of 31/12/2018	**151.5**	**3,458.9**	**0.0**	**3,610.4**

TEUR	Software	Rights of use	Total
2017			
Historical cost as of 1/1/2017	**880.4**	**7,028.4**	**7,908.8**
Currency effects	–2.1	0.0	–2.1
Additions	34.3	28.9	63.2
Disposals	0.0	0.0	0.0
Account transfers	0.0	0.0	0.0
Historical cost as of 31/12/2017	**912.6**	**7,057.3**	**7,969.9**
Cumulative changes in value as of 1/1/2017	**710.2**	**4,074.1**	**4,784.3**
Currency effects	–0.8	0.0	–0.8
Depreciation	80.7	293.2	373.8
Disposals	0.0	0.0	0.0
Account transfers	0.0	0.0	0.0
Cumulative changes in value as of 31/12/2017	**790.1**	**4,367.2**	**5,157.3**
Net book value as of 31/12/2017	**122.6**	**2,690.1**	**2,812.6**

The book values for rights of use include water rights in Imst, Austria, with TEUR 877.2 (previous year: TEUR 908.6) and license agreements in Wörbzig, Germany, with TEUR 261.6 (previous year: TEUR 389.2). At the balance sheet date, the remaining useful life for the water rights in Imst was 27.5 years and 1.0 years for the Wörbzig licensing agreements. In December 2016, WEB Windenergie Deutschland GmbH was granted water rights for the Eberbach hydroelectric power plant until 30 June 2042 with the obligation to erect a fish ladder. The permit for the construction of the fish ladder was granted on 25 July 2017. Construction measures were carried out in 2018 with an expected completion in the first half of 2019.

(11) Property, Plant and Equipment

TEUR	Land and buildings	Technical plants and machines	Other equipment, operating and office equipment	Advance payments, plants under construction	Total
2018					
Acquisition/Production costs as of 1/1/2018	**14,739.1**	**603,319.3**	**5,092.0**	**24,804.1**	**647,954.5**
Currency effects	3.6	–1,551.1	–11.9	–378.9	–1,938.3
Additions	59.3	11,463.1	725.9	56,476.5	68,724.8
Reduction of acquisition costs	0.0	–1,031.4	–13.2	–389.9	–1,434.4
Disposals	–7.2	–5,065.8	–170.7	–560.1	–5,803.7
First-time consolidation IFRS 3	1.6	4,400.0	407.6	0.0	4,809.2
First-time consolidation of project acquisitions	38.1	0.0	0.0	3,047.7	3,085.8
Account transfers	0.0	52,889.6	12.2	–52,797.4	104.5
Acquisition/Production costs as of 31/12/2018	**14,834.7**	**664,423.8**	**6,041.8**	**30,202.1**	**715,502.4**
Cumulative depreciation as of 1/1/2018	**3,025.6**	**217,632.1**	**2,851.1**	**294.5**	**223,803.4**
Depreciation	272.9	32,213.0	613.2	0.0	33,099.1
Currency effects	0.0	–327.1	–5.5	–10.7	–343.2
Disposals	–1.6	–2,502.6	–156.4	0.0	–2,660.5
Account transfers	0.0	0.0	0.0	0.0	0.0
Cumulative depreciation as of 31/12/2018	**3,296.9**	**247,015.5**	**3,302.4**	**283.9**	**253,898.7**
Net book value as of 31/12/2018	**11,537.7**	**417,408.3**	**2,739.5**	**29,918.3**	**461,603.8**
2017					
Acquisition/Production costs as of 1/1/2017	**14,478.9**	**587,489.7**	**4,586.7**	**28,930.9**	**635,486.2**
Currency effects	–19.5	–6,448.9	–7.6	–113.0	–6,589.0
Additions	184.1	3,256.5	675.8	18,165.4	22,281.8
Reduction of acquisition costs	0.0	–401.4	–13.5	–343.2	–758.0
Disposals	–6.8	–1,696.8	–156.2	–606.7	–2,466.5
Account transfers	102.4	21,120.1	6.8	–21,229.3	0.0
Acquisition/Production costs as of 31/12/2017	**14,739.1**	**603,319.3**	**5,092.0**	**24,804.1**	**647,954.5**

Cumulative depreciation as of 1/1/2017	**2,758.7**	**185,474.1**	**2,380.3**	**0.0**	**190,613.2**
Depreciation	267.8	30,389.4	561.6	0.0	31,218.8
Impairments	0.0	2,216.6	0.0	290.1	2,506.8
Currency effects	0.0	–87.8	–5.0	4.4	–88.4
Disposals	–0.9	–360.2	–85.9	0.0	–447.0
Account transfers	0.0	0.0	0.0	0.0	0.0
Cumulative depreciation as of 31/12/2017	**3,025.6**	**217,632.1**	**2,851.1**	**294.5**	**223,803.4**
Net book value as of 31/12/2017	**11,713.5**	**385,687.2**	**2,240.9**	**24,509.5**	**424,151.1**

The position 'Advance payments and plants under construction' mainly comprises the Piombino project in Italy, the Albert project in Canada and the Wörbzig Repowering project in Germany.

Acquisition costs of the technical equipment and machinery that was newly acquired during the reporting year include interest directly attributable to projects in the amount of TEUR 22.3 (previous year: TEUR 100.4). This interest relates to wind power projects in Austria. The average financing rate in Austria is 0.54 % (previous year: 2.87 % in France).

Damage to one of our wind turbines in Canada, which is covered by the insurance, resulted in the disposal of the plant. We expect that the insurance proceeds, which were recorded in the item 'Other receivables' in the amount of TEUR 2,686.3, will cover the cost of replacing the wind turbine as well as the lost revenues. The book value of the disposal and the insurance compensation are shown under the item 'Other operating expenses'. Costs for the reconstruction of the plant are expected to be TEUR 2,256.9.

Information on Leased Assets

As of December 31, 2018, the book value of the position 'Technical plants and machines' includes TEUR 19,467.2 (previous year: TEUR 21,862.3) which is attributed to power plants leased under finance leases. These relate to wind power plants of the Neuhof wind farm and the Montenero I and Montenero II photovoltaic plants of WEB Italia.

Liabilities arising from these contracts have the following maturities after being offset with advance payments of TEUR 4,009.9 (previous year: TEUR 4,009.9):

Obligations from Finance Leases

	Maturities of the minimum lease payments					
	31/12/2018			31/12/2017		
TEUR	Nominal value	Discounted amount	Cash value = book value	Nominal value	Discounted amount	Cash value = book value
Due within 1 year	3,030.0	-50.1	3,080.1	3,379.0	542.7	2,836.3
Due in 1 to 5 years	5,652.0	859.5	4,792.5	7,848.7	665.4	7,183.3
Due in more than 5 years	3,803.6	310.4	3,493.2	4,636.6	454.1	4,182.5
	12,485.6	**1,119.8**	**11,365.8**	**15,864.3**	**1,662.2**	**14,202.1**

The remaining terms of our leasing contracts are up to ten years. The present values include amounts for the acquisition of the plants at the end of the term (purchase options).

(12) Shares in Associated Companies and Joint Ventures

Company	Share 31/12/2018	Share 31/12/2017	Book value 31/12/2017	Share of annual result	Change in ownership	Deposit/ Repayment
TEUR						
Tauernwind Windkraftanlagen GmbH[1]	20.0 %	20.0 %	659.4	128.0	0.0	0.0
Sternwind Errichtungs- und BetriebsgmbH	49.0 %	49.0 %	458.5	113.7	0.0	0.0
Sternwind Errichtungs- und BetriebsgmbH & Co KG	49.0 %	49.0 %	1,121.9	81.9	0.0	–441.0
SASU Energie Verte Plaine d'Artois	33.3 %	33.3 %	295.1	13.1	0.0	0.0
ELLA GmbH & Co KG (formerly: ELLA AG)	100.0 %	38.7 %	0.0	0.0	0.0	0.0
Zweite WP Weener GmbH & Co KG	50.0 %	50.0 %	458.2	382.3	0.0	0.0
Società Elletrica Ligure Toscana s.r.l.	100.0 %	50.0 %	1,185.6	–1.4	–1,184.2	0.0
Black Spruce Windenergy GP Inc. (incl. Limited Partnership Contract)	50.0 %	50.0 %	294.1	–5.9	0.0	70.8
Total			**4,472.8**	**711.7**	**–1,184.2**	**–370.2**

[1] Data is based on preliminary figures.

(13) Long-term Financial Assets

	Shares in affiliated companies	Securities	Invest-ments	Long-term debt	Loans	Loans & capital reserve accounts	Hedging transactions	Total
TEUR								
2018								
Historical costs								
As of 1/1/2018	47.1	387.1	1,156.0	147.0	10,038.6	8,200.0	0.0	19,975.8
Currency effects	0.0	0.0	0.0	0.0	–126.8	–113.8	0.0	–240.6
Addition	55.0	0.0	21.4	0.0	9,555.5	0.0	95.0	9,726.9
Disposal	0.0	0.0	–34.5	–73.5	–1,413.0	0.0	0.0	–1,521.0
As of 31/12/2018	102.1	387.1	1,142.9	73.5	18,054.3	8,086.2	95.0	27,941.1
Cumulative changes in value								
As of 1/1/2018	0.0	33.0	–102.8	–4.3	0.0	0.0	0.0	–74.1
Adjustments IFRS 9	0.0	0.0	0.0	0.0	0.0	–305.3	0.0	0.0
As of 1/1/2018	0.0	0.0	0.0	0.0	0.0	–305.3	0.0	–305.3
Fair value changes	0.0	14.3	0.0	4.1	0.0	0.0	0.0	18.4
Disposal	0.0	0.0	–34.3	0.0	0.0	0.0	0.0	–34.3
As of 31/12/2018	0.0	47.3	–137.1	–0.2	0.0	–305.3	0.0	–395.3
Book value as of 31/12/2018	**102.1**	**434.4**	**1,005.8**	**73.3**	**18,054.3**	**7,780.9**	**95.0**	**27,545.8**

			Total			
Distribution	Currency adjustment	Book value 31/12/2018	Assets	Liabilities	Revenue	Profit/Loss
0.0	0.0	787.4	43,150.2	39,213.2	2,788.0	640.1
-49.0	0.0	523.2	861.5	35.4	245.3	100.8
–119.4	0.0	643.4	2,000.1	240.9	1,551.8	262.5
0.0	0.0	308.2	2,897.0	2,144.5	406.4	39.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
-240.0	0.0	600.5	13,110.0	11,917.4	2,289.6	757.7
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	–10.7	348.3	702.1	5.8	0.0	–11.9
–408.4	**–10.7**	**3,211.0**				

The companies operate wind farms and are active in project development. They are thus subject to similar business opportunities and risks as we are. ELLA GmbH & Co KG (formerly ELLA AG) is active in the construction and operation of charging stations for electric vehicles in Austria. In the year under review, we acquired all shares in ELLA GmbH & Co KG and Società Elletrica Ligure Toscana s.r.l. These companies have been fully consolidated since then.

	Shares in affiliated companies	Securities	Investments	Long-term debt	Loans	Loans & capital reserve accounts	Total
TEUR							
2017							
Historical costs							
As of 1/1/2017	42.1	654.8	1,535.0	220.5	19,079.1	0.0	21,531.5
Currency effects	0.0	0.0	0.0	0.0	–655.9	–236.1	–892.0
Addition	5.0	3.5	25.2	–73.5	580.6	8,442.7	8,983.5
Reclassification	0.0	0.0	–206.0	0.0	0.0	0.0	–206.0
Disposal	0.0	–271.2	–198.2	0.0	–10,616.5	–6.6	–11,092.5
As of 31/12/2017	47.1	387.1	1,156.0	147.0	8,387.3	8,200.00	18,324.5
Cumulative changes in value							
As of 1/1/2017	0.0	21.9	304.2	–16.7	1,651.3	0.0	1,960.7
Currency effects	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fair value changes	0.0	77.7	64.6	12.4	0.0	0.0	154.7
Impairments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appreciations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposal	0.0	–66.6	–471.6	0.0	0.0	0.0	–538.2
As of 31/12/2017	0.0	33.0	–102.8	–4.3	1,651.3	0.0	1,577.2
Book value as of 31/12/2017	**47.1**	**420.1**	**1,053.2**	**142.7**	**10,038.6**	**8,200.0**	**19,901.7**

The investments are composed as follows:

	Share	31/12/2018	31/12/2017
TEUR			
oekostrom AG für Energieerzeugung und -handel	5.50 %	622.5	622.5
Windkraft Simonsfeld AG	0.33 %	203.7	247.3
Weinviertler Energie GmbH & Co KG	17.56 %	150.0	150.0
ANE GmbH & Co KG (merged with GESY Green Energy Systems GmbH)	0.70 %	29.6	8.2
LUMO SAS	0.00 %	0.0	25.2
		1,005.8	**1,053.2**

As of the balance sheet date, there was a reciprocal investment in Windkraft Simonsfeld AG, in which we hold a 0.33% interest (previous year: 0.38%); this company holds 1,095 shares (0.38%) in our company (previous year: 1,095 shares (0.38 %).

In June 2018, the investment in the company LUMO SAS, France, was sold. The investment GESY Green Energy Systems GmbH, in which we held 1.00 %, was merged with ANE GmbH & Co KG in the year under review. We hold 0.63 % of the shares in this company.

The loans include a loan granted by us to Windpark Eschenau GmbH in the amount of TEUR 4.0 (previous year: TEUR 3.5), a loan to Scotian WindFields Inc., Canada, amounting to TEUR 2,961.1 (previous year: TEUR 3,225.4), a loan to Pisgah Holdings LLC, USA, amounting to TEUR 6,820.9 (previous year: TEUR 6,109.2), as well as a loan to Woodstock First Nations, Canada, amounting to TEUR 8,268.3 (previous year: TEUR 0.0). The position also included a loan of TEUR 700.6 to Scotian Wind Inc., Canada, in the previous year.

The loans to Scotian WindFields Inc. and Scotian Wind Inc. were granted to the Canadian partners for financing their equity share in Scotian WEB Limited Partnership and Scotian WEB II Limited Partnership. It is secured by the partners' share as collateral. The loans bear interest on an ongoing basis and are repaid from current project recoveries. The loan to Scotian Wind Inc. was repaid in 2018.

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

The loan to Woodstock First Nations was granted to the partner to finance its equity interest in the Wisokolamson Energy Limited Partnership. It is secured by the partner's shares in this company. The loan bears interest on an ongoing basis and has to be repaid from the project's current cash flows.

The position 'Credit & capital reserve accounts' amounting to TEUR 7,780.9 (previous year: TEUR 8,200.0) includes cash and cash equivalents serving as collateral for lenders.

In the course of the first-time application of IFRS 9, the values as of January 1, 2018 were calculated using the expected credit loss model and a provision for expected credit risks in the amount of TEUR 305.3 was recorded. The valuation as of December 31, 2018 does not lead to any adjustment of the recognized provision. The provision for expected credit risks in the item credit & capital reserve accounts amounted to TEUR 305.3 as of December 31, 2018.

(14) Inventories

TEUR	31/12/2018	31/12/2017
Consumables and replacement parts	3,951.7	3,090.0

(15) Trade Receivables

TEUR	31/12/2018	31/12/2017
Receivables from delivery of electricity	14,489.1	13,403.6

(16) Other Receivables

TEUR	31/12/2018	31/12/2017
Financial assets		
Claim for insurance compensation	2,686.3	0.0
Clearing accounts	1,266.9	1,467.8
Clearing accounts third parties	80.1	99.9
Others	3,155.9	2,167.1
	7,189.2	**3,734.8**
Non-financial assets		
Receivables from finance authorities	5,091.9	3,397.6
Pre-paid fees	1,140.0	1,296.1
	6,231.9	**4,693.7**
Total	**13,421.1**	**8,428.5**

In the previous year, interim project financing amounting to TEUR 675.0 was reported under the position 'clearing accounts'.

Analysis of Impaired Financial Assets

TEUR	31/12/2018	31/12/2017
Gross receivables	211.7	412.0
Individual value adjustment	211.7	412.0
Book value	**0.0**	**0.0**

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

(17) Cash and Cash Equivalents

TEUR	31/12/2018	31/12/2017
Short-term deposits with financial institutions	20,446.5	32,079.4
Cash	2.2	4.0
	20,448.7	**32,083.4**

(18) Shareholders' Equity

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

The shares are registered shares with restricted transferability. According to the Articles of Association, their transfer is subject to the approval of the company, which is granted by the Board of Directors in consultation with the Supervisory Board.

The appropriated capital reserve results from contributions and contributions in kind by the shareholders less the allocated transaction costs.

The hybrid capital consists of the hybrid bond issued in 2014 ("wind power bond") with a volume of TEUR 4,438.0, the hybrid bond issued in 2015 with a volume of TEUR 6,727.0, the hybrid bond issued in 2016 with a volume of TEUR 6,349.0 and the hybrid bond issued in 2018 with a volume of TEUR 9,999.0 less respective issuing costs. In 2018, partial repayments were made for the hybrid bonds from 2014 (TEUR 443.8), 2015 (TEUR 672.7) and 2016 (TEUR 634.9) (previous year: TEUR 1,751.4). The bonds are listed on the third market of the Vienna Stock Exchange and are registered as a collective certificate with the Austrian Volksbanken-Aktiengesellschaft.

The hybrid bonds have infinite terms. The interest rate for the hybrid bonds 2014 and 2015 is fixed at 6.5 % p.a. of the nominal value, for the hybrid bonds 2016 fixed at 6.25% p.a. of the nominal value and for the hybrid bonds 2018 fixed at 4.5 % p.a. of the nominal value, with interest payments being suspended in years in which no dividend is paid for the previous year. Suspended interest is recuperated including compound interest. In accordance with the terms and conditions of the bond, a proportional repayment of one tenth of the nominal value is made in years in which WEB Windenergie AG distributes a dividend for the previous financial year.

A partial repayment of the hybrid bonds 2014, 2015 and 2016 at one tenth of its nominal value (TEUR 1,751.4, previous year: TEUR 1,751.4) as well as an interest payment of TEUR 908.9 (previous year: TEUR 1,021.1) were payable in 2018, due to the decision at the Annual General Meeting to distribute a dividend for the fiscal year 2017. As of the balance sheet date, there is no obligation yet to make further repayments and interest payments, as these will be made at the earliest when a resolution on the distribution of a dividend for the 2018 financial year is passed at the 2019 Annual General Meeting. The payment of a dividend for the 2018 financial year is to be proposed to the 2019 Annual General Meeting. We therefore assume that interest payments and repayments of the hybrid bonds will also be made in 2019.

Other reserves include results not yet recognized in the income statement. They result from changes in the value of foreign currencies of subsidiaries in other currency zones and from changes in the value of interest rate swaps held as interest rate hedges (hedging transactions). We recognize these items in the income statement when they are realized. In the previous year, this item also included the change in the fair value of financial assets classified as 'available-for-sale' (securities and investments) amounting to TEUR 172.2, which were realized in income in 2018 as a result of the first-time application of IFRS 9.

	31/12/2018			31/12/2017		
TEUR	Amount before taxes	Income taxes	Amount after taxes	Amount before taxes	Income taxes	Amount after taxes
Currency translation	–430.1	0.0	–430.1	–4,427.4	0.0	–4,427.4
Bonds and investments	0.0	0.0	0.0	–733.7	182.7	–551.0
Hedging	–633.2	163.6	–469.6	409.4	–93.6	315.8
	–1,063.3	**163.6**	**–899.7**	**–4,751.8**	**89.1**	**–4,662.6**

Retained earnings comprise the profits generated by us less the dividends paid out. Of these results, we may distribute no more than the balance sheet profit reported in the individual financial statements of WEB Windenergie AG.

(19) Non-Controlling Interests

The following companies in which we have a controlling interest, also have other shareholders. The values are based on financial statements, in accordance with local laws.

2018	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership	Wisokolamson Energy Limited Partnership	Pisgah Mountain LLC	WEB Photovoltaik GmbH & Co KG	WEB Traisenwind GmbH	WEB Grid
TEUR							
Headquarters	New Brunswick, Canada	New Brunswick, Canada	New Brunswick, Canada	Maine, USA	Pfaffen-schlag, Austria	Pfaffen-schlag, Austria	Paris, France
Share of minority shareholders	67.00 %	67.00 %	51.00 %	51.00 %	30.00 %	49.00 %	20.00 %
Voting rights/ Attribution to minority shareholders	45.00 %	45.00 %	51.00 %	51.00 %	30.00 %	49.00 %	20.00 %
Share of equity	4,698.9	2,037.4	8,234.7	4,698.4	67.1	–65.6	–1.8
Allocated profit or loss	1,438.8	137.4	–1.2	159.3	9.8	–77.4	–2.0

2017	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership	Pisgah Mountain LLC	WEB Photovoltaik GmbH & Co KG	WEB Traisenwind GmbH
TEUR					
Headquarters	New Brunswick, Canada	New Brunswick, Canada	Maine, USA	Pfaffenschlag, Austria	Pfaffenschlag, Austria
Share of minority shareholders	67.00 %	67.00 %	51.00 %	30.00 %	49.00 %
Voting rights/ Attribution to minority shareholders	45.00 %	45.00 %	33.33 % / 51.00 %	30.00 %	49.00 %
Share of equity	5,066.7	1,978.8	4,689.7	71.6	11.7
Allocated profit or loss	1,186.5	–410.5	195.6	51.3	–5.9

Key financial figures for these companies are:

2018	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership	Wisokolamson Energy Limited Partnership	Pisgah Mountain LLC	WEB Photovoltaik GmbH & Co KG	WEB Traisenwind GmbH	WEB Grid
TEUR							
Revenues	8,767.0	3,467.8	0.0	2,955.9	114.8	0.0	0.0
Earnings after income taxes	3,234.5	305.4	–2.3	312.1	32.7	–157.9	–10.0
Long-term assets	5,061.6	817.0	3,134.6	21,989.5	855.2	0.0	178.0
Short-term assets	40,732.2	23,220.8	13,415.4	1,230.5	105.9	18.0	58.6
Short-term liabilities	2,630.3	1,837.9	403.5	1,194.9	22.0	151.9	245.6
Long-term liabilities	32,721.5	17,672.4	0.0	12,812.1	715.4	0.0	0.0
Equity	10,442.0	4,527.5	16,146.5	9,213.0	223.8	–133.9	–9.0
Operating cash flow	7,468.2	2,510.7	–25.3	2,290.4	92.6	–22.2	0.5
Cash flow from investing activities	–7.4	–200.8	–15,574.1	–3.7	–2.2	37.4	33.6
Cash flow from financing activities	–7,384.3	–2,728.8	16,490.0	–2,333.2	–104.2	0.0	0.0
Distribution to minority shareholders	1,607.1	0.0	0.0	347.6	15.0	0.0	0.0

2017	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership	Pisgah Mountain USA LLC	WEB Photovoltaik AG & Co KG	WEB Traisenwind GmbH
TEUR					
Revenues	9,205.1	3,467.8	3,038.5	56.3	0.0
Earnings after income taxes	2,675.4	–912.1	383.6	168.8	–12.1
Long-term assets	46,683.4	25,244.8	22,154.9	902.4	113.8
Short-term assets	2,529.9	1,254.4	1,631.9	117.0	5.5
Short-term liabilities	2,342.3	2,290.3	1,157.8	4.4	95.4
Long-term liabilities	35,611.8	19,811.6	13,235.8	776.2	0.0
Equity	11,259.2	4,397.3	9,195.6	238.8	23.9
Operating cash flow	7,478.5	2,717.2	1,853.8	218.7	–0.7
Cash flow from investing activities	–2,757.3	439.9	–2,102.1	–571.7	–32.7
Cash flow from financing activities	–8,478.4	–2,288.0	940.4	422.9	36.0
Distribution to minority shareholders	2,067.1	0.0	7,665.3	0.0	0.0

In the year under review, we sold 20 % of W.E.B Grid (formerly W.E.B Parc éolien Tortefontaine, France). We hold 80 % of the company and it continues to be fully consolidated as we hold the majority of voting rights and the management team is appointed by us.

(20) Financial Obligations

	31/12/2018			31/12/2017		
	Short-term	Long-term	Total	Short-term	Long-term	Total
TEUR						
Bank financing	41,140.0	261,926.1	303,066.1	27,655.7	248,414.6	276,070.3
Capital leasing	3,080.1	8,285.7	11,365.8	2,836.3	11,365.8	14,202.1
Total	**44,220.1**	**270,211.8**	**314,431.9**	**30,492.0**	**259,780.4**	**290,272.4**

The due dates of obligations from finance lease contracts can be found under note (11).

Liabilities to Banks

			Book value 31/12/2018	Book value 31/12/2017
Term	Interest	Currency	TEUR	TEUR
2018	from EURIBOR +1.00 % to EURIBOR +1.35 %	EUR	0.0	828.3
2018	EURIBOR +2.10 %	EUR	0.0	1,667.5
2019	LIBOR +1.0 %	CHF	103.7	169.8
2019	from EURIBOR +0.90 % to EURIBOR +1.00 %	EUR	11,815.1	2,499.2
2019	EURIBOR +0.75 %	EUR	2,636.8	0.0
2020	EURIBOR +1.38 %	EUR	1,232.4	2,273.5
2020	EURIBOR +1.35 %	EUR	82.4	136.0
2020	PRIBOR +1.20 %	CZK	509.0	805.7
2021	EURIBOR +0.90 %	EUR	520.0	710.0
2024	EURIBOR +1.30 %	EUR	6,266.5	7,570.9
2025	from EURIBOR +1.625 % to EURIBOR +1.65 %	EUR	9,702.6	11,239.8
2025	EURIBOR +2.125 %	EUR	638.0	729.1
2025	PRIBOR + 1.85 %	CZK	1,220.2	1,400.1
2026	PRIBOR +2.80 %	CZK	1,317.8	1,486.1
2026	from EURIBOR +2.00 % to EURIBOR +2.30 %	EUR	10,321.3	11,932.0
2027	from EURIBOR +2.00 % to EURIBOR +2.20 %	EUR	16,714.1	18,910.8
2029	EURIBOR +1.80 %	EUR	460.4	502.1
2031	EURIBOR +0.715 %	EUR	23,861.2	0.0
2031	EURIBOR +1.75 %	EUR	7,598.4	8,587.4
2033	EURIBOR +1.35 %	EUR	29,485.0	10,652.1
2034	LIBOR +2.25 %	USD	13,563.0	13,921.0
2035	EURIBOR +1.85 %	EUR	2,093.8	2,218.8
Total variable interest			**140,141.7**	**98,240.2**

			Book value 31/12/2018	Book value 31/12/2017
Term	Interest	Currency	TEUR	TEUR
2018	2.40 % fixed	EUR	0.0	127.1
2021	4.05 % fixed	EUR	1,355.0	1,900.8
2022	5.99 % fixed	CZK	1,741.4	1,950.1
2027	1.90 % fixed	EUR	9,405.1	10,278.4
2027	3.09 % fixed	USD	2,598.3	2,772.5
2028	1.95 % fixed	EUR	14,488.0	16,297.0
2028	2.00 % fixed	EUR	17,813.7	20,025.0
2029	2.00 % fixed	EUR	262.3	285.7
2030	2.00 % fixed	EUR	426.8	462.4
2030	2.89 % fixed	EUR	6,634.8	7,184.7
2031	1.85 % fixed	EUR	40,320.1	43,364.6
2033	6.22 % fixed	CAD	33,564.5	36,410.2
2034	1.35 % fixed	EUR	16,236.8	17,301.5
2035	5.35 % fixed	CAD	18,077.8	19,470.2
Total fixed interest			**162,924.3**	**177,830.2**
			303,066.1	**276,070.3**

Liabilities are repaid on an ongoing basis (not as bullet payments at maturity).

Liabilities from Finance Leases

			Book value 31/12/2018	Book value 31/12/2017
Term	Interest	Currency	TEUR	TEUR
2028	EURIBOR +2.40 %	EUR	3,173.5	4,108.6
Total variable interest			**3,173.5**	**4,108.6**
2019	3.35 % fixed	EUR	1,495.0	2,823.7
2018	5.92 % fixed	EUR	6,697.3	7,269.8
Total fixed interest			**8,192.3**	**10,093.5**
			11,365.8	**14,202.1**

The average effective interest rate of all financial liabilities was 3.02 % in the year under review (previous year: 3.04 %).

The following collateral has been provided for financial liabilities:

- Assignment of power plants by way of security
- Entry rights into the electricity supply contracts, purchasing agreements, rights of use contracts and leasing contracts
- Assignment of claims under feed-in contracts with energy supply companies
- Assignment of claims under machinery and business interruption insurance policies
- Limited personal easements on business premises
- Land registry security

(21) Bonds

Bond	ISIN no.	Interest	Term	Nominal amount	Effective interest rate	Book value 31/12/2018	Thereof short-term	Book value 31/12/2017	Thereof short-term
				TEUR		TEUR	TEUR	TEUR	TEUR
Wind power bonds									
Bond 2013–2018	AT0000A0Z7A0	4 % fixed	2018	7,954.0	4.00 %	0.0	0.0	7,949.5	7,949.5
Bond 2013–2023	AT0000A0Z785	5.5 % fixed	2023	6,391.0	5.51 %	6,359.5	-7.3	6,352.3	-7.3
Bond 2013–2023	AT0000A0Z793	5.25 % fixed	2023	10,211.0	5.25 %	5,079.5	1,011.5	6,088.8	1,009.5
Bond 2014–2019	AT0000A191B7	3.5 % fixed	2019	10,566.0	3.50 %	10,531.4	10,531.4	10,485.3	-46.1
Bond 2015–2020	AT0000A1GTN8	2.75 % fixed	2020	7,054.0	2.75 %	7,014.9	-20.4	6,994.5	-20.4
Bond 2015–2025	AT0000A1GTP3	4 % fixed	2025	8,532.0	4.31 %	5,908.1	837.6	6,744.0	835.8
Bond 2016–2021	AT0000A1MC14	2.5 % fixed	2021	6,963.0	2.50 %	6,908.6	-19.8	6,888.8	-19.8
Bond 2016–2026	AT0000A1MC22	3.75 % fixed	2026	6,872.0	4.05 %	5,435.9	673.7	6,108.1	672.2
Bond 2018–2028	AT0WEB1810A6	2.25 % fixed	2028	5,088.0	2.50 %	5,028.3	498.1	0.0	0.0
Accrued interest on bonds						**697.5**	**697.5**	**947.8**	**947.8**
Other subordinated loans ELLA						**272.0**	**9.7**		
						53,235.8	**14,212.0**	**58,559.1**	**11,321.2**

The wind power bonds are listed on the third market of the Vienna Stock Exchange and are deposited as collective certificates with the Austrian Kontrollbank Aktiengesellschaft. The denomination is EUR 1,000.00 each. The issue price and redemption price for all bonds are 100.

(22) Other Long-term Liabilities

TEUR	Book value 31/12/2018	Book value 31/12/2017
Loans	0.0	5.0
Fair value derivatives	2,849.9	2,230.1
	2,849.9	**2,235.1**

Derivative Financial Instruments

Description	Currency	Volume 31/12/2018	Term	Fair value 31/12/2018	Fair value 31/12/2017
		TEUR		TEUR	TEUR
1) Interest swap EUR/3M Euribor >> 1.1225 % fixed (TEUR 7,500)	EUR	629.9	01/07/2019	-1.7	-16.7
2) Interest swap EUR/3M Euribor >> 1.60 % fixed (TEUR 13,581)	EUR	6,790.5	31/12/2024	-340.0	-413.0
3) Interest swap CZK//1M Pribor >> 1.75 % fixed (TEUR 2,155.8)	CZK	1,317.8	31/08/2026	-5.8	-15.0
4) Interest swap EUR/3M Euribor >> 1.2775 % fixed (TEUR 13,644.6)	EUR	8,732.5	31/12/2026	-395.1	-428.8
5) Interest swap EUR/3M Euribor >> 1.29 % fixed (TEUR 14,875)	EUR	9,333.3	31/12/2026	-426.7	-465.0

6) Interest swap EUR/3M Euribor >> 1.24 % fixed (TEUR 6,727.5)	EUR	4,103.7	30/06/2026	-174.6	-192.6
7) Interest swap EUR/3M Euribor >> 1.01 % fixed (TEUR 9,116.9)	EUR	6,831.8	30/12/2031	-200.2	-177.0
8) Interest swap USD/1M Libor + 2.25 % >> 4.63 % fixed (TUSD 17,500.0)	USD	13,675.5	13/02/2027	-84.8	-148.6
9) Interest swap EUR/6M Euribor >> 1.092 % fixed (TEUR 25,360.0)	EUR	25,360.0	30/06/2032	-740.9	-373.4
10) Interest swap EUR/3M Euribor >> 0.83 5% fixed (TEUR 8,843.5)	EUR	8,843.5	30/06/2031	-169.1	0.0
11) Interest swap EUR/3M Euribr >> 0.835 % fixed (TEUR 16,266.5)	EUR	16,266.5	30/06/2031	-311.0	0.0
				-2,849.9	**-2,230.1**
FX Forward EUR/CAD rate of exchange 1.5393 (TEUR 3,949.8)[1]	EUR	3,949.8	29/05/2019	95.0	0.0

[1] See note (13) long-term financial assets

Our derivative financial instruments are interest rate swaps and FX forwards.

Interest rate swaps transform variable-rate financial liabilities into fixed-rate financial liabilities and thus mitigate the risk of higher interest payments in the event of rising interest rates. For all interest rate swaps, with the exception of item 1), the volume decreases according to the repayment of the hedged liability.

The FX forward hedges a fixed exchange rate – in our case EUR/CAD – and thus mitigates the risk of exchange rate fluctuations.

All interest rate swaps and the FX forwards qualify for hedge accounting (hedging of future cash flows). We have therefore recognized the change in fair value, after taking into account the tax effect of TEUR –469.6 (previous year: TEUR 315.8), in other comprehensive income.

(23) Income Taxes

Expenses for Income Taxes

	2018	2017
TEUR		
Actual expenses for income taxes for current period	1,824.1	3,394.0
Actual expenses for income taxes from previous periods	28.0	–208.9
Deferred income taxes for current period	1,338.7	26.4
Deferred income taxes from previous periods	18.2	0.0
	3,209.0	**3,211.5**

Earnings before taxes amounted to TEUR 13,810.9 (previous year: TEUR 19,078.0). Applying the Austrian income tax rate of 25% would result in a tax expense of TEUR 3,452.7 (previous year: TEUR 4,769.5). The income tax expense reported in the income statement for 2018 amounts to TEUR 3,209.0 (previous year: TEUR 3,211.5) and is thus TEUR 243.7 lower (previous year: TEUR 1,558.0 lower). The reasons for the difference are as follows:

	2018	2017
TEUR		
Earnings before taxes	**13,810.9**	**19,078.0**
Corporate tax rate	25.0 %	25.0 %
Expected tax expenses	**3,452.7**	**4,769.5**
Higher income taxes due to		
Higher foreign tax rates	413.5	409.0
Tax advantages from non-recorded deferred taxes	305.3	270.5
Non-deductible interest	18.7	62.7
Non-deductible fees	0.0	5.5
Impairment	0.0	86.3
Tax credits	35.9	0.0
Other reasons	165.5	85.9
Lower income taxes due to		
Tax-free income from investments	–174.8	–12.5
Loss allocation to investments	–137.5	0.0
Interest hybrid capital	–227.2	–250.6
Tangible assets	–167.9	0.0
Differences in foreign currencies	0.0	–253.6
Tax credits	0.0	–74.1
Other reasons	–69.5	–23.3
Deferred taxes attributable to minority shareholders	–173.9	–169.4
Income tax expenses from previous periods		
Actual income tax expenses from previous periods	28.0	–208.9
Deferred taxes from previous periods	18.2	–506.8
Changes in tax rates	–278.0	–978.7
Actual tax expenses	**3,209.0**	**3,211.5**
Effective tax rate	23.2 %	16.8 %

Deferred tax assets and deferred tax liabilities result from the following differences between the carrying amounts of assets and liabilities in the tax balance sheet and in the IFRS balance sheet as well as from tax loss carry-forwards existing on the balance sheet date:

	31/12/2018	31/12/2017
TEUR		
Differences in valuation between tax and IFRS balance sheet items:		
Intangible assets and property, plant and equipment	–22,012.5	–21,867.1
Financial assets	–1,011.2	–876.2
Other long-term assets	165.7	73.6
Other short-term assets	616.9	604.2
Financial obligations	3,050.2	3,718.0
Bonds	–158.7	–212.8
Long-term provisions	924.4	803.6
Other long-term obligations	152.4	211.5
Other short-term obligations	122.0	124.9
Loss carry-forwards	**4,139.3**	**4,454.5**
Net amount of deferred taxes	**–14,011.5**	**–12,965.8**
Thereof deferred tax assets	208.8	175.9
Thereof deferred tax liabilities	–14,220.3	–13,141.7

The net amount of deferred taxes changed as follows:

	2018	2017
TEUR		
Opening balance on January 1	**–12,965.8**	**–13,099.4**
Adjustment from first-time application of IFRS 9	–13.0	0.0
Foreign currency changes	147.6	78.3
Deferred taxes on 'Other comprehensive income'	163.6	89.1
Deferred taxes on issuing costs for hybrid capital	0.0	–7.4
Deferred taxes recorded in the P&L statement	–1,343.9	–26.4
Closing balance on December 31	**–14,011.5**	**–12,965.8**

The deferred taxes recognized in other comprehensive income relate to valuation results from hedging transactions. The previous year also included deferred taxes from financial instruments classified as 'available-for-sale', which will be recognized in profit or loss as of January 1, 2019 as a result of the amendments to IFRS 9.

We have not recognized deferred tax liabilities of TEUR 6,351.5 (previous year: TEUR 6,316.8) on differences between the tax base of investments in subsidiaries and the proportionate equity of these subsidiaries because we assume that these differences will not reverse in the foreseeable future or that a reversal will not be subject to income tax.

(24) Provisions

TEUR	As of 1/1/2018	Additions	Additions due to adjustment of discounting rate	Interest	Usage	Reversals	Currency changes	As of 31/12/2018
Demolition costs	11,699.3	1,228.2	0.0	239.7	0.0	0.0	–27.8	13,139.4
Severances	23.0	15.1	0.0	0.0	0.0	0.0	0.0	38.1
	11,722.3	**1,243.3**	**0.0**	**239.7**	**0.0**	**0.0**	**–27.8**	**13,177.5**
Thereof long-term	11,722.3							13,177.5

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

(25) Trade Payable and Other Liabilities

TEUR	31/12/2018	31/12/2017
Payables		
Trade payables	4,871.9	3,577.1
Outstanding invoices	2,413.3	2,021.7
Claims of employees and members of the Board of Directors	1,984.4	1,910.6
Others	551.1	374.4
	9,820.7	**7,883.8**
Non-financial payables		
Payables to tax authority	361.3	451.2
	10,182.0	**8,335.0**

Claims of employees and members of the Board of Directors basically contain a payable for unused vacation of TEUR 662.7 (previous year: TEUR 580.3), time credits of TEUR 158.1 (previous year: TEUR 142.0) and bonuses of TEUR 811.7 (previous year: TEUR 779.1).

The outstanding invoices mainly relate to outstanding invoices for construction services and consulting services already rendered.

5. Other Liabilities

5.1 Financial Obligations from Lease Agreements

The majority of our power plants are on leased land. The term of the lease agreements generally corresponds to the expected useful life of the respective plant. Based on the agreements, we are obligated to the following lease payments:

	31/12/2018	31/12/2017
TEUR		
For the following year	1,388.5	1,285.6
For the next 2 to 5 years	5,506.8	5,140.2
Greater than 5 years	20,292.8	18,908.9
Total[1]	**27,188.2**	**25,334.7**

[1] Prior-year figures have been adjusted.

The amounts provided are partly estimates because the total amount of the lease payments is dependent on uncertain factors, such as price index increases or adjustments linked to the revenues of wind power plants. Generally, the contracts oblige us to demolish and re-cultivate the production sites at the end of the contract term – see note (6) and chapter 6.

As of the balance sheet date, TEUR 38,782.3 (previous year: TEUR 46,145.7) was outstanding on major orders for investments in property, plant and equipment.

5.2 Unresolved Legal Disputes

Our subsidiary WEB Windenergie Deutschland GmbH is the defendant in an administrative dispute with a neighboring wind turbine operator concerning the construction of a wind farm in 2006. As the wind farm was erected according to plan by our subsidiary, the chances of success of the opponent's objections are very low. The lawsuit has yet to be concluded.

6. Discretionary Decisions and Uncertainty with Estimates

Preparation of our Consolidated Financial Statements required the following noteworthy judgments and estimates:

- A significant discretionary decision is to determine whether we exercise a controlling influence over investees. This is particularly relevant in cases where we do not have a majority shareholding.
- Further discretionary decisions relate to the capitalization of project development costs if the projects are sufficiently specified, which is generally documented by a project mandate from the Board of Directors.

The following estimates involve a considerable risk that they could lead to a significant reassessment in the coming fiscal years and thus to an adjustment of assets and liabilities:

- The assessment of the recoverability of investments in the project development of wind farms amounting to TEUR 8,838.2 (previous year: TEUR 6,591.8), which have not yet been finally approved for implementation, is based on the assessment of the probability of realization of the respective wind farm. Lack of acceptance among the population or unachievable permits can change this probability of realization quickly. In the fiscal year, we derecognized project costs of TEUR 430.5 (previous year: TEUR 787.4) as expenses due to unlikely project realization.
- An impairment test is carried out on our technical equipment and machinery if indicators of a possible impairment/reversal of impairment are discernible. The indicators identified by W.E.B are, for example, a shorter residual term of the subsidized tariff or unforeseen construction costs during construction.
- To assess the intrinsic value of our technical equipment and machinery, we determine the recoverable amount of the identified indicators, which corresponds to the present value of future cash flow surpluses. The result of the calculation depends on several assumptions. The most important 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 for discounting the future cash flows. The assumptions for the tariff are based on the trading prices for electricity and assume an unchanged price increase of 3 % p.a. in the medium to long term compared with the previous year. The capitalization interest rate used is the interest rate after tax, which reflects current market assessments, the time value of money and the specific risks of the respective asset. The after-tax interest rate was determined specifically for each valued investment depending on the remaining term and ranges from 3.51 % to 5.07 % (previous year: 3.69 % to 5.44 %). The pre-tax interest rate was calculated iteratively and ranges from 5.18 % to 56.41 % (previous year: 5.66 % to 13.33 %).

  The impairment tests did not result in any adjustments to be recorded in the fiscal year. In the previous year, we recognized impairment losses of TEUR 621.8 for power plants in Austria.

A change in the tariff and/or the interest rate would have the following effects on the result for the fiscal year 2018:

Electricity Price

	–20 %	–10 %	Base Case
	TEUR	TEUR	TEUR
WACC +0.5 %	–1,685.9	–750.5	–95.6
Base Case	–1,186.3	–268.9	0.0

- As a result of the repowering project at the Wörbzig site, the value of the existing wind farm was reviewed, as the repowering will shorten the useful life of the existing wind farm. As a result of the impairment test, we recorded an impairment loss of TEUR 1,594.9 in the previous year. Construction is proceeding according to plan. As a result, there is no further adjustment from the impairment test.
- Further assumptions and estimates relate to the determination of useful lives of property, plant and equipment (see section 9.3) and the determination of components of property, plant and equipment.
- The valuation of provisions for demolition costs with a book value of TEUR 13,139.4 as of December 31, 2018 (previous year: TEUR 11,699.3) is based on expert estimates and experience of the costs of demolishing comparable plants and 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 assets, so that any increase or decrease in the provision is recognized in income over the useful life of the asset rather than immediately.
- A tax audit was completed in the fiscal year 2016. The results of the tax audit were fully taken into account. Since the circumstances of the case involve a cross-border situation, we assume that the potential additional tax claim of one tax administration is offset by a claim for restitution against the tax authority of the other state. We presented this fact in the financial statements by recording a claim for repayment against the tax authorities of the other state (TEUR 949.1). External tax audits of companies included in the Consolidated Financial Statements for the years 2012 to 2016 were commenced in the fiscal year 2018. In the absence of preliminary results, there were no effects on the 2018 Consolidated Financial Statements. Future developments may lead to corresponding adjustments in subsequent periods.
- The hybrid bonds issued by us are reported in equity on the basis of the bond terms. These stipulate a contractual obligation to make interest and principal payments, if the decision was made to pay a dividend, distribute any funds or make any other form of payment for the prior year. Furthermore, the hybrid bonds are subordinated to all other liabilities.

7. Additional Disclosures on Financial Instruments

7.1 The Nature of Financial Instruments

The impact of the first-time application of IFRS 9 on our Consolidated Financial Statements is included in note (2).

The following table shows the carrying amount and fair value of the financial instruments (financial assets and financial liabilities) held by us on the respective balance sheet date and the valuation levels used to determine fair value. More detailed information on the valuation methods and the valuation levels can be found in chapter 9.3.

	Book value 31/12/2018	Book value 31/12/2017	Fair value 31/12/2018	Fair value 31/12/2017	Valuation levels
TEUR					
Financial assets valued at fair value					
Securities	434.4	420.1	434.4	420.1	Level 1
Shares in other companies	1,107.9	1,100.3	1,107.9	1,100.3	Level 2
Hedging transactions					
FX Forward with positive book values	95.0	0.0	95.0	0.0	Level 2
Financial assets not valued at fair value					
Loans and receivables					
Trade receivables	14,489.1	13,403.6	14,489.1	13,403.6	
Loans and other receivables	25,243.5	13,773.4	25,243.5	13,773.4	
Long-term credit	73.4	142.7	73.4	142.7	
Loans & capital reserve accounts	7,780.9	8,200.0	7,780.9	8,200.0	
Cash					
Cash and cash equivalents	20,448.7	32,083.4	20,448.7	32,083.4	
Total financial assets	**69,672.9**	**69,123.5**			
Financial liabilities valued at fair value					
Hedging transactions					
Interest rate swaps with negative book values	2,849.9	2,230.1	2,849.9	2,230.1	Level 2
Financial liabilities not valued at fair value					
Financial liabilities valued at amortized costs					
Financial obligations (incl. leasing)	314,431.9	290,272.4	308,138.7	282,806.6	
Financial obligations from bonds	53,235.8	58,559.1	57,322.3	61,572.3	
Trade payables and other financial obligations	9,539.6	7,446.5	9,539.6	7,446.5	
Total financial liabilities	**380,057.2**	**358,508.1**			

In the case of trade receivables, loans, other receivables and trade payables and other liabilities, the carrying amounts approximate fair values due to the essentially short remaining terms. There was no reclassification between the valuation levels in the year under review or in the previous year.

The carrying amounts of financial assets, pledged as collateral, amounted to TEUR 9,442.0 as of December 31, 2018 (previous year: TEUR 9,659.0). Part of this served as collateral for our contractual obligation to the landowners to dismantle the wind turbines at the end of their useful lives. The other part served as collateral for the liabilities to banks.

The financial instruments resulted in the following income and expenses:

	From subsequent valuation				From interest
2018	At fair value P/L neutral	Currency conversion	At fair value through profit or loss	Value adjustment	
TEUR					
Securities	0.0	0.0	14.3	0.0	0.0
Shares in other companies	0.0	0.0	0.0	0.0	0.0
Cash	0.0	0.0	0.0	0.0	213.7
Loans and receivables	0.0	0.0	4.1	0.0	1,090.6
Financial liabilities at amortized costs	0.0	1,268.3	0.0	0.0	–10,827.9
Hedging transactions	469.6	0.0	0.0	0.0	–858.5
Total	**469.6**	**1,268.3**	**18.4**	**0.0**	**–10,382.1**

Comparative information in accordance with IAS 39

	From subsequent valuation		From interest
2017	At fair value P/L neutral	Currency conversion	
TEUR			
Cash	0.0	0.0	84.7
Loans and receivables	0.0	0.0	1,755.6
Financial assets 'available for sale'	551.0	0.0	0.0
Financial liabilities at amortized costs	0.0	3,873.2	–10,485.8
Hedging transactions	–315.8	0.0	–940.3
Total	**235.2**	**3,873.2**	**–9,585.8**

IFRS 9 was applied for the first time as of January 1, 2018. The changes resulting from the application of IFRS 9 are reflected in the recognition of the fair value of financial assets in profit or loss and in the recognition of impairment losses on financial assets using the expected credit loss model.

As a result, financial assets were measured for the first time as of January 1, 2018. For companies for which a rating was available, we do not see any probabilities of default up to a rating of BB+, according to the assessments of rating agencies. For companies for which no rating is available, the probability of default in the electricity sector is assumed to be between 1 % and 3 %.

As a higher risk exists for non-current receivables, an expected credit loss of TEUR 305.3 on non-current assets was recognised as of January 1, 2018. As of January 1, 2018, there was a default risk from operating receivables in the amount of TEUR 73.5, which was not recognized due to immateriality.

The repayment of loans granted to non-controlling shareholders depends on the cash flows from the project companies. On the basis of the expected cash flows, it can be assumed that the loans can be repaid. Therefore, no expected credit losses were recorded on the loans.

The year-end valuation did not result in any changes in the valuation of non-current assets. The default risk from operating receivables amounting to TEUR 43.2 was not recorded due to immateriality. Expected credit losses therefore changed as follows in the fiscal year 2018:

TEUR	
Expected credit losses as of 31/12/2017	**0.0**
Of which from addition to provision for expected credit risks in the item other long-term receivables	305.3
Expected credit losses as of 01/01/2018	**305.3**
Value adjustments 2018	0.0
Expected credit losses as of 31/12/2018	**305.3**

7.2 Risk Arising from Financial Instruments

7.2.1 Liquidity Risk

Liquidity risk describes the risk that we may not be able to meet our financial obligations in accordance with the terms of the contract. The objective of our liquidity management is to ensure that we have sufficient liquid funds at all times to meet our payment obligations when they become due, both under normal and tense conditions (e.g. fluctuations in revenues due to changing wind situations).

The following contractual financial obligations exist at the balance sheet date (sorted by maturity, including interest payments, not discounted):

	Maturity		
31/12/2018	Up to 1 year	More than 1 year and up to 5 years	More than 5 years
TEUR			
Bonds	15,425.3	36,447.1	6,652.1
Obligations towards financial institutions	38,895.4	126,257.1	189,637.3
Lease obligations	3,030.0	5,652.0	3,803.2
Other obligations	10,182.0	0.0	0.0
Commitment for tangible assets	38,782.3	0.0	0.0
Total	**106,315.0**	**168,356.2**	**200,092.6**

	Maturity		
31/12/2017	Up to 1 year	More than 1 year and up to 5 years	More than 5 years
TEUR			
Bonds	12,749.6	39,686.4	13,485.0
Obligations towards financial institutions	39,861.7	122,240.7	200,737.1
Lease obligations	3,379.0	7,848.7	4,636.6
Other obligations	8,335.0	0.0	0.0
Commitment for tangible assets	46,145.7	0.0	0.0
Total	**110,471.1**	**169,775.8**	**218,858.7**

In order to secure existing financing, comprehensive pledges of assets and assignments of receivables have been agreed upon with the financial institutions. In addition, we are obligated to comply with certain financial ratios. A breach of these ratios could entitle the financial institutions to immediate repayment of the financing. In the case of a financing arrangement for a French wind farm, one-off effects (in particular in the form of shutdowns for the performance of noise measurements) and changes in production volumes resulted in a deviation from the estimate at the time the turbines were erected. As a result, key financial ratios for the reporting period 2018 could not be complied with. The financing bank issued an exemption to comply with the key figures for the reporting period and it was agreed to get an expert opinion evaluating the production volumes. Further discussions with the financing bank are to be held on the basis of this report.

When making investment decisions, we always consider the current liquidity situation as well as further liquidity planning. As of the balance sheet date, orders amounting to TEUR 38,782.3 (previous year: TEUR 46,145.7) were outstanding for property, plant and equipment.

7.2.2 Market Risks

We are subject to interest rate risk and exchange rate risk with respect to our financial assets and financial liabilities. The objective of our financial risk management is to limit these market risks through ongoing operational and financial activities. For this purpose, we use selected derivative and non-derivative hedging instruments depending on the assessment of the risk. We use derivative financial instruments exclusively as hedging instruments; they are not used for trading or other speculative purposes.

A list of derivative financial instruments can be found under note (22).

Interest Rate Risk

Fluctuations in interest rates represent a significant market risk for us. An increase in interest rates leads to higher interest expenses and cash outflows for financial liabilities with variable interest rates. In the case of financial liabilities with fixed interest rates, the fair value of the obligation increases as interest rates fall.

As of December 31, 2018, the proportion of financial liabilities subject to variable interest rates (taking into account the interest rate swaps concluded) was 13.4 % (previous year: 11.6 %). An interest rate increase of 1 percentage point would have reduced the annual result (before income taxes) by TEUR 424.4 p.a. (previous year: TEUR 340.5 p.a.) for the existing loan portfolio, as of the balance sheet date, and otherwise unchanged factors.

As of December 31, 2018, we were a contractual party to interest rate swaps with a nominal amount of TEUR 101,885.0 (previous year: TEUR 69,116.3). These interest rate swaps serve the exclusive purpose of substituting variable interest with fixed interest. They are designated as hedges (hedging of future cash flows) in accordance with IFRS 9. A detailed presentation of derivative financial liabilities, including fair values, can be found in the table under note (22). The average remaining term of the derivatives is 8.9 years (previous year: 9.0 years). Changes in interest rates have an effect on the valuation of interest rate swaps and, via the recognition of the valuation result in other comprehensive income, also on equity.

Currency Risk

Our currency risks result from investments and operating activities in non-euro countries. At present, this concerns activities in the Czech Republic, Canada and the USA. The investments were financed in part by equity but primarily through loans taken out in the respective local currency.

There is no hedging for equity financing. The equity risk for Canada is TEUR 15,989.3 (previous year: TEUR 15,989.3), for the Czech Republic TEUR 928.3 (previous year: TEUR 935.1) and for the USA TEUR 10,753.6 (previous year: TEUR 10,753.6). The resulting translation differences are recognized in other comprehensive income. In the fiscal year 2018, they amounted to TEUR 37.0 (previous year: TEUR 53.6) for the subsidiaries in the Czech Republic, TEUR -2,563.7 (previous year: TEUR -1,946.0) for those in Canada and TEUR -266.1 (previous year: TEUR -816.9) for those in the USA.

Financial liabilities denominated in foreign currencies as of the balance sheet date were as follows:

Financial Obligations

	31/12/2018	31/12/2017
TEUR		
Bank loan CHF	103.7	169.8
Bank loan CAD	52,326.4	55,891.7
Loan WEB AG – WEB NA CAD (company internal)	11,229.4	3,925.9
Loan WEB AG – WEB NA CAD (company internal)	3,961.4	0.0
Loan WEB AG – USA USD (company internal)	6,820.9	6,109.2
Bank loan CZK	4,788.3	5,642.0
Bank loan USD	17,308.1	16,693.4

To finance our activities in Canada, we took out loans in Canadian dollars in 2014 and 2017. In fiscal 2017, we also took out loans in US dollars to finance our activities in the USA. Thus, financing occurs in the same currency as the return cash flows from the investments. As the expected cash flows are sufficient to cover these financing transactions, the financial liabilities do not result in a currency risk based on the current assessment of the Board of Directors.

In addition, the parent company WEB Windenergie AG has granted a euro loan of TEUR 1,901.3 (previous year: TEUR 1,868.7) to the subsidiary WEB Wind Energy North America Inc. This results in a currency risk which was recorded in the financial year with a change of TEUR –73.6 (previous year: TEUR –1,014.5) and reported as a loss in other comprehensive income of TEUR 1,044.0 (previous year: loss of TEUR 970.4).

The parent company WEB Windenergie AG granted the subsidiary WEB Wind Energy North America Inc. a loan in the amount of TCAD 6,000.0 for short-term financing until May 29, 2019 during the fiscal year. We have hedged the resulting currency risk by concluding an FX forward. This is designated as a hedge (hedge of future cash flows) in accordance with IFRS 9. A detailed presentation of derivative financial liabilities including fair values can be found in the table below under note (22). The term of the hedge corresponds to the term of the hedged transaction. Currency fluctuations have an effect on the valuation of the FX forwards and, via the recognition of the valuation result in other comprehensive income, also impact equity.

The subsidiary WEB USA Inc. granted the parent company WEB Windenergie AG a US dollar loan in the amount of TEUR 651.8 (previous year: TEUR 766.1) for short-term financing. This results in a currency risk, which was recognised as a loss of TEUR 37.2 (previous year: profit of TEUR 119.5) in the income statement for the fiscal year.

The parent company WEB Windenergie AG took out a US dollar loan in previous years, which had a balance of TEUR 2,598.3 (previous year: TEUR 2,772.5) on the reporting date. The resulting currency risk was recognised as a loss in the amount of TEUR 128.7 (previous year: profit of TEUR 264.0) in the income statement.

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

An appreciation or depreciation of the euro against the following major currencies of financial liabilities by 10 % would have had the following effect on earnings before taxes and equity:

2018	10 % increase	10 % decrease
TEUR	result	result
CHF	9.4	–11.5
USD	295.5	–361.2
Total	**304.9**	**–372.7**

An appreciation or depreciation of the euro against the following major currencies of equity financing of the subsidiaries by 10% would have had the following effect on other comprehensive income and equity:

2018	10 % increase	10 % decrease
TEUR	result	result
CAD	–1,554.4	1,879.1
CZK	–142.4	174.0
USD	–960.6	1,174.1
Total	**–2,657.4**	**3,227.2**

Credit Risk

We are exposed to default risk both in our operating business and in certain investment and financing activities. In the investment and financing area, we conclude transactions as much as possible only with counterparties of impeccable credit rating.

The maximum default risk corresponds to the carrying amount of the financial assets plus the liabilities mentioned in chapter 6. There are no agreements to offset our receivables against existing liabilities.

The risk of bad debt losses is limited by the fact that we generate the majority of our revenues with government or quasi-government organizations. We carried out a valuation of our receivables as of the balance sheet date. For companies for which a rating was available, we do not see any probabilities of default up to a rating of BB+, according to the assessments of rating agencies. For companies for which no rating is available, the probability of default in the electricity sector is assumed to be between 1 % and 3 %. The default risk from operating receivables amounting to TEUR 43.2 was not recorded due to immateriality. As of December 31, 2018, the maximum default risk in connection with trade receivables was TEUR 14,489.1 (previous year: TEUR 13,403.6) and for all other receivables, loans, etc. TEUR 39,256.2 (previous year: TEUR 26,667.0).

8. Other Disclosures

8.1 Geographic Information

The following tables summarize selected financial information by major geographical regions. Revenues and non-current assets are allocated based on the company's locations.

Revenues

	2018	2017	Change
TEUR			
Austria	35,740.7	39,096.6	–9 %
Germany	13,999.6	16,646.9	–16 %
Italy	4,380.0	3,334.7	31 %
Czech Republic	2,563.0	2,477.2	3 %
France	13,751.3	11,125.0	24 %
Canada	12,093.0	12,672.9	–5 %
USA	2,955.9	3,038.5	–3 %
Total	**85,483.4**	**88,391.7**	**–3 %**

Non-current assets (intangible assets and property, plant and equipment)

	2018	2017	Change
TEUR			
Austria	181,630.7	171,296.7	6 %
Germany	56,124.0	58,284.4	–4 %
Italy	30,543.4	16,162.7	89 %
Czech Republic	8,860.8	9,779.3	–9 %
France	98,594.4	85,891.7	15 %
Canada	66,836.0	63,661.1	5 %
USA	22,624.9	21,887.9	3 %
Total	**465,214.3**	**426,963.8**	**9 %**

8.2 Notes to the Cash Flow Statement

The composition of cash and cash equivalents can be found under note (17).

We allocate interest inflows to investment activity and interest outflows to financing activity.

Cash outflows to non-controlling shareholders of TEUR 1,969.7 (previous year: TEUR 9,732.3) relate to repayments of equity. The majority of these funds were used to repay loans granted to shareholders with non-controlling interests.

Dividends of TEUR 6,922.9 (previous year: TEUR 4,326.8) and interest to hybrid capital investors of TEUR 908.9 (previous year: TEUR 1,020.0) were paid in the current fiscal year.

Cash outflows for additions to financial assets and other non-current assets in the amount of TEUR 8,680.9 (previous year: TEUR 10,508.4) relate to the acquisition of investments as well as payments for loans to non-controlling shareholders.

In the current fiscal year, we made the following payments for company acquisitions:

Payments for company acquisitions

	2018
TEUR	
Business combinations IFRS 3	4,553.7
Company acquisition purchase of project rights	2,650.1
Cash and cash equivalents acquired	–203.7
	7,000.1

Financial liabilities and bonds developed as follows:

		Cash			Non-cash				
	1/1/2018	Repay-ments	Additions	Loan fees	Interest	Forein currency differences	Loan fees	Change in scope of consolidation	31/12/2018
TEUR									
Financial liabilities	290,272.4	–37,993.2	62,953.6	–205.9	152.9	–1,268.3	520.5	0.0	314,431.9
Bonds	58,559.1	–10,515.5	5,088.0	–62.6	–228.2	0.0	145.1	249.9	53,235.8
	348,831.5	**–48,508.7**	**68,041.6**	**–268.5**	**–75.4**	**–1,268.3**	**665.6**	**249.9**	**367,667.7**

Income tax payments amounted to TEUR 2,053.6 (previous year: TEUR 3,596.1) and mainly relate to cash flows from operating activities.

8.3 Objectives of Capital Management

The objectives of capital management are, on the one hand, securing the company's continuation and the continued expansion of renewable energy generation in Europe, Canada and the USA, and, on the other hand, an adequate return on equity. Our goal is to achieve a long-term return on equity of 7 % to 10 %. In order 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 % long-term. As of December 31, 2018, the equity ratio was 25.56 % (previous year: 24.35 %) and the return on equity 8.00 % (previous year: 12.51 %).

In the reporting period, a dividend payout of TEUR 6,922.9 (previous year: TEUR 4,326.8) was approved at the Annual General Meeting. This corresponded to a dividend of EUR 24.00 per share (previous year: EUR 15.00). In the long-term, a significant portion of the consolidated net income is to be distributed as a dividend.

The distribution of a dividend of EUR 18.00 per share for 2018 is planned for 2019.

8.4 Business Relationships with Related Companies and Individuals

The related parties of our Group of companies include all non-consolidated affiliated companies, all associated companies and all joint ventures as well as the Board of Directors and members of the Supervisory Board and their close relatives and companies controlled by them. A list of companies in the Group is given in Appendix 1.

There were no significant business transactions with non-consolidated subsidiaries in the reporting year and in the previous year.

Operating and maintenance agreements have been concluded with Sternwind Errichtungs- und Betriebs GmbH and Sternwind Errichtungs- und Betriebs GmbH & Co KG, which are accounted for using the equity method, at arm's length. As of December 31, 2018, there were outstanding receivables of TEUR 17.2 (previous year: TEUR 15.8).

The capital contributions of non-controlling shareholders to Scotian WEB Inc. and Scotian WEB II Inc., Canada, were financed by loans from WEB AG. As of December 31, 2018, there were no outstanding receivables from Scotian Wind Inc., Canada (December 31, 2017: TEUR 700.5) and no outstanding receivables from Scotian Windfields Inc., Canada, of TEUR 2,961.1 (December 31, 2017: TEUR 3,225.4).

A loan was also granted by WEB AG to finance the capital contribution of non-controlling shareholders to Pisgah Mountain LLC, USA. As of December 31, 2018, outstanding receivables from Pisgah Holdings LLC, USA, amounted to TEUR 6,820.9 (December 31, 2017: TEUR 6,109.2).

To finance the capital contribution of non-controlling shareholders to Wisokolamson Energy LP, Canada, a loan was granted by W.E.B in the reporting period. As of December 31, 2018, there were outstanding receivables from Woodstock Wind LP, Canada, in the amount of TEUR 8,268.3 (December 31, 2017: TEUR 0.0).

Loans granted to project partners are referred to in note (13).

The law firm Sattler und Schanda, in which Supervisory Board member Reinhard Schanda is a partner, holds a consulting mandate. The legal advice is provided by lawyer Angela Heffermann, who works in the law firm. At its meeting on June 26, 2009, the Supervisory Board approved the continuation of the consulting mandate. Expenses of TEUR 8.3 (previous year: TEUR 9.7) were recorded in the reporting year. As in the previous year, there were no outstanding claims for fees from the Sattler und Schanda law firm as of December 31, 2018.

A contract exists with Supervisory Board member Martin Zimmermann for the construction and maintenance of brownfields related to wind power sites in Austria. In the year under review, we recorded expenses of TEUR 7.6 (previous year: TEUR 7.5). As of December 31, 2018, there were no outstanding liabilities (previous year: TEUR 0.0).

8.4.1 Executive Bodies of the Company

a) Board of Directors

In the fiscal year 2018, the Board of Directors consisted of the following persons:

Frank Dumeier, born March 29, 1962, Chair of the Board of Directors since April 30, 2016, collective representation

Michael Trcka, born 10 November 1970, Chief Financial Officer since May 1, 2009, collective representation

b) Supervisory Board

In 2018, the Supervisory Board consisted of the following persons:

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

Reinhard Schanda, born January 16, 1965, member of the Supervisory Board since June 19, 2009, Deputy Chair of the Supervisory Board since June 17, 2011, term of office until the Annual General Meeting in 2019

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

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

Andreas Dangl, born November 2, 1962, delegated member until May 25, 2018

c) Authorized Signatories

Claudia Bauer, born February 1, 1983, was appointed as authorized signatory on September 15, 2008, Stefanie Markut, born September 1, 1977, and 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 Board of Directors.

8.4.2 Officer Remuneration

In 2018, the members of the Board of Directors received remuneration totalling TEUR 592.0 (previous year: TEUR 469.2), of which TEUR 273.6 as performance-related components for the 2017 result (previous year: TEUR 159.1 relating to the 2016 result). The criteria for the performance-related components (variable remuneration) are the number of newly installed MW of power plant capacity in the respective financial year and achieving or exceeding a certain return on equity. We paid no remuneration (previous year: TEUR 0.0) to former members of the Board of Directors in the fiscal year.

We did not grant any advances to executive bodies of the company in 2018 (previous year: TEUR 0.0).

There are defined contribution plans to executive bodies. In the fiscal year, we paid contributions of TEUR 66.0 (previous year: TEUR 66.0) into the pension fund. There are no other benefit plans.

The remuneration of the Supervisory Board amounted to TEUR 140.0 in the year under review (previous year: TEUR 107.0).

EUR	
Josef Schweighofer	40,000.00
Reinhard Schanda	29,000.00
Stefan Bauer	27,000.00
Brigitte Ederer	13,260.27
Martin Zimmermann	22,000.00
Andreas Dangl (delegated member until 25 May 2018)	8,739.73
	140,000.00

We have taken out directors' and officers' liability insurance (D&O insurance), which covers certain personal liability risks for persons acting responsibly on behalf of WEB Windenergie AG and its subsidiaries. The costs (TEUR 14.2) are borne by the company.

9. Accounting and Valuation Methods

9.1 Companies included in the Consolidated Financial Statements

Our Consolidated Financial Statements include WEB Windenergie AG and its subsidiaries.

Subsidiaries are companies under our control. A controlling influence exists, when we

a) are able to execute decision-making power over the company and, thus, are able to dictate activities of the company, impacting its economic success,

b) participate in the economic success of the subsidiary; and

c) have the opportunity, by executing our decision-making power, to influence our economic success from the investments in subsidiaries.

A rebuttable indication of control is a shareholding of 50 % or more. However, control can also exist on the basis of contractual agreements. A list of all our subsidiaries is included in Appendix 1.

All subsidiaries are included in the Consolidated Financial Statements. This means that their assets and liabilities as well as their income and expenses are included in the consolidated balance sheet or income statement. This also applies if we hold less than 100% of the shares in a subsidiary. In that case, the (non-controlling) shares in the respective subsidiary attributable to the other shareholders are shown in the balance sheet under "non-controlling interests". Intragroup transactions, receivables, payables and significant unrealized gains (inter-company profits) are eliminated.

If we lose control of a subsidiary, we derecognize the assets and liabilities of the subsidiary and the non-controlling interests. The resulting gain or loss is recognized in the income statement.

Our Consolidated Financial Statements also include associated companies and joint ventures. Associated companies are entities in which we have significant influence but not control. A rebuttable indication of significant influence is an interest of between 20 % and 50 %. Joint ventures are companies that we manage jointly with one or more partners. Associated companies and joint ventures are accounted for using the equity method. This means that we include the shares in the balance sheet at acquisition cost when they are acquired. In subsequent periods, we adjust the value by our share of profit or loss and other comprehensive income as well as other changes in equity of the associated company (e.g. distributions). We only assume a loss as long as the remaining value of the shares is positive.

The number of companies included in the Consolidated Financial Statements developed as follows during the fiscal year:

	Subsidiaries	Associated companies and joint ventures
As of 1/1/2017	**28**	**6**
Newly established companies	3	0
Acquired companies	0	2
Dissolution of companies	0	0
As of 31/12/2017	**31**	**8**
Newly established companies	3	0
Acquired companies	4	–2
Dissolution of companies	0	0
As of 31/12/2018	**38**	**6**

Companies newly founded by us

In Canada, Wisokolamson Energy GP Inc, Canada, and Wisokolamson Energy LP, Canada, were founded together with a project partner in March 2018. We hold 100% of the shares in Wisokolamson Energy GP Inc. Wisokolamson Energy GP Inc. is the managing director of Wisokolamson Energy LP. We hold a 49 % stake in Wisokolamson Energy LP. As we have a controlling influence over Wisokolamson Energy GP Inc., Wisokolamson Energy LP is fully consolidated. Wisokolamson Energy GP Inc. is not consolidated due to immateriality.

In May 2018, WEB Windpark Wörbzig Verwaltungs GmbH and WEB Windpark Wörbzig GmbH & Co KG were founded in Germany to implement the Wörbzig Repowering project. We hold 100% of the shares of both companies. WEB Windpark Wörbzig GmbH & Co KG is fully consolidated and WEB Windpark Wörbzig Verwaltungs GmbH is not consolidated due to immateriality.

WEB Conza SRL, Italy, was founded to operate the Conza photovoltaic plant acquired in 2018. The company is fully consolidated.

In August 2018, ELLA Verwaltungs GmbH, in which we hold 100 %, was founded. Due to immateriality, this company is not consolidated.

Companies acquired by us

In the current financial year, we made the following payments for company acquisitions:

Payments for company acquisitions

2018

TEUR	
Business combinations IFRS 3	4,553.7
Company acquisition purchase of project rights	2,650.1
Cash and cash equivalents acquired	–203.7
	7,000.1

- with prior interest

In January 2018, all shares in Società Elletrica Ligure Toscana S.r.l., Italy, were acquired, resulting in an ownership increase from 50 % to 100 %. The company only owns rights to a wind farm project. This is not a business combination within the meaning of IFRS 3. The company is fully consolidated.

At the Annual General Meeting of ELLA AG on June 19, 2018, a simplified capital reduction to zero was approved to offset the losses incurred to date and a capital increase to TEUR 70.0 was also approved. Only WEB Windenergie AG participated in this capital increase, whereby the shares of W.E.B. increased from 38.7 % to 100 %. The entry in the commercial register was made on August 1, 2018.

The acquisition date in accordance with IFRS 3 was August 1, 2018 – representing the date on which the ELLA AG was fully consolidated in the Consolidated Financial Statements of W.E.B. Until the acquisition of 100 % of the shares, the company was recorded as an associated company in the Consolidated Financial Statements. It is therefore a successive acquisition. At the time of acquisition, the carrying amount corresponded to the fair value of the equity interest held in ELLA AG.

In September 2018, ELLA AG was converted into ELLA GmbH & Co KG.

The following table provides an overview of the purchase price allocation to the individual assets and liabilities acquired by us on the acquisition date. The purchase price allocation was finally completed in the fiscal year 2018.

Assets and liabilities immediately prior to the acquisition were as follows:

2018

TEUR	
Industrial property rights	17.6
Property, plant and equipment	409.2
Stockpiles	12.0
Trade accounts receivable and other receivables	1.1
Receivables from affiliated companies	9.3
Cash and cash equivalents	124.5
Bonds	–259.6
Trade accounts payable and other liabilities	–41.9
Liabilities to affiliated companies	–152.8
Net assets acquired	**119.3**

Purchase price allocation to assets and liabilities:

2018

TEUR	
Industrial property rights	17.6
Goodwill	34.4
Property, plant and equipment	409.2
Stockpiles	12.0
Trade accounts receivable and other receivables	1.1
Receivables from affiliated companies	9.3
Cash and cash equivalents	124.5
Bonds	–259.6
Trade accounts payable and other liabilities	–41.9
Liabilities to affiliated companies	–152.8
Total acquisition costs = share purchase price	**153.7**

Goodwill resulting from the acquisition was determined as follows:

2018

TEUR	
Consideration transferred	153.7
Fair value of the identified net assets	119.3
	34.4

The goodwill was completely written off in the fiscal year.

Revenue recognized in our Consolidated Financial Statements since the acquisition date and the loss of ELLA AG:

1/8/2018–31/12/2018

TEUR	
Merchandise revenues	41.1
Revenues in connection with loading operations	28.3
Total	**69.4**
Loss 01/08–31/12/2018	–78.7

Revenue and loss of ELLA AG in the period January 1, 2018 to December 31, 2018 were as follows:

1/8/2018–31/12/2018

TEUR	
Merchandise revenues	55.1
Revenues in connection with loading operations	55.2
Total	**110.3**
Profit 01/01–31/12/2018	27.1

– without prior interest

In July 2018, WEB Windenergie AG acquired 100% of the shares of WindSale Holding GmbH, Germany. The company has project rights for wind energy projects at various locations in Brandenburg. This is not a business combination within the meaning of IFRS 3. The company is fully consolidated.

In October 2018, ARSOLAR s.r.l., Italy, was acquired with a PV park. The company is fully consolidated.

The following table provides an overview of the purchase price allocation to the individual assets and liabilities acquired by us on the acquisition date. The purchase price allocation was finally completed in the fiscal year 2018.

The assets and liabilities immediately prior to the acquisition were as follows:

2018

TEUR	
Property, plant and equipment	4,400.0
Trade accounts payable and other liabilities	–7.9
Net assets acquired	**4,392.1**

Purchase price allocation to assets and liabilities:

2018	
TEUR	
Goodwill	7.9
Property, plant and equipment	4,400.0
Trade accounts payable and other liabilities	–7.9
Total acquisition costs = share purchase price	**4,400.0**

Goodwill resulting from the acquisition was determined as follows:

2018	
TEUR	
Consideration transferred	4,400.0
Fair value of the identified net assets	4,392.1
	7.9

The goodwill was completely written off in the fiscal year.

Revenue and profit of ARSOLAR s.r.l. recognized in our Consolidated Financial Statements since the date of acquisition:

1/10/2018–31/12/2018	
TEUR	
Electricity revenues from photovoltaic systems	194.2
Total	**194.2**
Profit 01/10–31/12/2018	41.3

Revenue and profit of ARSOLAR s.r.l. for the period January 1, 2018 to December 31, 2018 are as follows:

1/1/2018–31/12/2018	
TEUR	
Electricity revenues from photovoltaic systems	194.2
Total	**194.2**
Profit 01/01–31/12/2018	41.3

9.2 Foreign Currency Translation

Our Consolidated Financial Statements are prepared in euros. The Consolidated Financial Statements include business transactions concluded in a different currency. In addition, the Consolidated Financial Statements include subsidiaries whose currency is other than the euro, namely the Czech koruna (CZK), the US dollar (USD) and the Canadian dollar (CAD).

Transactions in foreign currencies are translated at the exchange rate on the day of the transaction. Monetary assets and liabilities such as cash and cash equivalents, receivables and liabilities denominated in foreign

currencies as of the balance sheet date are being translated at the exchange rate (bid/offer rates) prevailing on that date. The resulting foreign currency gains and losses are recognized in the income statement under financial result. Assets and liabilities of subsidiaries reporting in foreign currencies are translated at the exchange rate on the balance sheet date. Items in the income statement are translated at the average exchange rate for the fiscal year. Resulting foreign currency gains and losses are recognized in other comprehensive income.

For the financial statements as of December 31, 2018 and 2017, we used the following exchange rates:

	Valuation rate 31/12/2018	Average rate 2018	Valuation rate 31/12/2017	Average rate 2017
CZK	25.7240	25.6627	25.5350	26.4116
CHF	1.1269		1.1702	
USD	1.1450	1.1838	1.1993	1.1247
CAD	1.5605	1.5282	1.5039	1.4653

9.3 Other Accounting and Valuation Methods

9.3.1 Goodwill and Intangible Assets

Our intangible assets mainly consist of water rights and IT software. Acquisition costs are amortized on a straight-line basis over the expected useful life. We estimate these as follows:

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

Intangible assets consist exclusively of assets acquired from third parties. To date, we have not recognized any intangible assets that were generated internally because the criteria required by IAS 38 were not met. Expenditures for research activities are recognized in the income statement when incurred.

In case of a business combination, the consideration transferred must be compared with the fair value of the net assets acquired. If the difference is positive, we will recognize a goodwill. If it is negative, we will review the valuation approaches of the influencing variables that cause the difference. If a negative balance remains after the review, it is recognized in the income statement.

9.3.2 Property, plant and equipment

Property, plant and equipment are recognized at cost. This also includes the costs of the project development for each plant that are capitalized upon adequate progress of a project. Costs of the general project advertising phase, on the other hand, are recognized as an expense in the income statement as incurred. Likewise, we record costs that arise due to significant deviations from the original project plan in expenses. If the construction phase for fixed assets extends over a longer period of time, we will capitalize the accumulating interest on borrowed capital as a component of the manufacturing costs. If we receive government grants for the construction, we will reduce the cost of property, plant and equipment by the same amount.

The lease agreements with property owners include contractual obligations to demolish and re-cultivate the production sites. We estimate the expected costs on the basis of the total investment and the recommendation of the German Federal Association for Wind Energy (Bundesverband WindEnergie e.V.). As in the previous year, this results in a provision of TEUR 30.0 per megawatt of installed capacity, which we capitalize as part of the acquisition costs.

We lease wind and photovoltaic power plants by means of finance leasing. We recognize these as fixed assets in the balance sheet at the lower of fair value or the present value of the contractually agreed minimum lease payments. The payment obligations resulting from the leasing agreements are recorded as financial liabilities.

Property, plant and equipment is depreciated on a straight-line basis over its expected useful life. We estimate these as follows:

	Useful life
Wind power plants	20 years
Photovoltaic plants	20 years
Hydroelectric power plants	20–30 years
Office buildings	50 years
Hydroelectric power plants (building), operating warehouse	33 years
Property facilities	10–15 years
Other equipment, operating and office equipment	2–20 years

9.3.3 Impairment of Non-Financial Assets

For our non-financial assets (primarily intangible assets and property, plant and equipment), we assess at each balance sheet date whether there are any indications of impairment. If there are such indications, we will carry out an impairment test. Such indications may be, for example, the short remaining term of the subsidized tariff for the electricity generated in our power plants or unforeseeable construction costs during construction.

An asset, such as a power plant, is impaired when the carrying amount on our balance sheet exceeds the recoverable amount of the asset. The recoverable amount is the higher of an asset's value in use and its fair value less costs to sell.

We determine the value in use as the present value of the expected future cash flows from the continued and unchanged use of the asset based on existing planning calculations. Planning calculations are based on forecasts published by renowned institutions on the development of electricity prices, information from plant manufacturers and industry and expert experience, which we supplement with our assessments based on our experience. The capitalization interest rate is the after-tax interest rate that reflects current market estimates of the fair value and the risks specific to the asset. The interest rates used are shown in chapter 6.

The fair value is based on the market sale prices of comparable assets less costs to sell.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. If, in subsequent periods, the reasons for the impairment no longer apply, the impairment loss will be reversed in the income statement up to a maximum of the amount resulting from the amortization of the asset's original cost.

9.3.4 Financial Instruments

We record our financial instruments on the respective settlement date. This is the day on which the respective financial instrument is transferred from the buyer to us in the case of a purchase and from us to the buyer in the case of a sale.

According to IFRS 9, financial assets are classified on the basis of the respective business model and the characteristics of the contractual cash flows of the respective financial instruments. Financial assets are recorded according to their classification either at amortized cost, at fair value through profit or loss in the income statement or at fair value in other comprehensive income.

The valuation of our financial instruments depends on which valuation category they are assigned to. The table shows the change in valuation due to the application of IFRS 9:

Financial instruments	Rating category / Measurement in accordance with IAS 39	Measurement in accordance with IFRS 9
Shares and investments (except in subsidiaries or associated companies)	Available-for-sale financial assets/ liabilities at fair value; Changes in value in other comprehensive income	Fair value; Changes in value in the income statement
Securities	Available-for-sale financial assets/ liabilities at fair value; Changes in other comprehensive income	Fair value; Changes in value in the income statement
Receivables, long-term credit and loans	Loans and receivables/ amortized cost	Continuing acquisition cost
Financial liabilities from bonds and loans	Financial liability valued at amortized cost	Continuing acquisition cost
Bank liabilities and leasing obligations	Financial liability valued at amortized cost	Continuing acquisition cost
Derivative financial instruments	Hedging/with fair value hedges; changes in value in other comprehensive income or in the income statement	Fair value; Changes in value in other comprehensive income or in the income statement

The fair value is the price that would be obtained in an arm's length transaction between market participants on the measurement date when an asset is sold or the price to pay for the transfer of debt. Depending on the availability of observable market information (parameters) for the asset or debt item in question, we are able to

- obtain a value based on an existing price in an active market for identical assets or liabilities (e.g. publicly traded securities; valuation level 1), or

- derive a value based on objective parameters which are either directly or indirectly observable for the asset or liability (e.g. interest rates used to determine the fair value of interest rate swaps; valuation level 2) or – in case such parameters do not exist,
- calculate a value using our best estimates, based on statistical data or on parameters derived from expert assessments (e.g. when determining the fair value for individual wind turbines as part of the impairment test; valuation level 3).

The amortized cost of a financial asset (e.g. for credits) or financial liability (e.g. for our bonds) is the amount at which the financial instrument was measured on initial recognition in the balance sheet, plus or minus the cumulative amortization of any difference between the original amount and the amount repayable at maturity using the effective interest rate method, less repayments and impairments. This amount may differ significantly from the fair value.

Derivative financial instruments in our corporate group relate to interest rate swaps and FX forwards. We use interest rate swaps to ensure that future interest payments do not exceed a certain amount when interest rates rise. With FX forwards, we hedge an exchange rate so that we are not exposed to exchange rate fluctuations. We value our hedging transactions at fair value. If positive fair values exist on the balance sheet date, they will be included in the item "Receivables and other assets". Negative fair values are included in "Other liabilities". Changes in value are recognized directly in other comprehensive income. At the expiration of an interest rate swap, the fair value is zero.

9.3.5 Impairment of Financial Assets

We review at each balance sheet date whether credit losses are expected on financial assets, measured at amortized cost. The assessment is based on external ratings, past payment history and objective indicators that risks exist with regard to the collectability of financial assets. The amount of the impairment 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 impairments are recognized in the income statement.

9.3.6 Inventories

Inventories are measured at the lower of cost or net realizable value at the balance sheet date. Valuation is based on the moving average price method.

Acquisition costs include all costs of acquisition, processing and other costs incurred in order to bring the inventories to their present location and condition.

9.3.7 Provisions

Provisions are liabilities with an uncertain maturity and amount. We recognize provisions in the balance sheet when we have a legal or de facto 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. Provisions are measured at the amount that represents the best estimate of the future expenditure required to settle the obligation. If material, we discount the amount to its present value at the balance sheet date. The interest rate applied in the fiscal year 2018 was 2.0 % (previous year: 2.0 %). The resulting interest accrual on provisions is recognized in other financial result. The provisions shown on

the balance sheet mainly relate to our obligations to demolish or re-cultivate the generation sites. Further information on the valuation of these provisions is provided under the accounting policies for property, plant and equipment.

9.3.8 Income Taxes

Income taxes comprise all domestic and foreign taxes that are dependent on profit. Income taxes also include source taxes owed to us by a subsidiary or associated company as a result of dividend distributions.

The income tax expense or income reported in the income statement relates both to income taxes actually paid or owed in the respective fiscal year and to deferred income taxes resulting from temporary differences between IFRS and tax values for assets and liabilities and only affecting actual income taxes in future periods. Income taxes related to transactions recognized in other comprehensive income are not recognized in the income statement (but in other comprehensive income).

The current income taxes for the individual companies of our Group are calculated on the basis of the taxable income of the companies and the tax rate applicable in the respective country.

Deferred taxes are calculated for all temporary differences between the carrying amounts of assets and liabilities in the IFRS consolidated financial statements and in the tax accounts. Excluded are differences resulting from goodwill not deductible for tax purposes and from shares in subsidiaries and associated companies. However, the latter are only excluded if we do not expect these differences to be realized in the foreseeable future and if we are able to determine the realization ourselves. Deferred tax liabilities are recognized for temporary differences that will result in a future tax charge. Deferred tax assets are recognized for temporary differences that result in future tax relief or credit. In addition, we recognize deferred tax assets for existing tax loss carry-forwards. In all cases, however, we only recognize deferred tax assets up to the amount that we are likely to realize in the coming years.

Deferred taxes are measured at the respective local tax rate to be applied in the future. Discounting is not planned. The tax rates in the individual countries are as follows:

- Austria: 25.00 % (previous year: 25.00 %)
- Germany: 27.00–30.00 % (previous year: 30.00 %)
- France: 25.00–28.00 % (previous year: 25.00–33.33 %)
- Canada: 31.00 % (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 %)

In France, the applicable local tax rates will be reduced to a rate of 25 % in annual steps until 2022. In the previous accounting period, a tax rate of 28 % was applied. As we use the local tax rates for the valuation of deferred taxes, this adjustment leads to a reversal of deferred tax liabilities in the amount of TEUR 148.5 in the reporting period.

9.3.9 Revenue Recognition

Revenue from the sale of electricity generated in our wind farms, photovoltaic plants and hydroelectric power plants is recognized at the time it is fed into the respective grid in the amount of the existing feed-in tariff.

Revenue from the sale of green electricity to our customers is recognized when the obligation to perform has been fulfilled. Revenues from operations management and other commercial and technical services are recognized when the services are rendered.

9.3.10 Interest and Income from Investments

Interest expenses comprise interest and similar expenses incurred on borrowings and finance leases, with the exception of the portion recognized as part of the acquisition cost of property, plant and equipment. We determine the interest expense based on the effective interest rate. We thus distribute discounts and surcharges, fees, cost of procuring money and similar expenses directly related to the financing over the fixed term of the respective financing.

Income from investments in non-consolidated or associated companies is recognized at the time the resolution on the dividend distribution is passed.

9.4 New rules to be applied in the future

The following standards will have to be newly applied in the coming years:

Standard/ interpretation	Titel of standard/ interpretation	Fiscal year of first-time adoption	Type of change
IFRS 16	Leasing	01/01/2019	New regulations for the lessee/tenant for the purpose of accounting for rights and financial obligations from leasing/rental and comparable contracts
Amendments IFRS 9	Prepayment regulations with negative compensation	01/01/2019	Amendments relate to limited adjustments to the accounting policies applied for the assessment criteria relevant for the classification of financial assets
IFRIC 23	Uncertainty with regard to the income tax treatment	01/01/2019	Amendments to IAS 12 with regard to the consideration of uncertainties with regard to the income tax treatment of facts and transactions

We are obliged to apply IFRS 16 Leasing as of January 1, 2019. We apply IFRS 16 modified retrospectively. We have assessed the estimated impact of the adoption of IFRS 16 on our Consolidated Financial Statements. The actual effects of the application of this standard as of January 1, 2019 may differ, as we have not yet completed all controls and the accounting policies may be subject to change prior to the publication of the first Consolidated Financial Statements after January 1, 2019.

IFRS 16 introduces a uniform accounting model under which leases are recognized in the lessee's balance sheet. A lessee recognizes a right of use that represents its right to use the underlying asset as well as a liability from the lease that represents its obligation to make lease payments. There are simplified rules for short-term leases and low-value leases. Accounting by the lessor is comparable to the current situation – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces the existing rules on leases, including IAS 17 Leases, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Lease – Incentives' and SIC-27 'Evaluating the Substance of Transactions in the Legal Form of a Lease'.

Leases in which we are leeses

Starting in 2019, we will recognize assets and liabilities for our operating leases for power plant sites (see note (6) Other Operating Expenses). We will not show any lease expenses from these leases, but rather depreciation for the rights of use and interest expenses from the lease liabilities. No material effects on finance leases are expected.

Based on information currently available, we estimate that we will recognize additional lease commitments of TEUR 19,692.4 as of January 1, 2019.

We do not expect any significant changes in leases in which we are lessors.

We intend to apply IFRS 16 for the first time as of January 1, 2019 using the modified retrospective method. For this reason, the cumulative effect of applying IFRS 16 is recognized as an adjustment to the opening balance of retained earnings as of January 1, 2019; comparative information is not adjusted. We intend to make use of the simplification provision regarding the retention of the definition of a lease during the change-over. This means, we apply IFRS 16 to all contracts that we entered into before January 1, 2019 and which were identified as leases in accordance with IAS 17 and IFRIC 4.

We do not expect the application of the amendments to IFRS 9 and IFRIC 23 to result in any material changes to our Consolidated Financial Statements.

10. Events After the Balance Sheet Date

During a referendum on wind energy in Spannberg, Austria, on 20 January 2019, 67 % voted in favor of an expansion; voter turnout was around 71 %. W.E.B has been operating wind turbines in Spannberg since 2005. The reason for this referendum is the planning of further sites in the vicinity of the town. The result shows that wind energy is highly accepted. This must be kept in mind considering the political goals, in particular the Mission 2030 of the Austrian Federal Government, in which Austria intends to cover its entire national electricity consumption from renewable sources by 2030.

In March 2019, a plant of the Austrian wind farm Pottenbrunn I was decommissioned. This is a 0.5 MW plant in its 22nd year of operation. The expected plan deviation in electricity production will be around 1,000 MWh. This has an influence on the W.E.B annual result in the per thousand range.

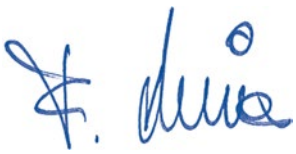
On February 18, 2019, 50 % of the shares in WindSale Holding GmbH, Germany, were sold and subsequently renamed WEB Windenergie Brandenburg GmbH. Due to the loss of control, deconsolidation took place in February 2019. Since then, WEB Windenergie Brandenburg GmbH has been included in our Consolidated Financial Statements as an associated company.

WEB Ariano Srl, Italy, was founded on February 19, 2019. On February 26, 2019, this company acquired 100 % of the shares in Campo Eolico Ariano S.r.l, Italy. Campo Eolico Ariano S.r.l, Italy, holds project rights for the construction of a wind farm with a capacity of 84 MW. On March 27, 2019, 25 % of the shares in WEB Ariano Srl, Italy, were sold. Since then we have held 75 % of the shares.

The Board of Directors approved these Consolidated Financial Statements on April 12, 2019.

The individual financial statements of the parent company, which were prepared in accordance with International Financial Reporting Standards, were also included in the Consolidated Financial Statements, and they were submitted to the Supervisory Board for review on April 12, 2019. The Supervisory Board may adopt the annual financial statements or delegate their adoption to the Annual General Meeting.

Pfaffenschlag, April 12, 2019



Frank Dumeier
CEO

Michael Trcka
CFO

Corporate Group Companies

Information on affiliated companies according to section 238 (4) of the Austrian Company Code (UGB)

Company	Headquarters	Country	Consolidation type
WEB Windenergie AG	Pfaffenschlag	Austria	FC
WEB Windpark GmbH & Co KG	Pfaffenschlag	Austria	FC
WEB PV GmbH & Co KG	Pfaffenschlag	Austria	FC
WEB PV GmbH	Pfaffenschlag	Austria	NC
WEB DHW Wind GmbH & Co KG	Pfaffenschlag	Austria	FC
WEB DHW Wind GmbH	Pfaffenschlag	Austria	NC
WEB Traisenwind GmbH	Pfaffenschlag	Austria	FC
WEB Windenergie Germany GmbH (formerly: WEB Windenergie Betriebsgesellschaft Germany GmbH)	Hamburg	Germany	FC
WEB Windenergie Loickenzin GmbH	Tützpatz	Germany	FC
WEB Energie du Vent SAS	Paris	France	FC
Parc éolien de Champigneul Pocancy SAS	Paris	France	FC
WEB Větrná Energie s.r.o.	Brno	Czech Republic	FC
Friendly Energy s.r.o.	Brno	Czech Republic	FC
WEB Italia Energie Rinnovabili s.r.l.	Bolzano	Italy	FC
WEB Wind Energy North America Inc.	New Brunswick	Canada	FC
ELLA GmbH & Co KG (formerly: ELLA AG)	Pfaffenschlag	Austria	FC
ELLA Verwaltungs GmbH	Pfaffenschlag	Austria	NC
Les Gourlus Holding SAS	Paris	France	FC
Parc éolien des Portes du Cambresis	Paris	France	FC
CEPE de Bel-Air Nord SAS	Paris	France	FC
W.E.B Parc éolien des Vallées SAS	Paris	France	FC
W.E.B Parc éolien des Vents du Serein SAS	Paris	France	FC
W.E.B Parc éolien du Pays Blancourtien SAS	Paris	France	FC
WEB Grid SAS (formerly: W.E.B Parc éolien Tortefontaine)	Paris	France	FC
Les Gourlus Holding II SARL	Paris	France	NC
Regenerative Energy Bulgaria EOOD	Sofia	Bulgaria	NC
WindSale Holding GmbH	Hamburg	Germany	FC
WEB Windpark Wörbzig GmbH & Co KG	Hamburg	Germany	FC
WEB Windpark Wörbzig Verwaltungs GmbH	Hamburg	Germany	FC
Windpark Grube Verwaltungs GmbH	Grube	Germany	FC
WEB USA Inc.	Delaware	USA	FC
SWEB Development USA LLC	Delaware	USA	FC
Pisgah Mountain USA LLC	Maine	USA	FC
Zweite WP Weener GmbH & Co. KG	Weener	Germany	EQ
Tauernwind Windkraftanlagen GmbH	Pottenbrunn	Austria	EQ
Sternwind Errichtungs- und BetriebsgmbH	Bad Leonfelden	Austria	EQ
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Vorderweißenbach	Austria	EQ
WEB Windenergie Betriebs GmbH	Pfaffenschlag	Austria	NC
Società di gestione impianti fotovoltaici s.r.l.	Bolzano	Italy	FC
WEB Conza s.r.l.	Bolzano	Italy	FC
ARSOLAR S.R.L.	San't Andrea Di Conza	Italy	FC
WP France 4 SNC	Paris	France	FC
WEB Windenergie Loickenzin Betriebsgesellschaft GmbH & Co KG	Tützpatz	Germany	FC
Scotian Web Inc. (incl. Ltd. Partnership Contract)	Halifax	Canada	FC
Scotian Web II Inc. (incl. Ltd. Partnership Contract)	Halifax	Canada	FC
Scotian Web III Inc. (incl. Ltd. Partnership Contract)	Halifax	Canada	NC
SWEB Development Inc. (incl. Ltd. Partnership Contract)	Halifax	Canada	FC
SWEB Ownership Ontario Inc. (incl. Ltd. Partnership Contract)	Toronto	Canada	NC
SWEB Development Ontario Inc. (incl. Ltd. Partnership Contract)	Toronto	Canada	NC
Wisokolamson Energy GP Inc. (incl. Ltd. Partnership Contract)	Saint John	Canada	FC
SASU Energie Verte Plaine d'Artois	Le Havre	France	EQ
Société d'Electricité du Nord SARL	Paris	France	FC
Società Elletrica Ligure Toscana s.r.l.	Mailand	Italy	FC
Black Spruce Windenergy GP Inc. (incl. Ltd. Partnership Contract)	Winnipeg	Canada	EQ

FC ... Full consolidation EQ ... Equity valuation NC ... Not consolidated

Stake	Stake prior year	Balance sheet date	Equity	Annual result	Foreign currency equity	Foreign currency annual result	Exchange rate
			TEUR	TEUR			
		31/12/2018	66,095	5,673			
100 %	100 %	31/12/2018	8,373	2,953			
70 %	70 %	31/12/2018	222	32			
70 %	70 %	31/12/2018	–1	–1			
100 %	100 %	31/12/2018	3,014	379			
100 %	100 %	31/12/2018	1	–1			
51 %	51 %	31/12/2018	–134	–158			
100 %	100 %	31/12/2018	17,620	2,728			
100 %	100 %	31/12/2018	20	–2			
100 %	100 %	31/12/2018	–1,820	878			
100 %	100 %	31/12/2018	–105	–20			
100 %	100 %	31/12/2018	2,465	655	CZK 63,419,943	CZK 16,840,211	25.724
100 %	100 %	31/12/2018	555	153	CZK 14,269,946	CZK 3,945,735	25.724
100 %	100 %	31/12/2018	2,028	74			
100 %	100 %	31/12/2018	29,865	2,390	CAD 46,604,017	CAD 3,729,771	1.561
100 %	39 %	31/12/2018	42	27			
100 %		31/12/2018	1	–4			
100 %	100 %	31/12/2018	–1,379	–373			
100 %	100 %	31/12/2018	–170	–60			
100 %	100 %	31/12/2018	–7	–6			
100 %	100 %	31/12/2018	–33	–19			
100 %	100 %	31/12/2018	–25	–9			
100 %	100 %	31/12/2018	–16	–8			
80 %	100 %	31/12/2018	–9	–10			
100 %	100 %	31/12/2018	–17	–2			
100 %	100 %	31/12/2018	–114	–13	BGN –222,798	BGN –25,147	1.956
100 %		31/12/2018	–30	–41			
100 %		31/12/2018	185	–15			
100 %		31/12/2018	24	–1			
100 %		31/12/2018	23	–2			
100 %	100 %	31/12/2018	16,782	313	USD 19,215,739	USD 358,720	1.145
100 %	100 %	31/12/2018[1]					
49 %	49 %	31/12/2018[1]					
50 %	50 %	31/12/2018	1,219	630			
20 %	20 %	31/12/2018	3,340	43			
49 %	49 %	31/12/2018	826	101			
49 %	49 %	31/12/2018	1,613	263			
100 %	100 %	31/12/2018	30	1			
100 %	100 %	31/12/2018	56	17			
100 %		31/12/2018	1,050	67			
100 %		31/12/2018	4,425	25			
100 %	100 %	31/12/2018	1,274	378			
100 %	100 %	31/12/2018	991	80			
55 %	55 %	31/12/2018[2]					
55 %	55 %	31/12/2018[2]					
55 %	55 %	31/12/2018[2]					
100 %	100 %	31/12/2018[2]					
90 %	90 %	31/12/2018[2]					
90 %	90 %	31/12/2018[2]					
49 %		31/12/2018[2]					
33 %	33 %	31/12/2018	752	39			
100 %	100 %	31/12/2018	–1,216	15			
100 %	50 %	31/12/2018	2,719	–134			
50 %	50 %	31/12/2018[2]					

[1] included in the numbers of WEB USA Inc.
[2] included in the numbers 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,

and its subsidiaries ("the Group"), which comprise the Consolidated Balance Sheet as of 31 December 2018, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and the Notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

In our opinion, the Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2018, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and Austrian Generally Accepted Accounting Principles.

Basis for Our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU as well as Austrian Generally Accepted Accounting Principles and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents 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

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 represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement in the Consolidated Financial Statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misprepresentations or 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 opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- We conclude on the appropriateness of 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 our audit report to the respective note in the Consolidated Financial Statements. If such disclosures are not appropriate, we will 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 Notes, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- From the matters communicated with the audit committee, we determine those matters that where most significant in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Group Management Report

In accordance with the Austrian company law, the Group Management Report is to be audited as to whether it is consistent with the Consolidated Financial Statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the Group Management Report in accordance with the Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

Opinion

In our opinion, the Group Management Report is consistent with the Consolidated Financial Statements and has been prepared in accordance with legal requirements.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the Group Management Report.

Mödling, 12 April 2019

KPMG Niederösterreich GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Heidi Schachinger
Wirtschaftsprüfer
(Austrian Chartered Accountant)

Individual Financial Statements

Income Statement of WEB Windenergie AG 01/01 – 31/12/2018

EUR	2018	2017
1. Revenues	32,288,810.61	35,368,772.66
2. Other operating income		
a) Income from the disposal and the appreciation of capital assets (with the exception of financial assets)	*3,120.92*	*4,929.92*
b) Income due to reversal of provisions	*73,303.52*	*17,093.94*
c) Others	*295,492.86*	*118,088.16*
	371,917.30	140,112.02
3. Materials and purchased production services		
a) Cost of materials	*–2,016,802.47*	*–1,602,820.32*
b) Cost of purchased services	*–6,718,909.90*	*–6,729,476.58*
	–8,735,712.37	–8,332,296.90
4. Personnel expenses		
a) Wages	*–647,002.87*	*–547,766.48*
b) Salaries	*–4,457,628.89*	*–4,088,283.40*
c) Benefits for company pension funds for employees	*–76,348.84*	*–65,217.30*
d) Pension expenses	*–66,000.01*	*–66,000.01*
e) Expenses for statutory social security contributions as well as remuneration-dependent charges and mandatory contributions	*–1,293,548.09*	*–1,110,786.05*
f) Other social expenses	*–58.457.95*	*–70.369.71*
	–6,598,986.65	–5,948,422.95
5. Depreciation and amortization of intangible assets of fixed assets and tangible assets	–11,792,482.75	–12,116,979.64
6. Other operating expenses		
a) Taxes that are not included in income taxes	*–89,177.23*	*–50,727.04*
b) Others	*–3,830,242.56*	*–3,776,179.27*
	–3,919,419.79	–3,826,906.31
7. Subtotal of no. 1 to no. 6 (operating result)	**1,614,126.35**	**5,284,278.88**

EUR	2018	2017
Carry-forward	**1,614,126.35**	**5,284,278.88**
8. Income from investments	8,172,647.82	6,636,159.50
Thereof from affiliated companies: EUR 7,989,590.76; previous year: TEUR 6,458		
9. Income from other securities and lendings of financial assets	41,770.95	338,118.97
10. Other interest and similar income	774,327.81	832,099.79
Thereof from affiliated companies: EUR 575,065.75; previous year: TEUR 244		
11. Income from the disposal and the appreciation of financial assets	25,887.67	596,092.27
12. Expenses from investments	–43,863.59	–121,034.70
Thereof due to depreciation: EUR 35,416.45; previous year: TEUR 107		
13. Interest and similar expenses	–5,070,842.64	–5,532,849.46
Thereof due to affiliated companies: EUR 60,181.64; previous year: TEUR 72		
14. Subtotal no. 8 to no. 13 (financial result)	**3,899,928.02**	**2,748,586.37**
15. Income before taxes	**5,514,054.37**	**8,032,865.25**
16. Income taxes	159,212.28	–1,212,000.32
Thereof deferred taxes: EUR 142,286.92; previous year: TEUR 95		
17. Income after taxes = Profit for the year	**5,673,266.65**	**6,820,864.93**
18. Profit carried forward from prior year	284,792.75	386,799.82
19. Net profit	**5,958,059.40**	**7,207,664.75**

Individual Financial Statements

Balance Sheet of WEB Windenergie AG as of 31/12/2018

Assets	31/12/2018	31/12/2017
EUR		
A. Fixed assets		
I. Intangible assets		
1. Concessions, patents, trademarks and similar rights as well as licenses thereto	1,006,564.60	1,013,275.90
2. Goodwill	508,652.05	853,901.28
	1,515,216.65	**1,867,177.18**
II. Tangible assets		
1. Land, leasehold rights and buildings including buildings on land owned	8,730,863.93	8,975,288.82
2. Plant and machinery	73,261,915.61	83,689,207.95
3. Other fixtures and fittings, tools and equipment	1,854,922.22	1,828,021.28
4. Payments on account and plants under construction	4,209,711.79	4,272,149.50
	88,057,413.55	**98,764,667.55**
III. Financial assets		
1. Shares in affiliated companies	58,149,417.91	62,491,484.66
2. Loans to affiliated companies	1,901,321.80	4,111,644.37
3. Participations	1,166,253.92	2,943,327.92
4. Loans to affiliated companies	72,421.70	142,734.03
5. Securities held as fixed assets	156,993.84	157,993.84
	61,446,409.17	**69,847,184.82**
	151,019,039.37	**170,479,029.55**
B. Current assets		
I. Inventories		
1. Raw materials and consumables	3,496,566.66	2,710,404.42
	3,496,566.66	**2,710,404.42**
II. Accounts receivable and other assets	**54,982,449.88**	**26,582,922.09**
Thereof not due within one year: EUR 7,911,530.69; previous year: TEUR 3		
III. Securities as current assets		
1. Securities as current assets	118,500.00	129,200.00
	118,500.00	**129,200.00**
IV. Checks, cash on hand and on deposit in bank accounts	**5,999,110.02**	**12,192,223.40**
	64,596,626.56	**41,614,749.91**
Subtotal from A and B	**215,615,665.93**	**212,093,779.46**

Assets	31/12/2018	31/12/2017
EUR		
Carry-forward	**215,615,665.93**	**212,093,779.46**
C. Accruals and deferred items	**110,755.55**	**118,565.64**
D. Deferred tax assets	**857,267.78**	**714,980.86**
	216,583,689.26	**212,927,325.96**

Equity and Liabilities	31/12/2018	31/12/2017
EUR		
A. Equity		
I. Subscribed capital	28,845,300.00	28,845,300.00
	28,845,300.00	**28,845,300.00**
II. Capital reserves		
1. Committed	23,596,066.55	23,596,066.55
	23,596,066.55	**23,596,066.55**
III. Retained earnings		
1. Other reserves	7,695,268.41	7,695,268.41
	7,695,268.41	**7,695,268.41**
IV. Net profit for the year		
Profit carry-forward EUR 284,792.75; previous year: 387 TEUR	**5,958,059.40**	**7,207,664.75**
	66,094,694.36	**67,344,299.71**
B. Special item for investment subsidies	**1,251,986.27**	**357,627.28**
C. Provisions		
1. Provision for taxes Thereof provisions for deferred taxes: EUR 0,00; previous year: 0 TEUR	0.00	150,139.40
2. Other provisions	5,623,846.44	5,086,615.85
	5,623,846.44	**5,236,755.25**
D. Liabilities	**143,612,856.96**	**139,901,846.73**
Thereof maturity within one year: EUR 42,644,093.29; previous year: 28,735 TEUR		
Thereof maturity of more than one year: EUR 100,968,763.68; previous year: 111,167 TEUR		
Thereof due to taxes: EUR 96,783.52; previous year: 81 TEUR		
Thereof in the scope of social security: EUR 134,356.60; previous year: 118 TEUR		
E. Accruals and deferred items	**305.23**	**86,796.99**
	216,583,689.26	**212,927,325.96**

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