

25
YEARS
W.E.B

20
YEARS
AG

500
MW
Capacity

2019

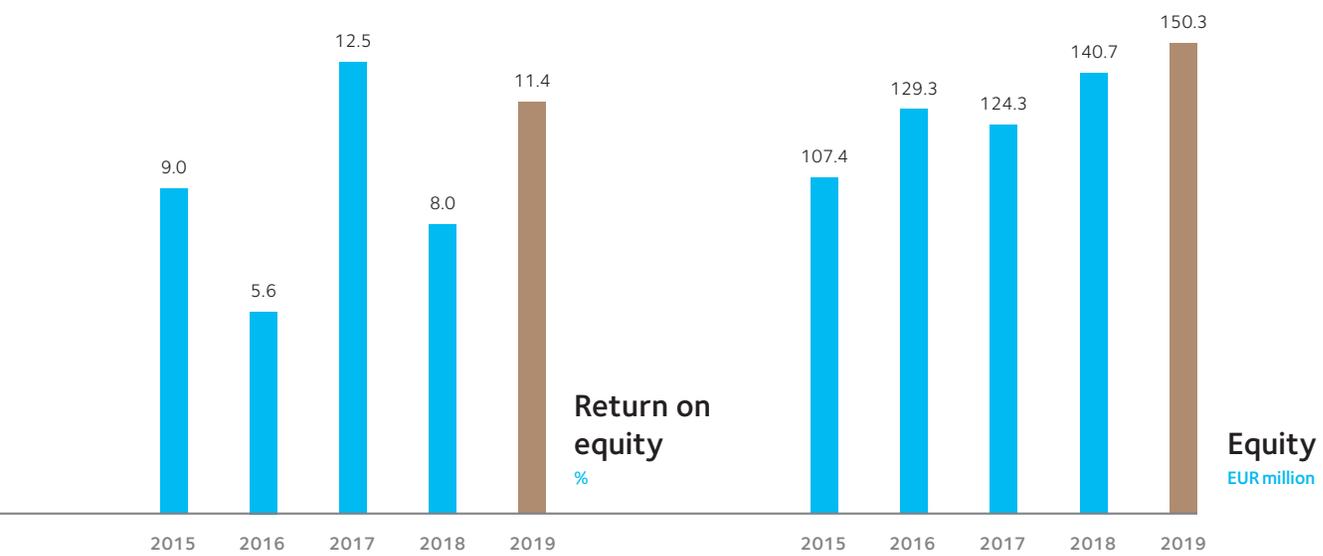
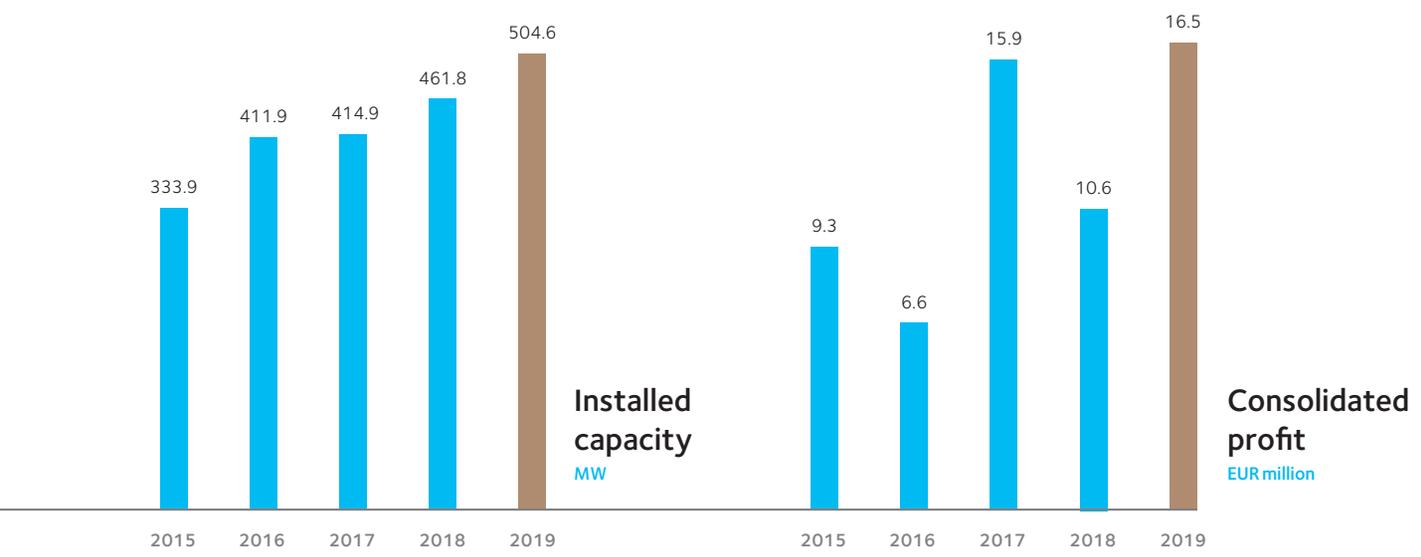
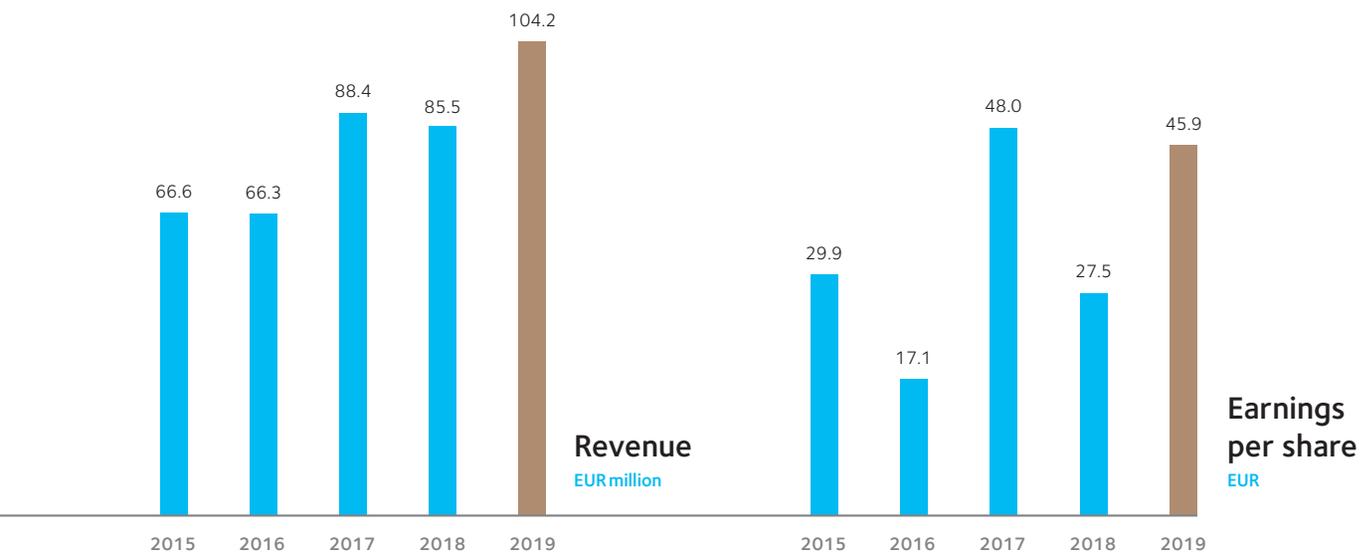
W.E.B Group KPIs

Financial KPIs	2015	2016	2017	2018	2019
EUR million					
Revenue	66.6	66.3	88.4	85.5	104.2
Operating result	21.5	16.8	27.5	24.0	32.2
Net finance costs	-8.4	-7.3	-8.4	-10.1	-10.4
Profit or loss on ordinary activities	13.1	9.5	19.1	13.8	21.8
Consolidated profit	9.3	6.6	15.9	10.6	16.5
Total assets	415.8	519.9	510.4	550.2	627.5
Equity	107.4	129.3	124.3	140.7	150.3
Equity ratio (%)	25.8	24.9	24.4	25.6	24.0
Cash flow from operating activities	46.4	38.6	56.4	50.5	64.1
Investments	53.0	117.9	22.3	70.0	78.5
Return on equity (%)	9.0	5.6	12.5	8.0	11.4
Earnings per share (EUR)	29.9	17.1	48.0	27.5	45.9

Electricity generation	2015	2016	2017	2018	2019
MWh					
Wind	703,784	704,523	991,599	949,253	1,186,684
Solar	12,475	12,534	13,642	19,046	21,833
Hydropower	7,155	7,389	6,177	6,138	6,739
Total electricity generation	723,414	724,446	1,011,418	974,437	1,215,256

Power plants	2015	2016	2017	2018	2019
Number as of 12/31					
Austria	117	124	130	137	138
Germany	57	52	53	53	48
France	21	33	33	39	39
Canada	14	20	20	20	25
Italy	2	2	2	4	10
Czech Republic	8	8	8	8	8
USA	-	5	5	5	5
Total power plants	219	244	251	266	273

Installed capacity	2015	2016	2017	2018	2019
MW as of 12/31					
Austria	189.8	205.4	207.5	228.4	230.1
Germany	88.4	96.9	97.7	96.3	99.7
France	24.8	63.2	63.2	84.8	84.8
Canada	15.4	21.8	21.8	21.8	39.8
Italy	6.4	6.4	6.4	12.3	32.1
Czech Republic	9.1	9.1	9.1	9.1	9.1
USA	-	9.1	9.1	9.1	9.1
Total generation capacity	333.9	411.9	414.9	461.8	504.6



Two thousand nineteen

The year to which this annual report is dedicated was an extraordinary one. W.E.B celebrated its 25th anniversary, and 20 years as WEB Windenergie AG. In late fall, W.E.B exceeded the threshold of 500 MW in power plant output. 2019 also ranks as a record year in terms of electricity output, revenue, and consolidated profit.

With this annual report, we are not only inviting you to review 2019. We are also revealing images and stories about our successful corporate history—precisely because we believe that, in challenging times, looking back makes us aware of how many obstacles had to be overcome in order to be able to make progress toward the main goal: taking on a leading role in the energy transition.

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Stay healthy!

2019

Key performance indicators »

New challenges after an exceptional record-setting year

In several respects, 2019 was a noteworthy year: We were fortunate to celebrate two anniversaries attended by countless prominent guests from Austria and abroad. W.E.B was founded 25 years ago. And W.E.B has been a stock corporation for 20 years. Another important milestone was met in November: reaching our long-standing target of increasing our power plant capacity to 500 MW. This puts us in a category hardly believed possible when our Company was founded. A good 60 MW of this target was connected to the grid in 2019 alone and—along with very good wind conditions—enabled us to set new records in production as well as in revenue and profit.

We launched into 2020 with this success behind us and buoyed by initiatives such as the Fridays for Future movement, which is spreading further and further across the globe, the Green Deal proposed by the new European Commission president, and the ambitious environmental goals set by Austria's new federal government. Since March, however, this has all been overshadowed by the coronavirus crisis. Fortunately, W.E.B was able to react to the situation quickly. In just a few days, we transitioned all of our employees who could do so to working from home. This process was helped by our excellent technical infrastructure in all key areas that we had already installed as an international company.

The COVID-19 pandemic has made the fragility of life on this planet clear to the world's population along with the necessity of doing everything possible to avoid further tipping this sensitive balance, including in climate issues. The restrictions currently in place due to the coronavirus are putting the brakes on the pace of our planned expansion. That said, we are sure that the energy transition and further growth in the use of renewable energy sources will resume with fresh vigor after this crisis. More than ever, our business is being driven by the confidence of our shareholders and bond investors, the support of our partners, and especially the commitment of our highly motivated and skilled employees.



Frank Dumeier
Chief Executive Officer



Michael Trcka
Chief Financial Officer

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2019 at a glance

REVENUE

EUR **104** million

tops EUR 100 million for the first time

CONSOLIDATED PROFIT

EUR **16.5** million

INTERNATIONAL GROWTH

500 MW

plant output exceeded

59.6 MW

newly commissioned

ELECTRICITY GENERATION

1.2 TWh

highest ever
in W.E.B's history

Foce del Cornia
W.E.B's first wind farm in Italy



Wörbzig RI
Repowering in Germany

Albert/Wisokolamson
Entry into a new Canadian province

Sachsendorf
First solar power project by the
W.E.B green electricity team

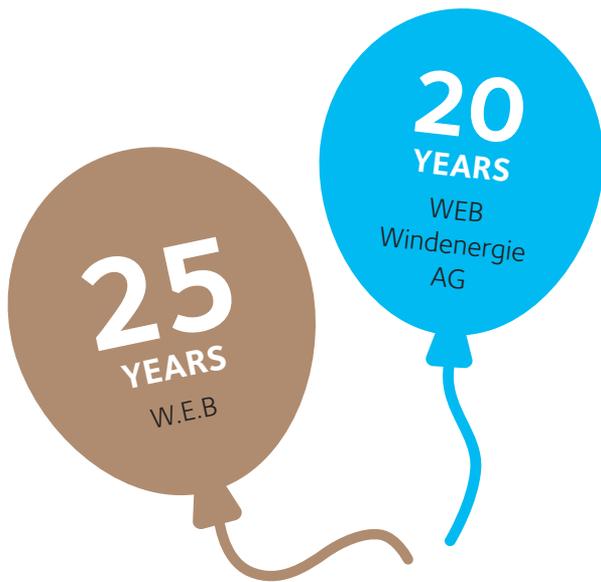


In 2019 ...

... there were many premieres.

Revenue topped EUR 100 million, over 500 MW output was connected to the grid, the first wind energy project in Italy was completed, and inroads were made into the province of New Brunswick, a new Canadian market. Last year brought many new developments for W.E.B. That W.E.B was able to celebrate so many premieres in 2019 is the result of the impressive pipeline of projects established in recent years in line with the Company's international growth plans.

The market for renewable energy sources is growing, and W.E.B has its finger on the pulse of this trend. It goes without saying that new projects were again developed in 2019 that are now just waiting to be implemented. There will definitely be more premieres in W.E.B's future!



OFFICE ADDITION OPENED



to more
wind power in Spannborg

INVESTORS TRUST W.E.B

+ 30.5%

increase in average share price for
the year in Traderoom*

EUR 14.5 million

volume of
green power bonds issued

W.E.B GREEN ELECTRICITY

+ 147%

metering points supplied

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

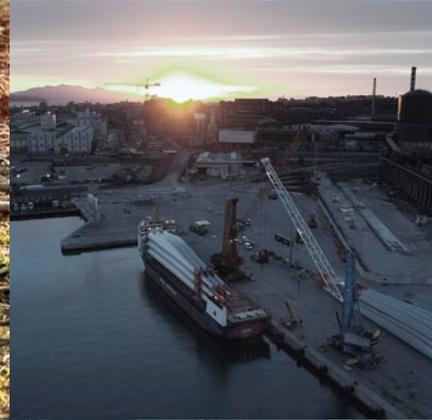
... we had many reasons to celebrate!

W.E.B was founded in 1994 and has operated as an Austrian stock corporation (Aktiengesellschaft, AG) since 1999. That was reason enough for W.E.B to celebrate in style with investors and friends in 2019. The first birthday celebration was held after the 20th Annual General Meeting in May. In September, Austrian president Alexander Van der Bellen came to Pfaffenschlag for the anniversary festivities, and one day later, the ribbon was cut on the office addition during the open house. Initial cause for joy had come even earlier, however, in January of last year: An overwhelming majority of the residents of Spannborg voted in favor of expanding wind power in their town. Once again, the confidence of our shareholders was a hallmark of the year as a whole. W.E.B's annual average share price rose by more than 30%, and the new W.E.B bonds with an issuing volume totaling more than EUR 14.5 million were once again a complete success.





in pictures



Annual
General Meeting





Opening festivities in Dürnkrot



New power plants





Birthday
celebration



Open house





**Anniversary
celebration**





INTERVIEW WITH THE W.E.B MANAGEMENT BOARD

Frank Dumeier and Michael Trcka

Emerging from 2019
with renewed strength
to face new challenges



We interviewed Dr. Frank Dumeier and DI Dr. Michael Trcka, the two members of W.E.B's Management Board, about the Company's multiple anniversaries and record-setting results as well as stable operations and continued growth in times of crisis.

W.E.B not only celebrated two important anniversaries in 2019—25 years since the Company was founded and 20 years as a stock corporation—but also exceeded 500 MW of capacity, an important milestone in the Company's growth plans. What does this all mean to you?

Michael Trcka: Without a doubt, 2019 was a very important year for us. In a certain way, the anniversary that we celebrated in style in early September propelled us to a new level. Many of our guests arrived in Pfaffenschlag, not really knowing what to expect. And they drove home amazed. We consider the fact that Austria's President Alexander Van der Bellen, environmental scientist Ernst Ulrich von Weizsäcker, and our current Federal Minister for Environment Leonore Gewessler granted us the honor of their presence to be an expression of their high regard for our Company. Everyone who was there understood that we are part of the solution and will carry this message into the world.

Frank Dumeier: In 2019, we looked back on our history as Austria's largest and most experienced wind power company, and the entire energy sector celebrated with us. And surpassing the 500 MW plant capacity threshold in November 2019 made this year even more special. When W.E.B was founded in the mid-1990s, no one thought it

possible that we would ever reach this order of magnitude. In general, we expect that domestic and international climate targets will continue to provide us with significant growth potential in the future. But, like so many other factors, the course of the COVID-19 pandemic will also influence the expansion of renewables. We are prepared to adapt our projects to the new conditions in the general business environment.

You had already cracked the 1 TWh ceiling in 2017, but 2018 saw production fall below that mark again ...

Frank Dumeier: ... and in 2019 it was once again well over this figure, specifically at 1.2 TWh. Wind conditions were very good in 2019, and we generated 2.9% more electricity than planned, especially in Austria, and in the Weinviertel region in particular. Performance in France was slightly below average, but Canada and the United States proved to be very productive. All told, we managed to increase our production volume by 25% compared with 2018.

The production volume in the previous year also represents a savings of more than 850,000 tons of CO₂, the emissions of some 34,000 semi-trailer trucks, which positioned end-to-end would stretch from Vienna to Dresden.

It can be assumed that our results therefore look very good in view of these record-high production levels.

Michael Trcka: Definitely. We are once again able to report the best results in our Company's history: We topped EUR 100 million in revenue for the first time, and returned a very respectable profit figure of EUR 16.5 million. The price of electricity was stable at a high level in 2019, which was very favorable for us, of course, particularly in terms of our direct marketing activities. In addition, the revenue contributed by our international activities now exceeds that of our operations in Austria. This reflects the fact that the conditions abroad are currently better than in our home market.

Apart from good wind conditions, new power plants also contributed to the increases in production, revenue, and profit. How did plant capacity grow in 2019?

Michael Trcka: In total, we commissioned wind farms producing nearly 60 MW in the past year. The new wind farms that went online were Foce del Cornia in Piombino, Italy (19.8 MW); Wörbzig, Germany (repowering from 19.8 MW to 21.6 MW); and Albert, Canada (18 MW). The Albert wind farm pushed us over the aforementioned 500 MW mark.

Frank Dumeier: Another important undertaking we completed along with the addition to our corporate headquarters in Pfaffenschlag was our lighthouse project, "Austria 2040." This project combines all of the elements on the W.E.B campus that will play a role in the supply concept of the future after the energy transition, and therefore embodies the ideal we are aiming for: solar power,

wind power from our supply network, storage using batteries, the integration of electric vehicles as reservoirs, and central energy and load management. This enables us to manage all of the electricity used by the offices, factory hall, and workshop; for charging electric vehicles; and additionally for heating and cooling with a heat pump. The technical tools required for the energy transition are available. All we need is the will to implement them.

In view of factors including W.E.B's planned growth, how does your project pipeline look?

Frank Dumeier: At our Annual General Meeting last year, we announced that we aim to accelerate our moderate pace of growth. To this end, we have built up an extensive pipeline of projects totaling more than 1,500 MW.

At this time, a project in France is already under construction: the Tortefontaine wind farm with a capacity of 18 MW in Pas-de-Calais département, a very windy region in the country's north. The start of construction for projects totaling 140 MW, including wind farm projects in Lower Austria, a solar power project in Brookfield, Massachusetts, and W.E.B's largest wind farm project to date in Italy, will provide us with plenty of potential for continued growth once the coronavirus crisis is over.

Has your strategy changed at all?

Michael Trcka: Despite the current delays resulting from the COVID-19 crisis, stepping up our growth will be a high priority in the coming years. The planned 80:20 mix of wind and solar has prompted us to increase our solar power pipeline to 250 MW.

Frank Dumeier: Another new development is that we want to expand our international reach. We can imagine adding one or two new markets to our portfolio in the coming years. For instance, we aim to enter the Slovak market, where we are working with an Austrian joint venture partner on new wind and solar power projects. We are also currently developing larger-scale projects in Virginia and New York to grow our presence in the United States.

In 2018, you made considerable progress in directly marketing electricity. How did this go in 2019?

Frank Dumeier: The pace was very dynamic. Currently, we supply around 6,500 metering points and are also very pleased by the popularity of this service among households and SMEs. In 2019, we directly marketed 60 GWh, more than ever before, and we see an upward trend. Green electricity is popular, but we are also receiving additional momentum from other factors, such as the designation as Austria's "Driver of the Electricity Future" awarded to us by the environmental organizations WWF and GLOBAL 2000.

"Green electricity is popular" is a fitting catchphrase, because the political environment also improved substantially in 2019. What do you think of the Green Deal by Ursula von der Leyen, the European Commission's new president?

Frank Dumeier: The announcement of the Green Deal is definitely a very bold step, and it is remarkable that it is being endorsed by so many. In addition, the youth who are leading the Fridays for Future movement are growing up and, in the not-so-distant future, will be in charge. This will cause the momentum to increase even more and spread more widely, something that we need, because the unbridled progress of global warming would be catastrophic. Finally, people understand this. What also makes me optimistic is that the political discussions are turning toward making economic rebuilding after the coronavirus crisis as climate-neutral as possible.

Michael Trcka: The energy transition is a highly appealing market in technological terms and unlocks enormous economic opportunities for Europe as well. This may change the world more than the Industrial Revolution did. And all this is resulting in our industry moving from being an outsider to becoming the center of attention. That's something investors are also paying attention to.

“ Once again, we are able to report the best results in our Company's history. ”

It seems that the new Austrian government sees the situation similarly, considering its significantly more ambitious environmental targets.

Frank Dumeier: A government that explicitly focuses on transitioning away from fossil fuels is the best thing that could have happened to Austria. The fact that Austria even wants to surpass the EU, aiming to reach carbon neutrality as early as 2040, is bold—and also far-sighted. On account of the coronavirus crisis, we have become particularly aware of how fast things can change when it's really important.

Michael Trcka: Now we can only hope that this momentum actually plays out in reality. Currently, we are facing challenges regarding the approval processes for new power plants. Adapting administrative practices to the societal and political consensus in the medium term would be advantageous.

And speaking of approvals, what does the subsidy environment currently look like in your markets?

Frank Dumeier: In Austria right now, all signs point to clearing out the backlog. Parliament released funds for this purpose in fall, for reasons including positive public sentiment. This allowed plants with a total capacity of some 700 MW, which had long since been approved, to finally be built. W.E.B. accounts for nearly 10% of this capacity.

In Italy, stabilization of the political situation was felt by our industry as well, because the new government is putting better conditions in place for expanding the use of renewable energy sources. It remains to be seen whether the COVID-19 crisis, which of course hit Italy particularly hard, will change this. In France, wind power is also getting a signi-

ficant boost, as announced by President Macron. In contrast, renewables in Germany are *de facto* blocked at the administrative level. This is a phenomenon that we are unfortunately observing not only in Germany, but increasingly in Austria as well. In the United States, we are experiencing an all-time high in wind power expansion despite statements to the contrary by President Trump. As part of this boom, we have started activities in the state of New York, for example, where consumption is set to be switched to 100% green electricity by 2030. We hired a new employee there to secure land and prepare projects, and larger-scale wind and solar power projects are already in the planning stages. These are managed by our office in Boston.

Earlier, you mentioned your investors. What does the green investment environment look like in general, and how are W.E.B's shares and bonds performing?

Michael Trcka: The trend toward green investments is holding strong, and green shares and bonds are proving to be highly desirable forms of investment. This is evidenced not least by our share price, which stood at an average of EUR 794 in 2019, up 30% over this figure in 2018. In December, the average price was EUR 980. We are also continually attracting new investors and, in the previous year, crossed the 4,000 investor mark.

In 2019, we were also successful in the corporate bond market and once again placed two green power bonds. Specifically, these were a 10-year bond with a 2.25% coupon and a hybrid bond with a 4.5% coupon. In total, we raised nearly EUR 15 million from these two bonds, which will now be directed into the further expansion of our power plant fleet.

One more question: What are your priorities for 2020, and how do you think the result will look?

Frank Dumeier: Initially, we will work on keeping our electricity production stable. We will adapt to the new conditions that will result from reopening the economy to enable our future growth without losing sight of climate targets.

In 2020, there will be no major milestones in terms of installed capacity, because presently only the Tortefontaine wind farm is under construction, and only a few solar farms will be connected to the grid.

There are exciting innovation projects in our pipeline: We aim to install a 500 kWh battery at our headquarters and use it to step up our sector coupling efforts. A pilot “vehicle-to-grid” project is also planned; this involves feeding electricity from electric car batteries into the electric grid. And then we’re also thinking about our first hybrid power plant combining wind and solar power with a virtual metering point and a shared connection to the grid.

Michael Trcka: Our business will definitely be marked by the COVID-19 crisis in 2020. But we can’t yet foresee its effects on the economy. The required duration of the measures to contain the COVID-19 pandemic will also determine how much this will influence our result in 2020.

In any case, it is important for us to preserve our employees’ jobs and also to continue to pursue our power plant projects. Particularly in unpredictable times, our sound equity cushion provides us with reassurance that we can weather the crisis. At any rate, the approximately 60 MW increase in capacity in the past year will have a positive impact on production as well as revenue.

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Particularly in unpredictable times, our sound equity cushion provides us with reassurance that we can weather the crisis.

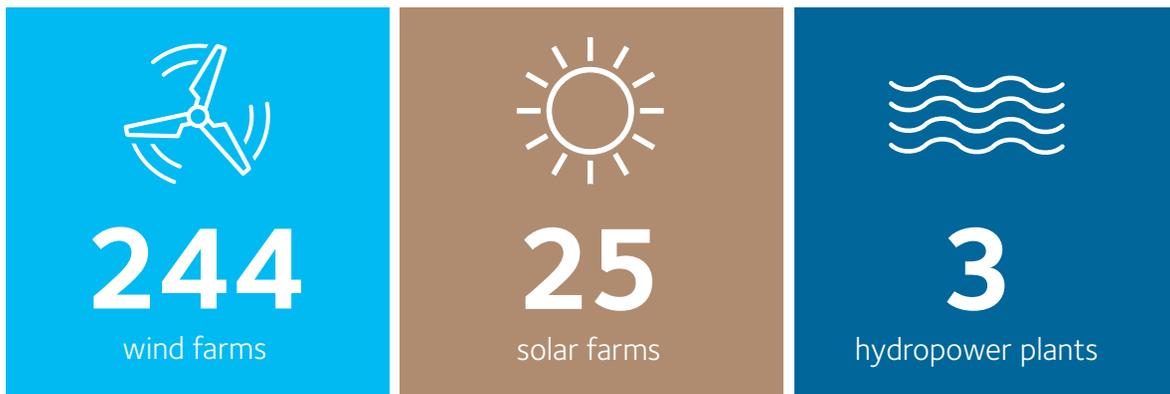
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W.E.B at a glance

As of 12/31/2019

Austria's largest independent wind energy producer

504 MW
installed capacity



W.E.B ...

... is building a sustainable future ...

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

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

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

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

25 years
W.E.B
20 years as a
stock corporation



2 continents

7 countries

Office locations

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

172
employees

38% women



37
average employee age
in years



We stand for ...

... energy transition and innovation, ...

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

... stability and growth.

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

We work ...

... regionally and internationally, ...

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

... in an environmentally and economically sustainable way.

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

The **vision** of W.E.B

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

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

Project development



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

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

Power plant operations



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

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



Electricity marketing



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

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

Community participation



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

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

PROFILE OF W.E.B

W.E.B in five chapters

Overview

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

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

W.E.B operates in seven countries in Europe and North America: Austria, Germany, France, Italy, the Czech Republic, Canada, and the United States. W.E.B has installed power plants in these countries and maintains local teams that primarily develop new projects or acquire projects in various stages of development.



Three core activities: project development—operations—sales



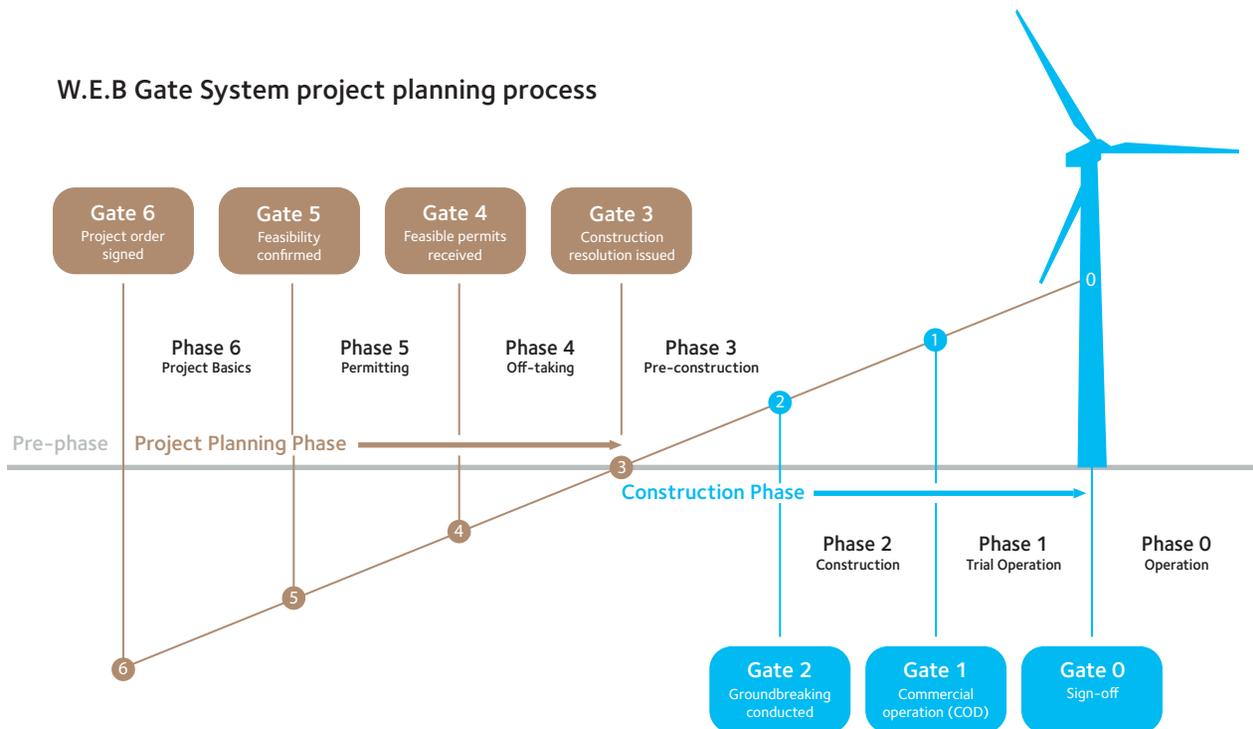
Project development

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

Technical feasibility, primarily defined as estimating the future supply of wind and solar power, and economic feasibility are reviewed in detail by the Company’s in-house experts. The marketing of the electricity generated is ensured prior to the start of the construction phase. W.E.B carries out many project steps with regional partners, such as environmental impact studies and construction work on paths, foundations, power lines, and substations. The majority of the land on which our power plants are built is leased for the long term; only a few parcels are owned by W.E.B.

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

W.E.B Gate System project planning process



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

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

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

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

Operations



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

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

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





Sales

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

Based on the subsidy environment, the sale of the electricity generated was exclusively indirect up to just a few years ago. Direct sales to business and residential customers, which W.E.B started to offer in Austria in 2013, are becoming steadily more important, however. In the business customer segment in particular, W.E.B focuses not only on supplying electricity, but also on comprehensive energy solutions that contribute positively to the energy transition, and therefore works toward own electricity generation activities, storage, and combining electricity, heating, and transportation.

The foundation

Community participation



W.E.B was founded by people that were so convinced of the opportunities offered by renewable energy sources that they financed their first turbines almost solely with their own funds. WEB Windenergie AG was formed in 1999 from the merger of community-based companies like this and, as it has grown, it has remained committed to the idea of encouraging the broad economic participation of the public in electricity production. The Company grew in the following decade based on an expansion of its equity resources achieved with share issues and, since 2010, corporate bonds. Through bonds, W.E.B provides an opportunity to invest for investors with a lower risk appetite as well.

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

From wind power pioneer to driver of the electricity future

November 11, 1994

Windkraftanlagen Errichtungs- und Betriebs-gesellschaft m.b.H. is founded—the company known as “W.E.B.”



July 11, 1995

The first W.E.B wind turbine is assembled in Michelbach (Sankt Pölten-Land district).

July 13, 1995, 10:02 pm

First kilowatt hour of wind power in W.E.B’s history is generated.

1997

W.E.B makes the leap abroad by establishing its first W.E.B subsidiary in Germany.

December 1997

Wind power comes to the Waldviertel region.

Wind farms in Oberstrahlbach and Grafenschlag are commissioned.



July 6, 1999

WEB Windenergie AG founded.

All predecessor companies were gradually incorporated into the unlisted stock corporation (Aktiengesellschaft).

May 12, 2000

First Annual General Meeting of WEB Windenergie AG is held.

1998

The first wind farm in Germany is installed.

1994

1995

1996

1997

1998

1999

2000

20



2002
WEB Vetrná Energie founded in the Czech Republic.
 This is the Company's second foray into a market abroad.

2003
 W.E.B is named
"Most Innovative Environmental Company"
 by Federal Ministry for Environment.



2005
 Five wind turbines installed in **Břežany**. W.E.B's first wind farm in the Czech Republic goes online.



2006
 Country number four!
WEB Energie du Vent SAS founded in France. In the same year, W.E.B's first wind farm in France is commissioned in Vauvillers.



2007
 Moving day! **W.E.B Group headquarters in Pfaffenschlag** opens.



2007
 W.E.B harnesses the sun's energy!
First kilowatt hour of energy is produced by a W.E.B photovoltaic installation in Pfaffenschlag.

2009
Montenero di Bisaccia I solar farm begins operating. W.E.B starts generating clean electricity in Italy as well.



2008
WEB Italia Energie Rinnovabili, founded in 2008, establishes W.E.B in Austria's southern neighbor.

2010
 W.E.B issues **green power bonds for the first time**. Austria's first wind power bond hits the market.



2015
W.E.B receives **Austrian Climate Protection Award** presented by ORF and the Federal Ministry for Environment.



2018
W.E.B is awarded the **Austrian Ecolabel**, a quality label certifying W.E.B green electricity as 100% sustainable power from wind, sun, and water.

2014
For the first time, W.E.B's wind turbines generate clean energy on Canada's east coast in **Nova Scotia**.



2014
Another new financial market step: W.E.B issues its **first wind power hybrid bond**.



2016
Commissioning of **Pisgah Mountain wind farm** and successful entry into the US market expands W.E.B's portfolio to seven countries.

2019
25 years of W.E.B, 20 years as a stock corporation. The Company celebrates two anniversaries.

2019
W.E.B's first wind farm in Italy begins operating in Piombino on the Tuscan coast.



2019
Commissioning of Wisokol-amson wind farm in Canada puts W.E.B over the **500 MW mark in plant output**.

2017
W.E.B celebrates its **1,000th green electricity customer**.

2017
WWF and GLOBAL 2000 name W.E.B a **"Driver of the Electricity Future,"** propelling the Company to the top of Austria's green power ranking. W.E.B has held this spot ever since.

2017
1 TWh of sustainable electricity! This key annual production mark is crossed for the first time.

2013
W.E.B green electricity is launched. The Company supplies power customers with 100% renewable energy from W.E.B power plants in Austria for the first time.

2011
W.E.B crosses the big pond: **WEB Wind Energy North America Inc.** is founded in Canada.



W.E.B's history features many successes. The Company has developed from a Waldviertel-based start-up to an international company driving the energy transition.

1994/95

2019

0.225 MW



504 MW

Installed capacity

192 MWh



1,215,256 MWh

Annual output

Austria



Locations

7 countries
2 continents

3
founders



People

172
employees

1999

2019

268



Shareholders

over
4,100

EUR 0.5 million



Sales

EUR 104.2 million



First wind farm in Italy



W.E.B has been generating solar power in sunny Italy for many years now. The Foce del Cornia wind farm, W.E.B's first Italian wind energy project, demonstrates that the country has excellent wind conditions, especially on the coasts, in addition to ample hours of sun.

W.E.B turned its attention south in 2008. Founding WEB Italia Energie Rinnovabili enabled the Company to enter its fourth market abroad. Italy's abundant sunshine is appealing to more than just Austrian vacationers. W.E.B also clearly saw that it made sense to concentrate on solar power projects first. Two solar farms were commissioned at Montenero di Bisaccia by 2011.

In accordance with its corporate mission, W.E.B also kept a lookout for opportunities to build a wind farm project and sought out a project partner with regional market expertise to collaborate in implementing a wind farm project as well. After extensive negotiations, fall 2015 saw the signing of a joint venture agreement with Milan-based FERA (Fabbrica Energie Rinnovabili Alternative), which led to the founding of the joint project company SELT (Società Elettrica Ligure Toscana). The wind farm project to be located near the Tuscan town of Piombino was named Foce del Cornia. It was developed further and prepared for participation in a tendering process in fall 2016.

W.E.B milestone

Just in time for Christmas 2016, W.E.B received the happy news from Italy: W.E.B had succeeded in coming out on top in the bidding process and landed the contract for the wind farm comprising six Vestas V136 turbines producing 19.8 MW of power. An appeal was filed against the decision, delaying further implementation and the start of construction until 2018. In the same year, the decision was made to acquire FERA's project shares, making the project wholly owned by W.E.B. This was preceded by a gradual expansion of the professional structures of the Italian W.E.B subsidiary. The takeover guaranteed significantly improved flexibility in the project implementation phase. All of W.E.B's standards could be adhered to, and the construction itself was completed in a more cost-efficient manner.



Going forward, the Foce del Cornia wind farm's six turbines will produce clean, regional energy in Italy.

Sustainable energy on the Tuscan coast

After approximately one year of construction, the time had come. In June 2019, the wind farm on Piombino beach generated its first kilowatt hour of electricity. The project was also significant for others besides W.E.B. The deputy governor of Lower Austria, Stephan Pernkopf, was impressed by the internationally sought-after expertise of the Waldviertel-based wind energy pioneer, and traveled with W.E.B and its shareholders to Tuscany for the opening of the Foce del Cornia wind farm—the milestone that is W.E.B's springboard for helping shape Italy's future with sustainable wind energy.

Wind and sun in demand

The nuclear age did not last long in Italy—26 years, to be precise. After the Chernobyl event, Italy's citizens decided to abandon nuclear power, which ultimately happened in 1990. There was one mission in subsequent years: importing electricity, most of which was generated from fossil fuels. However, the writing on the wall was identified in Italy as well, so the country is increasingly using sustainable wind and solar power. By 2030, Austria's southern neighbor will see 55% of its energy generated from renewable sources. This represents growth in total capacity from currently around 55 GW to 95 GW. Solar energy will play a key role here in particular. The plan calls for generating more than half of the country's green electricity from solar energy with an increase from 20 GW at present to over 50 GW of photovoltaic output. Current wind energy capacity will be nearly doubled to over 18 GW. The importance of renewable sources of energy is therefore rapidly growing in Italy, and W.E.B aims to be part of that future.

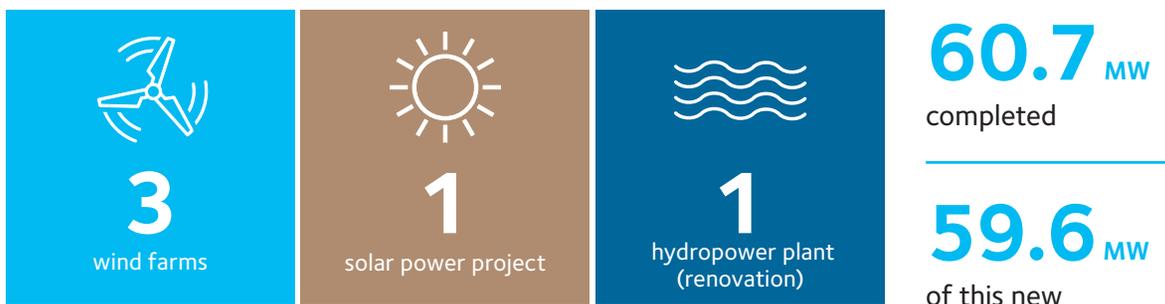
REVIEW

Moderate growth accelerated

Renewable energy sources are an essential element of a sustainable future, and the market for green power plants is therefore growing steadily. W.E.B is part of this international development: the Company decided in 2019 to boost its moderate growth strategy and has established an impressive development pipeline of projects just waiting to be implemented. The first step in this process has already been taken: At the end of 2019, W.E.B submitted a bid on the 84 MW Ariano project—the largest in W.E.B’s history—in Italy’s tendering process for wind power and was able to celebrate receiving the contract in early 2020. If everything goes according to plan, the wind farm will produce regional green electricity from 2022 onward.

Four countries, five projects

Once again, W.E.B demonstrated its international nature in the past year. Projects were completed in four countries on two continents. This began in March with the successful refurbishment of the small-scale hydropower plant in Eberbach, Germany. One project then followed the next in the summer. In Italy, the Foce del Cornia wind farm began operating in June, the repowering of the Wörbzig wind farm followed in July, and W.E.B installed a solar farm in Sachsendorf (Horn district) in late summer. The Company celebrated another milestone in November when the turbines in Albert were commissioned. The Canadian wind farm helped the Company cross the historical 500 MW mark in plant output.



Commissioned

Eberbach (renovation)	Hydropower	Germany	March	1.1 MW
Foce del Cornia	Wind	Italy	June	19.8 MW
Wörbzig RI	Wind	Germany	July	21.6 MW
Sachsendorf	Solar	Austria	September	200 kWp
Albert/Wisokolamson	Wind	Canada	November	18.0 MW

FORMERLY

1
person



Project managers

1
binder



Documents

0.5
years



Project planning phase

CURRENTLY

3
people*

* due to the duration of the project

30
binders*

* many also submitted digitally

8
years

More complex project planning

Grafenschlag was one of W.E.B's first projects; two wind power plants began operating here in 1997. More than 20 years later, the wind farm is slated for expansion. The planning processes then and now are not comparable. In the 1990s, the period from the start of the project to approval took six months. W.E.B developed the concept for the new project in 2011. Eight years later, at the end of 2019, the planned wind farm was still seeking approval for changes to the plan. Compared with earlier, the processes are more professional, however. For W.E.B, this means preparing complex and labor-intensive detailed planning. The advantage is that projects are reviewed with the greatest care in every respect. The focus of the process has shifted from approving the electrical aspects of the plant to concentrating on planning law topics, nature conservation issues, and complex environmental impact reviews. While the documents handed in back then fit in a single binder, W.E.B submitted 30 binders for the new project.



Stormy September

The employees at W.E.B's headquarters react to notifications from the power plants, but do not just leave it at that. As a preventive measure, they also monitor weather forecasts and the development of storm fronts, such as the one that created Hurricane Dorian in September 2019.

At W.E.B, Dorian was monitored particularly closely. Its forecast movement from the Caribbean along the east coast of North America and its strength led us to believe that the storm would slam into W.E.B's wind turbines in Nova Scotia. And the situation was even more critical, since the Company was in the middle of building the new Albert wind farm in New Brunswick, and the half-assembled turbines still had no electric power. Because a wind turbine's yaw control does not work without a connection to the electrical supply, there was a substantial risk that the rotor blades would be subjected to strong lateral winds triggering a dangerous oscillating motion which, in a worst case scenario, could result in the loss of a rotor blade. Our alert system was at yellow.



The Canadian North Beaver Bank wind farm also survived Hurricane Dorian intact, as did all of W.E.B's wind turbines in North America.

W.E.B's turbines stable

As expected, Hurricane Dorian hit the east coast of North America, thereby strengthening its wind speed and increasing its distance from the shore to about 280 km north of North Carolina. Ultimately, this considerably reduced the risk to the new turbines under construction in New Brunswick. Shortly before landfall in Nova Scotia, Dorian weakened somewhat but still hit the peninsula with some force. The eye of the hurricane barely missed the provincial capital of Halifax and moved slightly west over the peninsula. Our storm-tested turbines held up successfully against the storm front and kept producing electricity until the distribution grid mainly comprising above-ground power lines was brought down by falling trees. The W.E.B turbines remained standing, but Nova Scotia was near a state of emergency. Approximately 400,000 power customers, or 80% of all households and business customers of Nova Scotia Power, were left without electricity. It was the largest power blackout in Nova Scotia's history. After one-and-a-half weeks, the electricity supply was restored for a majority of households, but only with the support of specialists from neighboring provinces. That is also how long it took until W.E.B's last turbine was once again connected to the grid.

Dorian missed Central Europe

Dorian moved on, weakened, and three days later became a nontropical low-pressure system, which the West Wind Drift caused to set course toward Europe. Ex-hurricane Dorian then moved past Greenland to the south and brought squalls and rain showers to Iceland and the British Isles. The weather front weakened further and could not prevail in the face of the high-pressure influence dominating and persisting in Central Europe. A branch of the Azores High blocked the depression from making inroads; the dry, mild, and especially windless weather of late summer continued. Global warming affects the atmosphere and, albeit with a delay, the oceans. This leads climate researchers to believe that hurricanes will become stronger in the future. Climate experts also point out the warming of the Atlantic Ocean when explaining the phenomenon of sustained high-pressure areas over Europe. The rising water temperature causes the temperature differential between equatorial and northern regions, and therefore the strength of compensatory currents, to decrease. It is therefore possible that the spectacle of a showdown between two diametrically opposed weather extremes—particularly powerful hurricanes and persistent high-pressure areas—will be observed more frequently in the future due to climate change.

Remote monitoring around the clock

Two continents, seven countries—employers at W.E.B's administrative headquarters monitor more than 300 power plants operated by W.E.B and its partners. Day in and day out, massive quantities of data from various countries flow into W.E.B's headquarters. The headquarters team is on the job around the clock. Most of the employees' time is spent in the control room in W.E.B's headquarters; the nighttime hours are covered by employees on call. In principle, however, headquarters employees can do their work from anywhere. This means that W.E.B's facilities can be monitored anytime from anywhere in the world there is an Internet connection.

REVIEW

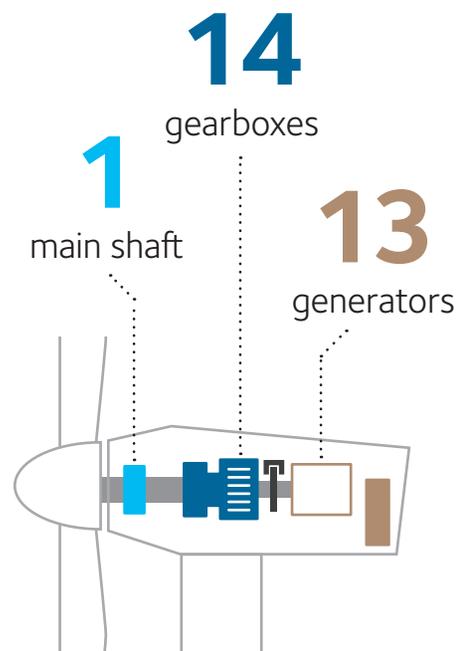
Prepared for long-term operation

W.E.B's strategy is aimed at keeping wind farms operating for as long as possible. After all, the generation of wind power is sustainable, but the lifecycle of wind turbines can also be increased significantly if the right steps are taken. The top priority here is therefore thinking ahead, and this is precisely how W.E.B has worked for many years. At wind farms in Austria and Germany in 2019, for instance, a total of 14 gearboxes, 13 generators, and one main shaft were replaced preventively to outfit the turbines for long-term operation.

Not ready for the scrap heap

W.E.B fully intends to keep operating its "old" turbines, i.e., those for which the government's subsidized tariffs have already expired. They are the foundation of W.E.B's green electricity and for the direct sale of electricity by W.E.B to its customers. This is the point at which the operations and sales departments at W.E.B intersect, because ensuring the stable operation of older turbines also guarantees that they will produce enough electricity to sell. The operations plan focusing on preventive maintenance has proven successful. In 2019, 24 turbines were over 20 years old. And they will continue to make a valuable contribution to a sustainable future.

Major components replaced in 2019, work completed by W.E.B:



24 turbines over 20 years old

W.E.B wind farms >20 years

Wind farm	Turbines	Commissioned	Capacity (MW)	Country
Michelbach	1	1995	0.23	AT
Hagenbrunn I	1	1996	0.60	AT
Vösendorf I	1	1996	0.60	AT
Vösendorf II	1	1996	0.60	AT
Francop	3	1996	1.80	DE
Grafenschlag	2	1997	1.20	AT
Oberstrahlbach	3	1997	1.80	AT
Seyring I	1	1997	0.60	AT
Parbasdorf	3	1998	1.80	AT
Pottenbrunn I	5	1998	2.50	AT
Schenkenfelden	2	1998	1.20	AT
Görmin	1	1999	0.66	DE
	24		13.59	

FEBRUARY 2010

**Replacement of a defective
2 MW gearbox**

-10°C

86 m

First gearbox replaced

February 2010: Air temperatures of -10°C , snow as far as the eye can see, the wind blows in strong gusts in the German state of Mecklenburg–West Pomerania. What was accomplished under these harsh conditions at W.E.B's Altentreptow wind farm was one for the history books: the first gearbox W.E.B replaced itself. At a nacelle height of 86 meters, a 2 MW Metso gearbox damaged by strong winter winds was exchanged for one manufactured by Winergy. W.E.B had long worked toward this day, set up its own service team with the requisite expertise, and obtained all of the tools necessary to complete the job itself. What began in February 2010 is now a major success factor for W.E.B: replacing major components in-house.



New System

W.E.B green electricity has been on an upward trajectory for some time now. More and more customers are choosing W.E.B as their electricity supplier. This growth requires professional IT systems with which the growing number of orders and services can be processed. We completed the necessary system migration to accomplish this in the fiscal year 2019.

What began as a service for shareholders in 2013, namely the opportunity to buy green electricity directly from W.E.B, has transformed into a service in great demand by residential and business customers. The sharp increase in customers was the most urgent, but not the only, reason for the system migration. W.E.B has also attracted countless new customers among small- and medium-sized companies, which brought with it the need for integrated billing. And it goes without saying that as partners in the energy transition we wanted to offer customers additional opportunities to use smart meters, solar panels, and charging stations. In short, W.E.B wants to shape the local energy transition together with households and businesses. The overarching goal of the system migration was for W.E.B to automate as much of the green electricity process as possible to free up more time to devote to the individual concerns of customers.

Using energy more efficiently

Renewable energy sources prepare the ground for a sustainable future, but that alone is not enough. Energy must be used as efficiently as possible going forward so that there is sufficient energy to meet growing electricity demands. In the future, a key tool to achieve this will be smart meters. W.E.B is integrating the new smart meter technology into this new system, thereby providing customers with monthly readings of their electricity consumption and any power fed into the grid. Customers can also opt to access this data as often as every fifteen minutes. This ensures that every household or business has an overview of their electricity consumption using up-to-date numbers so that they can optimize usage as much as possible. In addition, the system enables improved management of heat pumps, and even electric cars, if enough energy is generated from renewable sources.

From strategic idea to system migration

For W.E.B green electricity, 2017 marked an important starting point for professionalizing the necessary structures. In that year, W.E.B decided to step up activities in its business customer segment and expanded the green electricity team accordingly. It immediately became clear that the system in place at the time needed to be upgraded. Because the customer base was growing quickly, there had been no spare time to adapt the system—and it was only thanks to the extraordinary efforts of our employees that everything worked seamlessly.

In the midst of preparations, the number of inquiries and orders grew like never before, which is why W.E.B undertook the initial implementation steps already in November 2018. After just a few months, the intensive, interdepartmental effort produced clear results for customers: They received the first new bills in June 2019.

But the work behind the scenes never stopped. The system was implemented with all of the necessary functionality, and after-sales processes were standardized and automated. This means that, despite a growing number of customers, there is more time for what W.E.B's customers value most: personalized service.



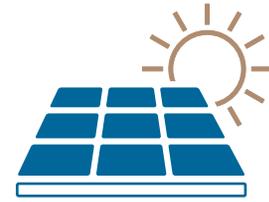
Changing electricity suppliers made easy

Many power customers avoid changing electricity suppliers even today, because they fear the process will be overly complicated. In fact, switching is anything but arduous, and the effect of deciding to use sustainable electricity is that much greater. Once customers have chosen W.E.B as their electricity supplier, all they need to do is fill out a contract, register online, and upload it along with their last annual billing statement directly to W.E.B's website. Traditional registration requires the customer to send the contract and the annual billing statement to W.E.B by email or by postal mail. And that's it. W.E.B handles all of the other steps and updates the new customer on an ongoing basis about the status of their application.

REVIEW

Debut for the green electricity team

In summer 2019, the first solar power project acquired and developed by the W.E.B green electricity team was implemented in Sachsendorf (Horn district) in Lower Austria. The team has set itself the goal of equipping as many roofs as possible across Austria with solar panels. This initiative is W.E.B's effort to accelerate the regional energy transition. In mid-August, the plant, generating 200 kW_p, began operating and will now produce over 200 MWh of sustainable energy per year.



Sachsendorf
solar power project

200 kW_p

Partnerships in the Waldviertel region

W.E.B again attracted many new green electricity customers in 2019. In the business customer segment, the fact that many Waldviertel-based companies are choosing sustainable energy produced by W.E.B was particularly notable. Examples include two true role models from the town of Vitis located near W.E.B's corporate headquarters. One is Schrenk GmbH, which specializes in manufacturing stairs and doors, and the other is Die Käsemacher GmbH, which exports cheese products to over 40 countries around the globe. Both companies have manufactured their products using W.E.B green electricity under the UZ46 ecolabel tariff since 2019, and therefore with sustainable, regional energy from W.E.B power plants.

Customer numbers continue to grow

In 2019, many customers, both residential and business, again chose W.E.B green electricity. At the end of 2018, W.E.B supplied some 2,500 metering points with electricity, but by the end of 2019 this number had far more than doubled. This shows that more and more people are very interested in how their electricity is produced.

2018 metering points

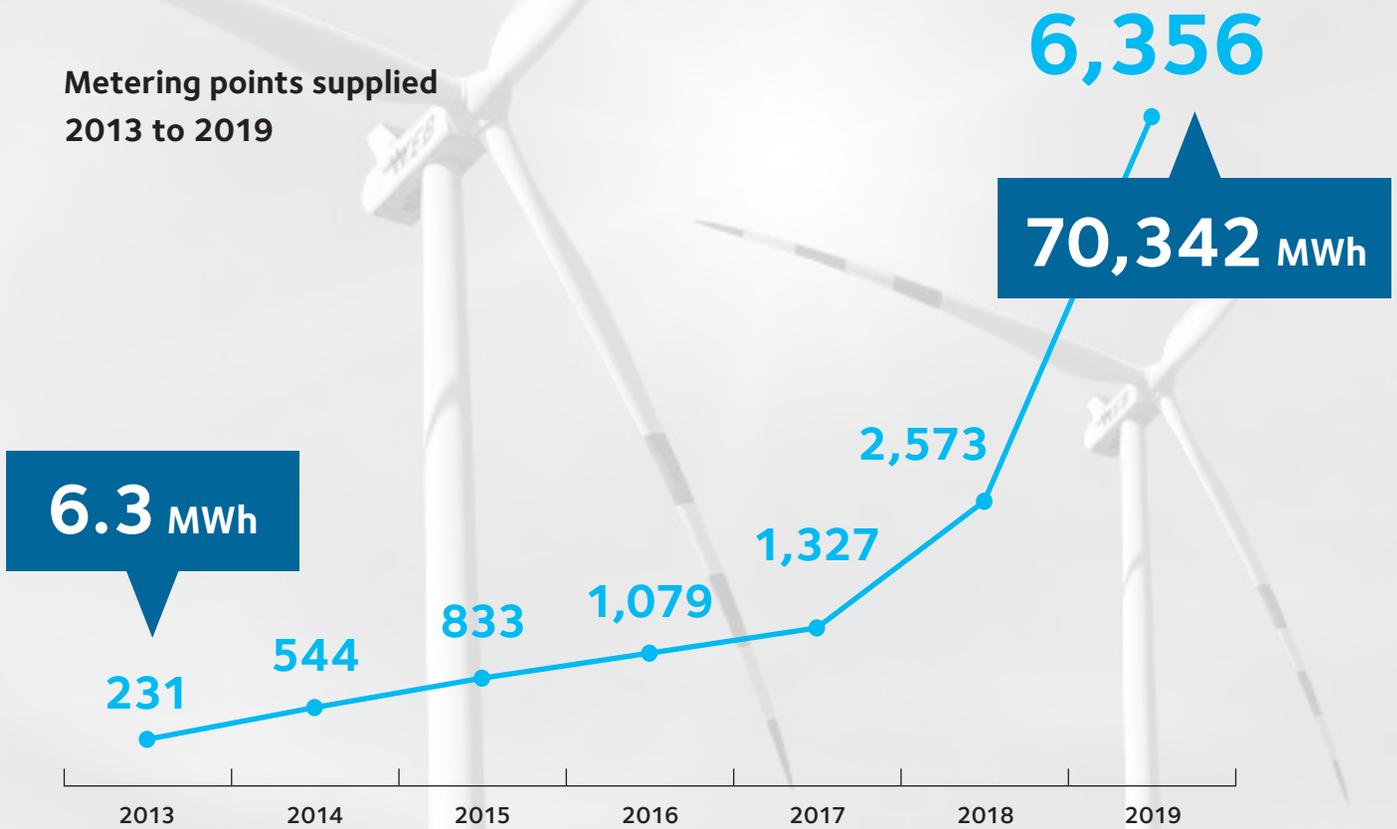
2,573

+147%

2019 metering points

6,356

Metering points supplied
2013 to 2019



Success with green electricity

The growth of W.E.B's green electricity offer in recent years is quite simply impressive. It all started in Germany in 2011. This is where the initial steps toward direct sales to industrial and commercial customers were taken. In 2013, the same service was launched in Austria, initially only for W.E.B's shareholders, and later for all customers in the form of a basic tariff. A cost-effective pricing model and 100% renewable energy: This was a new phenomenon in Austria at the time. The Company supplied 231 metering points in 2013, but this number grew to 6,356 by the end of 2019. Accordingly, the volume of electricity supplied grew from 6.3 MWh in 2013 to 70,342 MWh in 2019. Rapid growth in the customer base also led to expansion of the team. In 2013, two W.E.B employees were mainly tasked with W.E.B green electricity activities, but the team grew to five by 2019.



Green bonds for clean energy

Further growth was on the agenda for W.E.B again in 2019. As in previous years, the company wanted to enable as many people as possible to participate in this growth, including financially. Therefore, another green power bond was issued last year, which met with lively demand.

Italy, Germany, Canada—W.E.B once again generated momentum for its growth beyond Austria's borders. Although the growth in power plants mainly occurs internationally, most of W.E.B's investors are from Austria. In 2019, a total of 871 individuals invested around EUR 14.6 million to join W.E.B in further shaping a sustainable future.

Tried and true: green investment times two

The successful 2018 formula was retained when the green power bonds were issued in 2019. W.E.B offered investors an attractive option to select from or combine two types of bonds. Specifically, a conventional, partly redeemable ten-year bond and a deeply subordinated hybrid bond were issued as in the year before.

The conventional ten-year bond carries an annual coupon of 2.25%, and the invested capital is redeemed at a rate of 10% per year. The hybrid bond offers a 4.5% coupon. It has no maturity date and is suitable in particular for investors who want to participate more directly in the Company's performance. The main difference between this bond and a conventional one is that, if there is a year in which no dividend is paid, then W.E.B can refrain from paying interest and redeeming the hybrid bond for that year. However, the interest payments must be made up no later than the next year in which a dividend is paid, including compound interest, and the term of the bond is then extended accordingly.



Initial cooperation

The types of bonds offered therefore did not change from 2018, but W.E.B was able to debut something new in 2019 nonetheless. For the first time since the launch of the green power bonds in 2010, the Company entered into a partnership for the sale of the bonds. In 2019, Oberbank AG incorporated the conventional 2.25% bond into its portfolio and therefore gave its customers the opportunity to also participate in W.E.B's growth.



In 2019, W.E.B again welcomed many investors to its events.

Capital for further growth

As in previous years, the issue ended successfully for W.E.B in 2019. In total, EUR 14.648 million flowed to the Company during the subscription period from May 7 to June 17. EUR 4.989 million was attributable to the conventional, partially redeemable bond and EUR 9.659 million to the hybrid bond, which had to be topped up. The proceeds from the bonds were earmarked for new power plants and expanding existing wind farms, as is the usual course of action for W.E.B. Last year, these funds were used to finance W.E.B's first wind energy project in Italy, the repowering of the wind farm in Wörbzig (Germany), and the Albert/Wisokolamson wind farm in Canada. This clearly highlights how W.E.B along with its investors is holding fast to the strategy of shaping the international energy transition from its home base in Austria.

W.E.B up close—the program for investors

With more than 6,100 shareholders and bond buyers, W.E.B is Austria's largest renewable energy company focusing on community participation. W.E.B's Management Board members Frank Dumeier and Michael Trcka regularly travel around the country to discuss W.E.B's performance with numerous investors. In early 2019, the Company welcomed 220 participants to the fireside chats that by now have become a tradition. During the Company's Green Power Tour to promote the bond issue, around 300 interested parties attended events in Krems, Vienna, and Linz.

In addition, the public is kept up to date through quarterly and annual reports and W.E.B's website, newsletter, company magazine "W.E.B aktuell," and social media channels.

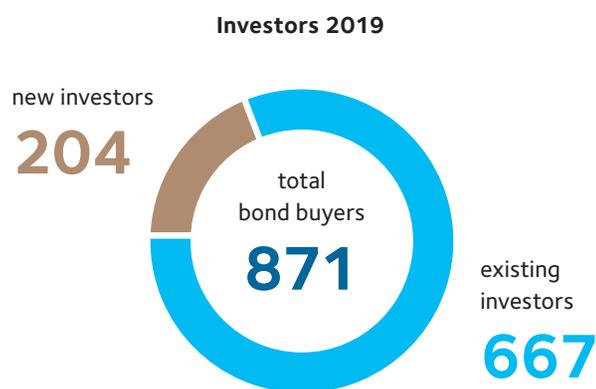
REVIEW

Green power bonds in figures (2019)

Maturity	Interest	Terms	Issuing volume (EUR million)
10 years	2.25%	annual partial redemption	4.989
No maturity date	4.50%	hybrid	9.659
			14.648

The investors

A total of 871 individuals invested in W.E.B's green power bonds in 2019. More than 200 of them (around 23%) were investing in W.E.B for the first time. The majority of all subscribers—82%—acquired no more than 20 bonds; their total investments amounted to EUR 20 thousand or less.



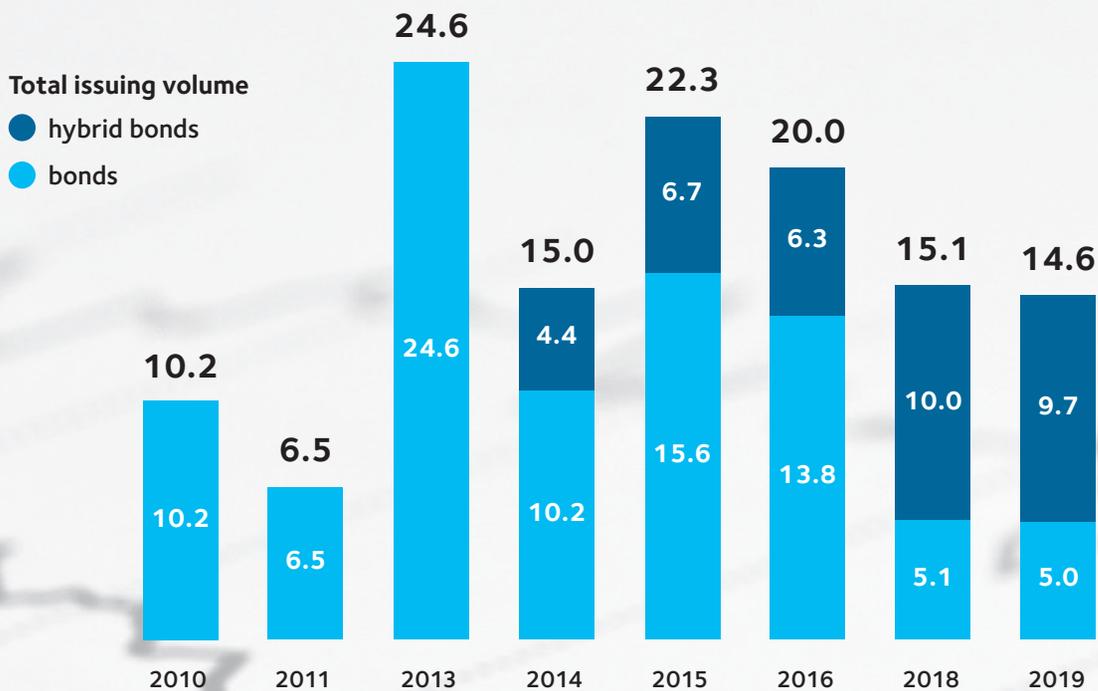
The W.E.B family is growing

Michelbach is not just the site of the W.E.B's debut turbine, but this is also the place where community participation in wind power was born. At that time, 96 individuals invested their money to make the wind power project in Michelbach a reality. It was a springboard for many other projects, because over time, W.E.B added an increasing number of wind farms financed through community participation. Starting in 1999, many of the companies formed to manage these investments by the public were incorporated into WEB Windenergie AG, which was established in the same year. From then on, interest in W.E.B and wind energy has grown steadily. The number of shareholders rose from year to year. In 2019, the W.E.B family had over 4,100 investors, more than ever in W.E.B's history to date.



2010–2019 bond issues

EUR million



Historically sustainable

When W.E.B issued the first green power bond in 2010, no one could foresee how much the interest in these bonds would grow over the years. Bonds have been issued almost every year since then. Initially, W.E.B only issued conventional bonds, but in 2014 also began offering hybrid bonds. W.E.B therefore proved its pioneering spirit in the financial realm as well and showcased the Company's particular attention to the needs and wishes of its investors. This is the foundation for the success of W.E.B's green power bonds. The proceeds have totaled EUR 128.42 million over the last ten years, EUR 55.1 million of which has already been redeemed. Environmentally and economically sustainable—W.E.B and its investors have been showing for years now how climate change mitigation and profitability can be combined.

Forest of the future

Climate change has increasingly been affecting the forests of the Waldviertel region. For this reason, W.E.B is working with the Austrian Federal Forests to create model forests that demonstrate how woodlands in the region capable of withstanding climate change might look. In summer 2019, the first saplings for the promising project were planted by the children of several W.E.B employees.

Global warming brings with it extended dry spells. The associated negative effects on the Waldviertel region's forests are already unmistakable. W.E.B wants to contribute to making the forests in its home region fit for the future. This is why the Company is planting the "forest of the future" on a piece of land directly adjacent to its headquarters in Pfaffenschlag with the support of Austrian Federal Forests (Österreichische Bundesforste, ÖBf). These woods, which are divided into four zones, will be an example of how forests can be managed in the region so that they are adaptable to the challenges of climate change. As a strong symbol of the future, the children of W.E.B employees planted the initial beeches and oaks for a future deciduous woodland in one of the zones in June 2019.



W.E.B's employees and their children planted the first trees for the forest of the future. Also participating: CFO Michael Trcka and CEO Frank Dumeier.

Preserving Waldviertel's traditions

W.E.B takes action for the climate beyond just generating clean energy. Despite achieving international success, the Company has never forgotten its regional roots. As the region's name—Waldviertel, or “forest district”—implies, forests are its dominant natural environment. It is therefore a priority for W.E.B to find solutions for preserving living woodlands for future generations. W.E.B has maintained a friendly and effective partnership with ÖBf at other levels, so it was an obvious choice to expand this cooperation by adding another facet: ÖBf is contributing its extensive expertise to the project.

When W.E.B first approached ÖBf with this idea, project manager Robert Nusser and his team were intrigued from the start. ÖBf has focused for many years now on the climate-driven changes in Austria's forests and is more than happy to pass on this knowledge. A concept was developed for the reforestation of the W.E.B woodland that outlined how the forest could be adapted to future climate conditions and which types of trees are suitable for the region.

The project

In order to fully realize the concept, the forest was divided into several zones that will feature different forest profiles. The purpose will remain that of commercial timberland, but the uses will be diversified. The first area is the land planted with oaks and hornbeams in 2019. The second area will not be actively planted. Instead, robust natural regeneration will provide valuable insight into which trees will take hold in this space without human intervention. We will plant nonnative trees like Douglas firs and red oaks in the third zone. In the fourth area, spruces, the traditional bread-and-butter tree of Waldviertel forestry, will be replaced with conifers which are more robust against climate extremes and well suited to the location, like firs, along with beeches or maples. Area number five is similar to the principle behind the fourth plot and will feature the addition of larches or pines due to the drier location. In the sixth zone, we will create deciduous woods with lindens as well as walnut and chestnut trees. The seventh area will comprise dead-wood hedges on the edge of the forest, which are intended to have a positive effect on biodiversity.

Carbon footprint

In 2019, WEB Windenergie AG's carbon footprint was calculated according to the provisions of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol) for the second consecutive time. Compared to the previous year, W.E.B was able to reduce emissions to 254 t CO₂e. W.E.B's carbon footprint in Austria was compared with its carbon handprint, or electricity from renewable sources fed into the Austrian grid, again in 2019. Our handprint increased to 252,896 t CO₂e.



Carbon footprint 2019

254 t CO₂e
(2018: 278 t CO₂e)



Carbon handprint 2019

252,896 t CO₂e
(2018: 224,936 t CO₂e)

EMPLOYEES

Growing together

Positive international performance and the tremendous opportunities provided by renewable energy have enabled W.E.B to continually grow its teams in Austria and beyond. The project “Empower & Engage” was clearly the theme in 2019. This is a way for W.E.B to actively examine how its growth affects employees and corporate culture—and especially how the organization can serve all parties optimally on this journey.

Empower & Engage

In recent years, the headcount at W.E.B has increased steadily, by more than 50% in five years in Austria alone. The growth in the workforce has been even more robust outside of Austria thanks to W.E.B’s strong international performance.

In order to support W.E.B’s further growth, strategic initiatives were launched in 2019 that address changes in project and process management on the one hand and shine a spotlight on quality aspects on the other hand. The Empower & Engage project therefore focused on corporate culture issues against the backdrop of the Company’s growth and increasingly international workforce.

The entire W.E.B Group’s corporate culture was broadly analyzed in cooperation with Great Place to Work® Austria. Among other measures, an employee survey was conducted for the first time based on a questionnaire by Great Place to Work® and, building on the survey results, priorities were set for the coming years and initial projects developed and launched. Examples are the Cultural Ambassadors and Leadership Cafés programs.

The initiative provided the motivation for founding an international team of cultural ambassadors. They are tasked with promoting solidarity and team spirit across countries and departments. In the first six months, ideas were collected from the teams. Some of these, such as joint sports initiatives at the W.E.B sites and healthy snacks for employees, have already been implemented.

Because enlarging teams also significantly changes the role of managers, W.E.B launched Leadership Cafés, a new form of management training and development. Short periods of two hours are used to easily integrate continuing education content into managers' daily schedules. Participants are able to apply what they have learned thanks to the selection of topics and the structure of the Leadership Cafés, which combine theoretical input, practical exercises, and the exchange of information into one streamlined package.

Recruiting

The W.E.B Group's workforce grew further from 151 to 172 in the reporting period. New hires were mainly for positions in project development, and the development teams in Austria, Germany, France, Italy, and Canada were also expanded. Central services, including the IT department, also added employees.

Office addition in Pfaffenschlag

W.E.B's sustained growth is also the reason the Pfaffenschlag offices were expanded once again. A new addition was built to house up to 40 workstations and a cafeteria. A connecting walkway on the first above-ground floor and a new employee entrance link this addition to the existing building. The construction work and move were completed in time for the anniversary celebrations in September.



New office in France

In 2019, the site in France became W.E.B's second largest in terms of electricity generation. The country's political environment is supportive of expanding the use of renewables, which is why W.E.B had already further stepped up activities in the country in recent years. The French team moved to a new location in Paris when the existing office became too small for the staff now numbering 14 employees. The new office is located at 58A, Rue du Dessous des Berges, 75013 Paris.

New departments

In addition to W.E.B's growth initiatives, two new departments were set up at headquarters to support project development in all countries in which W.E.B does business. All financing for the W.E.B Group is handled by the M&A and Group Financing department. The Mergers and Acquisitions team is responsible for screening, evaluation, and execution of purchases, and for the valuation and, if necessary, takeover of project development pipelines. The Program and Portfolio Management department provides the teams with improved process and IT systems for project development and therefore also ensures that the Company has efficient control systems in place for management within the Group and in the countries.



Trainee program

The first four trainees began working at W.E.B in 2019. This program, which was developed by W.E.B the previous year, is intended primarily for graduates of universities and universities of applied sciences (*Fachhochschulen*). On the one hand, trainees at W.E.B rotate through several departments, possibly also country organizations. On the other hand, they participate in challenging, interdisciplinary projects from day one, thereby contributing directly to the Company's business. Two trainees were assigned to strategic initiatives in the project development area and in the project and process management area. In early 2020, they switched to W.E.B country organizations. Two others have assignments in the management accounting area and in international operations management.



Core KPIs

		2018	2019
Employees (Group)	people	151	172
	full-time equivalents	134.8	157.0
Proportion of women	percent	38	38
Average age	years	36.3	36.5
New hires	people	63	53
	of which interns	25	12
Left company	people	38	31
	of which interns	17	13
	of which parental leave	2	4
Recruiting throughput time	months	2.5	2.7
Average tenure	years	4.8	4.9
Ratio of total annual compensation of the person with the highest salary to the median total annual compensation of all salaried employees (Group)		8.1	9.2
Salaried employees subject to collective bargaining (Group)	percent	80	80

Additional information and key performance indicators are provided in the management report on pages 83 to 85 of this Annual Report.

There are more than 4,000 of us

W.E.B's success is due to factors including its roots in community participation, a principle to which we have always remained faithful. Economic and environmental sustainability make W.E.B a green investment that again inspired confidence among shareholders and bond buyers alike in 2019.

Community participation is the springboard that allowed W.E.B to develop from a regional company to an international group of companies with operations in Europe and North America. W.E.B started out as a builder of individual wind turbines and now is a designer and operator of wind farms and solar parks that also sells its own green energy directly. The drivers of this development are our shareholders and bond buyers. In 2019, the number of shareholders crossed the 4,000 mark for the first time.

W.E.B shares

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

Dividend

EUR

2014	2015	2016	2017	2018	2019
15	20	15	24	18	10*

* Proposal to the 2020 Annual General Meeting

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

As of December 31, 2019, the number of ordinary shares issued totaled 288,453, as in the previous year. The number of shareholders rose steadily, as in prior years, and increased from 3,902 at the end of 2018 to 4,131 as of December 31, 2019. The upward trend of the share price in Traderoom continued in 2019 as well. In August 2019, the price of a share exceeded EUR 1,000 for the first time. The average Traderoom price per share for the year amounted to around EUR 812, up more than 30% over the prior year's figure.*

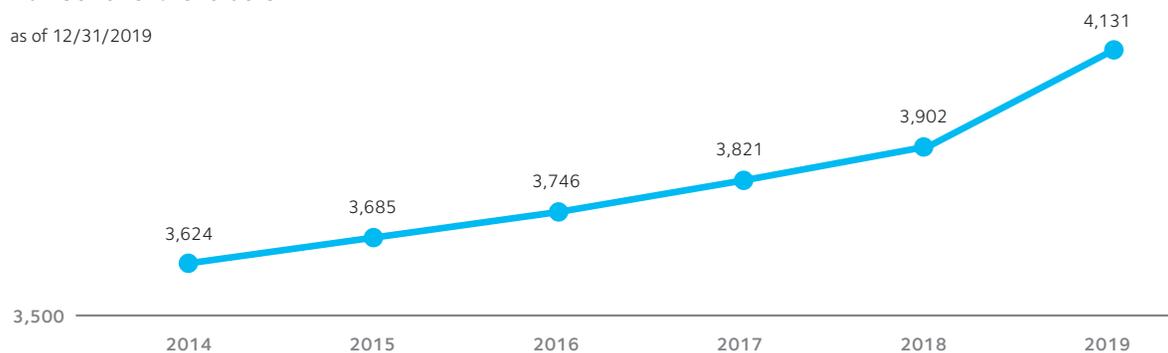
Shareholders by shareholding

as of 12/31/2019

Groups	Lower threshold	Upper threshold	Shares (number)	Shares (%)	Shareholders (number)	Shareholders (%)
Up to 0.1%	1	288	149,431	51.80%	3,937	95.30%
More than 0.1% up to 0.5%	289	1,442	95,252	33.02%	179	4.33%
More than 0.5% up to 1%	1,443	2,884	24,458	8.48%	12	0.29%
More than 1% up to 2%	2,885	5,769	3,623	1.26%	1	0.02%
More than 2% up to 3%	5,770	8,653	6,748	2.34%	1	0.02%
More than 3% up to 4%	8,654	11,538	8,941	3.10%	1	0.02%
Total			288,453	100.00%	4,131	100.00%

Number of shareholders

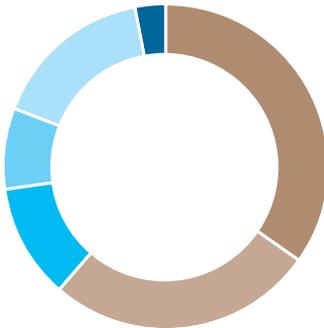
as of 12/31/2019



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

Regional distribution of shares

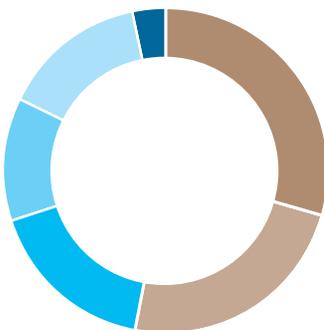
as of 12/31/2019



Number	Share	Region
100,876	34.97%	Waldviertel
76,769	26.61%	Lower Austria excluding Waldviertel
32,535	11.28%	Vienna
23,196	8.04%	Upper Austria
46,281	16.04%	Austria excluding Lower A., Upper A. and Vienna
279,657	96.95%	Total Austria
8,796	3.05%	Other countries
288,453	100.00%	All shares

Regional distribution of shareholders

as of 12/31/2019



Number	Share	Region
1,217	29.46%	Waldviertel
984	23.82%	Lower Austria excluding Waldviertel
693	16.78%	Vienna
504	12.20%	Upper Austria
599	14.50%	Austria excluding Lower A., Upper A. and Vienna
3,997	96.76%	Total Austria
134	3.24%	Other countries
4,131	100.00%	All shareholders

The W.E.B Traderoom

W.E.B's shares are not listed on any stock exchange, but transactions can be completed easily with the help of the www.traderoom.at platform. Buy or sell offers for W.E.B's bonds can also be submitted in the Traderoom. In this case, however, all trading is conducted exclusively on the Vienna Stock Exchange.

It is easy and quick to register on the Traderoom site and execute transactions; in addition, no fees are charged. All shareholders and anyone interested can submit or search for existing buy or sell offers on the www.traderoom.at platform. Doing so merely exchanges information; W.E.B does not act as a broker.

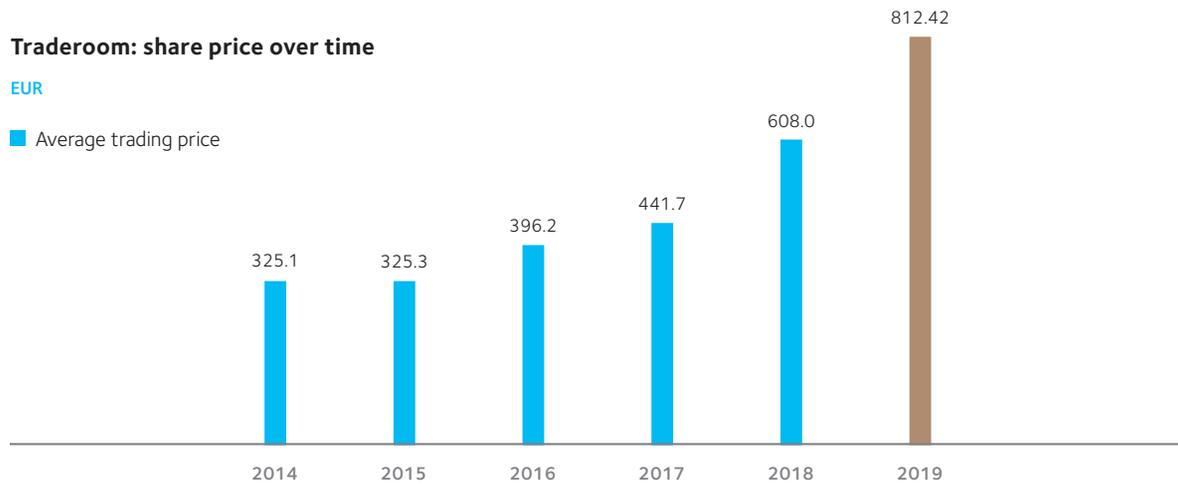
A total of 7,598 shares valued at EUR 6,029,577 changed hands in 2019 with the support of the Traderoom. The average trading price per share rose over the course of the year from roughly EUR 689 in January 2019 to about EUR 981 in December 2019.



Traderoom: share price over time

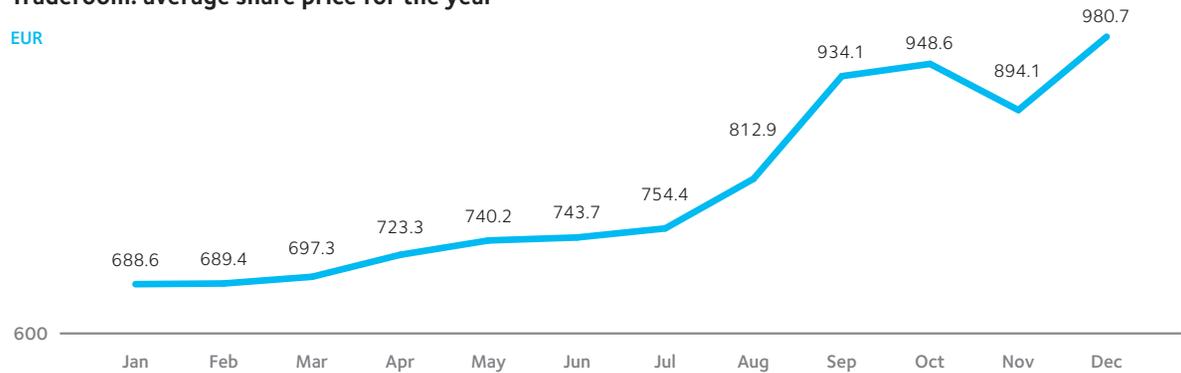
EUR

■ Average trading price



Traderoom: average share price for the year*

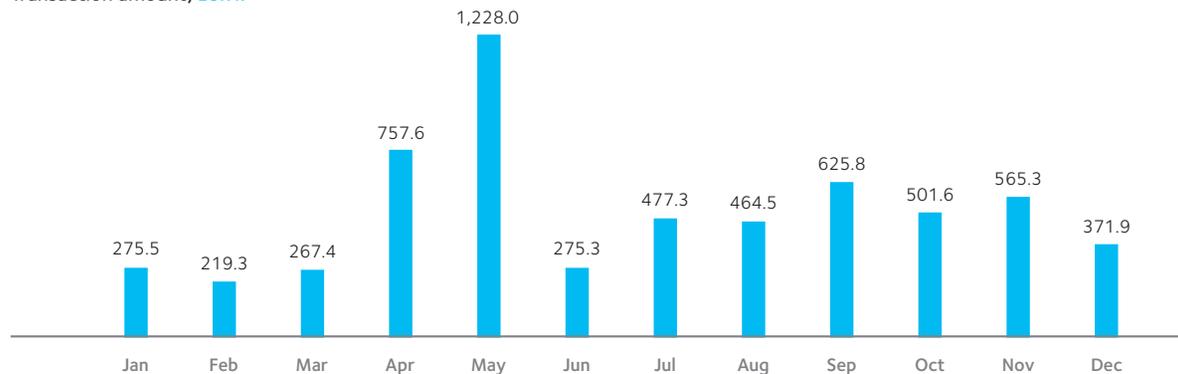
EUR



In the reporting period, 2,754 shares were transferred outside of Traderoom. Of this number, the transaction price for 434 shares is known to W.E.B and amounts to an average of EUR 719.17.

Traderoom: transactions in 2019

Transaction amount, EUR k



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

W.E.B bonds

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

In 2019, W.E.B offered two different bond products to investors. Thanks to the strong interest showed by investors again, the volume placed totaled approximately EUR 14.6 million. Both bonds are listed as Green and Social Bonds, the platform for sustainable investments, on the Vienna Stock Exchange. All told, W.E.B has therefore issued bonds totaling EUR 128.5 million since 2010 that have provided considerable momentum for implementing our extensive investment program. A total of EUR 55.07 million had already been redeemed by the end of 2019. This amount includes both the bonds redeemed in full as well as those partially redeemed as stipulated by annual partial redemption models and by the hybrid bond.

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

W.E.B bonds are traded exclusively on the Vienna Stock Exchange, but the above-mentioned Traderoom (www.traderoom.at) platform allows investors who wish to buy or sell bonds to more easily find corresponding offers.

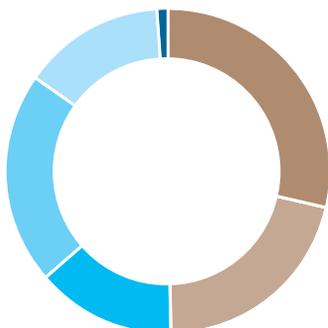
W.E.B bonds since 2010

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

*Already redeemed (as of: 12/31/2019)

Regional distribution of bonds

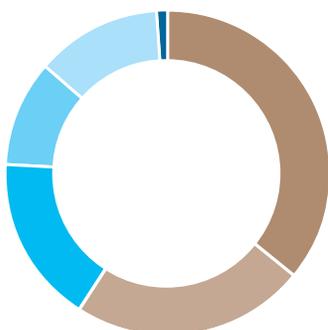
as of the reporting date on 12/31/2019



Number	Share	Region
29,632	28.62%	Waldviertel
21,873	21.12%	Lower Austria excluding Waldviertel
14,420	13.93%	Vienna
21,936	21.18%	Upper Austria
14,633	14.13%	Austria excluding Lower A., Upper A., and Vienna
102,494	98.98%	Total Austria
1,057	1.02%	Other countries
103,551	100.00%	All bonds

Regional distribution of bond buyers

as of the reporting date on 12/31/2019



Number	Share	Region
1,246	36.06%	Waldviertel
801	23.18%	Lower Austria excluding Waldviertel
580	16.79%	Vienna
360	10.42%	Upper Austria
430	12.45%	Austria excluding Lower A., Upper A., and Vienna
3,417	98.90%	Total Austria
38	1.10%	Other countries
3,455	100.00%	All bond buyers

Governing bodies of the Company

Supervisory Board



Mag. Josef Schweighofer
Chairman of the Supervisory Board

Born in 1964

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



Dr. Reinhard Schanda
Deputy Chairman of the Supervisory Board

Born in 1965

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



DI (FH) Stefan Bauer
Member of the Supervisory Board

Born in 1977

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



Mag. Brigitte Ederer

Member of the Supervisory Board

Born in 1956

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



Martin Zimmermann

Member of the Supervisory Board

Born in 1968

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

Management Board

Dr. Frank Dumeier

Chairman of the Management Board (CEO)

Born in 1962

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

DI Dr. Michael Trcka

Member of the Management Board responsible for finance (CFO)

Born in 1970

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



Equity interests

100% interest

WEB Windpark GmbH & Co KG	Austria
WEB DHW Wind GmbH & Co KG	Austria
WEB DHW Wind GmbH	Austria
WEB Windenergie Betriebs GmbH	Austria
WEB DGHS Verwaltungs GmbH	Austria
ELLA GmbH & Co KG	Austria
ELLA Verwaltungs GmbH	Austria
WEB Windenergie Deutschland GmbH	Germany
WEB Windenergie Loickenzin GmbH	Germany
WEB Windenergie Loickenzin Betriebsgesellschaft GmbH & Co KG	Germany
WEB Windpark Kuhs Verwaltungs GmbH	Germany
WEB Windpark Wörbzig Verwaltungs GmbH	Germany
WEB Windpark Wörbzig GmbH & Co KG	Germany
Windpark Grube Verwaltungs GmbH	Germany
WEB Energie du Vent SAS	France
Parc éolien de Champigneul-Poncancy SAS	France
Les Gourlus Holding SAS	France
Parc éolien des Portes du Cambrésis SAS	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
W.E.B Parc éolien Autour des Carrières	France
SWEB Development Inc. ¹	Canada
WEB Wind Energy North America 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 s.r.l.	Italy
WEB Conza s.r.l.	Italy
Società Elettrica Ligure Toscana s.r.l.	Italy
ARSOLAR S.R.L.	Italy
WEB USA Inc.	USA
SWEB Development USA LLC	USA
Regenerative Energy Bulgaria EOOD – in liquidation	Bulgaria



> 25% interest

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
WEB Windenergie Brandenburg GmbH (formerly: WindSale Holding GmbH)	Germany
Windpark Grube GmbH & Co KG	Germany
Zweite WP Weener GmbH & Co. KG/2. Windpark Weener Verwaltungs GmbH	Germany
WEB Grid SASU	France
Energie Verte Plaine d'Artois	France
SWEB Ownership Ontario Inc. ¹	Canada
SWEB Development Ontario Inc. ¹	Canada
Scotian Web Inc. ¹	Canada
Scotian Web II Inc. ¹	Canada
Scotian Web III Inc. ¹	Canada
Black Spruce Windenergy GP Inc. ¹	Canada
Wisokolamson Energy GP Inc. ¹	Canada
WEB ARIANO SRL	Italy
Pisgah Mountain USA LLC	USA



< 25% interest

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

Indirect interest

Sternwind III GmbH	Austria
Windpark Weener Pooling GmbH & Co. KG/ Windpark Weener Pooling Verwaltungs-GmbH	Germany
CAMPO EOLICO ARIANO-CEA SRL	Italy

¹ Including limited partnership agreement

Corporate governance

W.E.B's commitment to corporate governance

As a company focused on community participation, WEB Windenergie AG considers itself obligated to pursue responsible corporate governance and remain as transparent as possible. This is why WEB Windenergie AG has been committed to complying with the Austrian Code of Corporate Governance (ÖCGK) since mid-2006, which is applied as outlined below.

The ÖCGK was developed as a basic set of regulations for listed companies in Austria to supplement the statutory provisions of Austrian stock exchange and capital market law by adding rules on self-governance. Unlisted stock corporations can voluntarily apply the Code. W.E.B therefore made the decision to comply with the ÖCGK rules.

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

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

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

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

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

Implementation of the Corporate Governance Code by WEB Windenergie AG in the fiscal year 2019

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

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

Deviations from the rules in the ÖCGK are explained briefly below and published on the Company's website in accordance with WEB Windenergie AG's voluntary compliance with the ÖCGK. Deviations are discussed openly and decided on by the Management Board, if necessary with the participation of the Supervisory Board, if the deviation is justified from the perspective of WEB Windenergie AG. The reason for each deviation is presented along with the applicable rule in the following summary.

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

C-Rule 18:

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

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

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

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

A remuneration policy is in place for WEB Windenergie AG's Management Board members—and the managing directors of subsidiaries, department heads, and employees—that covers fixed and variable compensation components. The existing remuneration policy for Management Board members was retained and supplemented when their employment contracts were extended in order to provide incentives for sustainable business growth. In addition to fixed compensation and variable components linked to the Group's

performance (exceeding a certain return on equity), separate compensation is paid for the commissioning of new power plants and reaching certain milestones. Upper thresholds are set for compensation.

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 Management Board as a whole and the corresponding criteria for variable compensation are disclosed in the annual report. We do not publish separate information regarding individual Management Board members to protect their privacy.

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

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

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

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

C-Rule 49:

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

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

L-Rule 60:

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

[...]

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

No women currently sit on WEB Windenergie AG’s Management Board. The Supervisory Board has had one female member, Mag. Brigitte Ederer, since the 2018 Annual General Meeting. Several women also work in the Company’s second level of management: Claudia Bauer and Mag. Stefanie Markut act as authorized signatories, six women held the position of department head in 2019, and two women are managing directors of country organizations.

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

C-Rule 68:

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

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

C-Rule 83:

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

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

Report of the Supervisory Board

in accordance with Section 96 AktG

Dear shareholders
and readers of this report,

Organization and activities of the Supervisory Board

During the fiscal year 2019, the Supervisory Board was composed of five members elected by the Annual General Meeting: Mag. Josef Schweighofer (Chairman), Dr. Reinhard Schanda (Deputy Chairman), DI (FH) Stefan Bauer, Mag. Brigitte Ederer, and Martin Zimmermann. At the 20th Annual General Meeting on May 24, 2019, Dr. Reinhard Schanda, whose term was set to expire at the end of this Annual General Meeting, was unanimously reelected upon recommendation of the Supervisory Board for a term running until the end of the 2024 Annual General Meeting.

The Supervisory Board exercised with great care the duties assigned to it by the law, the Articles of Association, and the bylaws during the reporting period. Based on the comprehensive reporting provided by the Management Board, the Supervisory Board regularly advised it on the management of the Company and monitored its activities on an ongoing basis. In a total of nine meetings in which all Supervisory Board members participated, along with additional discussions and phone conferences, the Supervisory Board deliberated on the Company's operations and business policies, and the Group's results on the basis of regular, timely written and oral reports by the Management Board. Furthermore, they jointly discussed the future strategic direction of the Company and the material Group companies. The controls implemented as part of the open and constructive dialog between the Management Board and Supervisory Board did not give rise to any objections. In addition, the chairman of the Supervisory Board was in constant contact with the Management Board to regularly receive information about the latest developments at the Company. As part of its deliberations and decisions, the Supervisory Board considered environmental and social issues in addition to the economic aspects of the Company's business and reviewed the associated effects, risks, and opportunities.

Audit Committee

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

The Audit Committee held two meetings in the year under review, discussed specific issues in detail, and subsequently reported on these to the full Supervisory Board. In April 2019, the Committee deliberated on all issues concerning the annual and consolidated financial statements for 2018 and the proposal for appointing the auditor for 2019. At the October 2019 meeting, the auditor provided an overview of the planned course and areas of focus of the audit for the fiscal year 2019. In addition, the Audit Committee also discussed the corporate governance report and monitoring of the accounting process, reviewed the effectiveness of the internal control system (ICS), including the risk management system, and monitored the auditor's independence. The Audit Committee also had the opportunity to consult and exchange information with the auditor without the presence of the Management Board.

Management Board

In the past fiscal year, the Company was managed by Management Board members Dr. Frank Dumeier (CEO) and DI Dr. Michael Trcka (CFO). Since both members had almost reached the end of their second terms of office, one of the Supervisory Board's main tasks was successfully completing the negotiations started in 2018 on extending their contracts.

At the Supervisory Board meeting on February 21, 2019, the Management Board contract with DI Dr. Michael Trcka was extended for another five years until April 30, 2024. The contract and term of office of CEO Dr. Frank Dumeier was extended until March 31, 2025, at the Supervisory Board meeting on April 24, 2019. The Supervisory Board is confident that our two-member Management Board will continue to operate as successfully as it has for the last approximately ten years, and that, together, they will master the challenges of the Company's further growth and will be far-sighted in leading the W.E.B Group into a stable, sustainable future.

Result

The result for the fiscal year 2019 came in close to the budgeted number. We clearly exceeded the result for the previous fiscal year 2018, which featured poor wind conditions, due to the 2019 wind situation, which was slightly better than planned, and even came close to the record year of 2017.

Project development in review

We successfully continued to grow and were able to commission a total of 59.6 MW of new plant capacity in 2019. In addition to new wind farms in Austria, Italy, and Canada, the repowering of the existing German wind farm in Wörzburg contributed to this growth. The 500 MW threshold for the Company's existing wind farms was therefore exceeded in the fourth quarter of the reporting period. Moreover, the hydropower plant in Eberbach was updated and a rooftop photovoltaic system was commissioned in Lower Austria.

W.E.B further expanded its international development pipeline and also began developing large-scale ground-mount photovoltaic systems. In Austria, the urgently needed Renewable Energy Expansion Act (Erneuerbaren Ausbau Gesetz, EAG) was further delayed one to two years due to the formation of a new government.

However, the political parties agreed in summer to expedite the pipeline of approved projects. Thanks to this decision, W.E.B received the tariff assignments for four projects held up in this pipeline since 2016.

It should be noted that especially in Austria and Germany, the approval process for projects in development has generally been made more stringent, extending the development periods for projects to well over five years in some cases. Due to the resistance of some political decision-makers, despite broad public support for climate action, only minimal growth can be expected in these two countries.

Operations in review

W.E.B's operations look back on an excellent year in 2019, setting a new record high of more than 1,200 GWh of electricity produced from renewable sources. The very good wind conditions in the winter months and above-average wind production in the summer exceeded the budgeted figures by 2.9% by the end of the year. Climate changes are being felt strongly in Austria, as elsewhere, and the effects include less icing of the turbines in the winter.

The 2 MW turbine fleet was readied for another 25 years of operation by switching out 30 gearboxes and generators. Special maintenance projects prepared the older kW-capacity turbines for an even longer operating life. As a rule, the cooperative service model has proven effective with our main turbine suppliers.

Electricity marketing in review

The marketing of the electricity we produce that is no longer subsidized is becoming increasingly important for W.E.B. Once again in 2019, W.E.B saw a sharp increase in new customers for the product lines aimed at residential customers and companies, with more than 6,000 metering points supplied by year-end.

Extending our green electricity products to Germany will unlock another major sales market for W.E.B from 2020 onward. W.E.B green electricity was again awarded first place by Global 2000 & WWF in the Austrian electricity supplier ranking.

Community participation in review

In the 2019 reporting period, W.E.B issued two bonds, raising around EUR 14.6 million in capital for the further development of projects. Despite this capital measure, the demand for W.E.B shares remained high, and, in the second half of the year, led to our shares being traded at new record highs. The number of shareholders crossed the 4,000 mark.

Strategy

W.E.B's strategy, which was revised in 2018 to reinforce our growth targets, was approved at the Supervisory Board's strategy meeting on November 22, 2019. The sharp growth in the pipeline of wind energy projects and the stronger focus on ground-mount solar farms with a pipeline of more than 200 MWp are both clear evidence of this. Due to more stringent regulatory and statutory requirements, we are preparing

for longer development periods in some cases. In terms of growth, the markets more highly prioritized going forward will be those with fewer hurdles for expanding the use of renewable energy sources.

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

Annual financial statements for 2019 and proposal for the appropriation of profits

KPMG Niederösterreich GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, 2340 Mödling, which was appointed auditor of the financial statements for the fiscal year 2019, audited the annual financial statements for the fiscal year 2019, including the management report and consolidated financial statements for the fiscal year 2019 along with the group management report and issued each an unqualified audit opinion.

All documents for the financial statements, the proposal for the appropriation of the profits, and all audit reports by the auditor of the financial statements were discussed extensively and in detail by the Audit Committee with the auditor in a meeting on April 16, 2020. Furthermore, the auditor presented a separate report to the Audit Committee pursuant to Article 11 of Regulation (EU) No 537/2014 in conjunction with Section 92 (4a) No. 2 AktG regarding the audit of the separate financial statements and the consolidated financial statements for the fiscal year 2019. At this meeting, the Audit Committee also discussed the corporate governance report and monitoring of the accounting process, reviewed the effectiveness of the internal control system (ICS), including the risk management system, and monitored the auditor's independence. Pursuant to this meeting, the Audit Committee came to the conclusion that the audited documents are lawful and correct and that there were no grounds for an objection. The Audit Committee also had the opportunity to consult and exchange information with the auditor without the presence of the Management Board. The results of this Audit Committee meeting were reported to the full Supervisory Board, and the proposals required by law were distributed.

The report on the annual financial statements and the consolidated financial statements including the group management report were discussed at the Supervisory Board meeting on April 16, 2020, held in conjunction with the Management Board and the auditor.

The Supervisory Board concurred with the results of the audits by the auditor and the Audit Committee; approved the annual financial statements for the period ended December 31, 2019, submitted by the Management Board; approved the related management report by the Management Board; and voted in favor of the proposal for the appropriation of profits. The annual financial statements are therefore adopted in accordance with Section 96 (4) AktG. The Supervisory Board noted and endorsed the consolidated financial statements including the group management report.

While this report was being prepared, we were confronted in all countries in which W.E.B does business with the COVID-19 pandemic, a situation fraught with uncertainty. Thanks to its flexibility and international operations, W.E.B was able to react quickly to the directives and recommendations issued by governments.

Operations therefore continued largely unhindered. Nonetheless, the medium- and long-term impact of the pandemic is difficult to estimate. For this reason, it currently appears appropriate to refrain from distributing the majority of our net retained profit as dividends.

The Supervisory Board therefore agrees with the Management Board's proposal to distribute EUR 2,884,530.00 (EUR 10.00 per share) of the total net retained profit of EUR 6,656,401.99 and to carry the remaining amount of EUR 3,771,871.99 forward to new account.

Audit of the annual financial statements for 2020

A proposal by the Audit Committee proposing the election of the auditor of the separate and consolidated financial statements for the fiscal year 2020 was prepared for the 21st Annual General Meeting. Ernst & Young Wirtschaftsprüfungsgesellschaft m. b. H., Wagramer Strasse 19, IZD-Tower (Postfach 89), 1220 Vienna, is proposed as auditor of the separate and consolidated financial statements for the fiscal year 2020 (January 1 to December 31, 2020).

Acknowledgment

Finally, on behalf of the Supervisory Board I would like to express my gratitude to the entire Management Board, the managing directors of the Group companies, and all of our employees and to recognize their successful efforts in the past fiscal year 2019. A heartfelt thanks for your dedication and commitment in the difficult times we are currently experiencing due to the COVID-19 pandemic. My gratitude also goes out to our loyal customers, our joint venture and business partners in Austria and abroad, and our shareholders and bond buyers for their confidence in W.E.B.

On behalf of the Supervisory Board



Mag. Josef Schweighofer
Chairman of the Supervisory Board
Pfaffenschlag, April 2020

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Group management report for the fiscal year 2019

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1. General

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

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

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

1.1 Branch offices

WEB Windenergie AG has no branch offices.

2. Political and regulatory framework

Although the global expansion of renewable energy supply continued in 2019, the rate of growth slowed. Worldwide, a total of USD 363.3bn was invested in renewable energy. This represents a slight increase over 2018 (source: Bloomberg New Energy Finance—Clean Energy Investment Trends). The largest shares of investment were attributable to wind power at USD 138.2bn and solar power at USD 131.1bn.

2.1 General regulatory framework in the EU and in Austria

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

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

Clean Energy for All Europeans package

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

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

Under the European Union's energy and climate package approved in December 2008, Austria is required to increase the share of renewable energy sources to 34% of gross final energy consumption by 2020 and, at the same time, reduce its greenhouse gas emissions in sectors that are exempt from emissions trading by at least 16% by 2020 compared to 2005 levels.

Societal forces like the Fridays for Future movement also contribute to further policy changes.

In December 2019, the European Commission presented its Green Deal clearly defining, among other things, the goal of a climate-neutral Europe by 2050. In order to achieve this, it is important that the energy sector be decarbonized, and renewable energy sources play a key role here. Various instruments of CO₂ pricing support this transformation.

The new Austrian National Council formed after legislative elections in 2019 also defined ambitious targets in its government program and aims to take a pioneering role in mitigating climate change. Based on these targets, 100% of Austria's electricity is to be from renewable sources by the year 2030; by 2040, the country is expected to be completely climate neutral. The government plans to breathe life into this program as quickly as possible through the newly formed Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation, and Technology. Plans to launch a task force primarily dedicated to environmental tax reforms have also been announced.

2.2 Regulatory framework for pricing

In 2014, the EU adopted guidelines for state aid in the categories of environment and energy, which took effect on July 1, 2014. The objective of these rules is to integrate renewable energy sources into the electricity market and to limit government aid to the absolute minimum. In light of this, tendering processes are expected to gradually replace subsidized feed-in tariffs.

Based on a decision by the Federal Network Agency (Bundesnetzagentur), Germany's energy regulator, and ACER, the European regulation agency, the joint electricity market between Austria and Germany was split as of October 2018. This measure was intended to ease grid congestion arising due to the physical capacity of the existing lines and thus to limit trading of primarily German wind power to the southern regions, which flowed mainly through the Czech Republic and Poland, putting the grid there under enormous strain.

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

To date, fears of higher costs for balancing energy have been unfounded. Due to changes in the market mechanics, these costs were in fact extremely low in the first half of 2019 before rising—at times very sharply—beginning in August, driven by yet another change. Thus, regulatory changes in the market design have had a far greater impact on the costs of balancing energy than the borders of the electricity price zone.

2.3 Country-specific conditions

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

An amendment to ÖSG 2012 passed in the fall of 2019 (Federal Law Gazette I [BGBl] 97/2019) allowed funds for 2021 and 2022 to be released early so that the backlog extending back to 2016 could be processed at the tariff applicable for 2019. According to calculations by the industry association IG Windkraft, funding agreements could be concluded for around 200 previously approved wind power plants with a capacity of 600 MW and these plants could subsequently be constructed. However, the feed-in tariff for clearing this backlog was set at the rate of 8.12 cents/kWh applicable for 2019. This represents a reduction for those projects in the backlog with applications for award of the subsidized tariff which were submitted prior to 2019.

Since no additional special funds were provided for processing the backlog, but rather existing planned funding was released early, as things stand today, virtually no funds will be available to projects approved in 2020 and 2021. A new basis will therefore need to be created for newer projects by adopting the Renewable Energy Expansion Act 2020 (Erneuerbaren Ausbau Gesetz, EAG 2020), currently in its draft form, or another legal regulation on compensation for green electricity.

With the Renewable Energy Act (Erneuerbare-Energien-Gesetz, EEG 2017) **Germany** provides a predictable framework for the expansion of wind projects. The reference yield model also safeguards the profitability of plants at less attractive locations by creating comparable competitive conditions for different sites using an auction process and avoiding over-subsidization of wind power plants at good locations. Section 36h of EEG 2017 sets forth a single-level reference yield model. According to this model, the value to be applied depending on the quality factor of the site increases or decreases by an amount calculated using what is known as a correction factor. A higher correction factor is used for locations with less wind, so that the value to be applied rises for these sites. Accordingly, the value to be applied decreases for locations with more wind, since a lower correction factor is used for these. The payment entitlement calculated using this method applies for the entire funding period.

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

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

A tendering process for green electricity subsidies has been in place for new projects in **Italy** for a long time. This tendering process was revised by decree in 2019 to cover future years. A technology-neutral tender for 5,500 MW is planned through the fall of 2021 in a total of seven auctions. Prices ranging from EUR 70/MWh to EUR 21/MWh can be bid in the auctions; the tendered contracts have terms of 20 years each. The technology-neutral tender now places wind power in direct competition with solar power in Italy.

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

Feed-in arrangements with fixed tariffs similar to those in the European incentive system apply to existing plants in several provinces of **Canada**. All provinces will gradually transition to tendering processes, however, some of which are similar to the models chosen in the EU. Because of the resulting predictability and profitability of new projects, this continues to be an attractive market for us.

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

3. Energy market and economic environment

3.1 Climate impacts on generation conditions

2019 was once again an extraordinarily warm year, one also marked by numerous extreme weather events. Leading Central European meteorological services ranked 2019 the third-warmest year on record after 2018 and 2014. This places it seamlessly in a series of warmest years, also rounding off the warmest decade globally in record keeping history. It also continues the trend beginning in 1980 that every successive decade has been accompanied by new record temperatures.

Along with climate change and global warming, we are increasingly experiencing the occurrence of extreme weather events. These include record snowfall in January 2019 with walls of snow reaching meters in height mainly in the Alps and in higher elevations. But also persistent weather conditions, those lasting for long periods of time, are clear indications of climate change. Their impacts can be even stronger and more destructive because they move so slowly. We are also experiencing large-scale heat waves and droughts along with them, extending over large parts of Europe and persisting for months with little change.

In the wind power industry, the main effect of persistent weather conditions is a significant increase in the typical seasonal wind fluctuations between summer, on the one hand, and fall and winter, on the other. This means that the summer can have months with very little wind, when wind levels may drop to nearly nothing, followed by fall and winter months with record production levels. Overall, however, average annual wind volumes remain at nearly the same levels.

3.2 Electricity price performance

The upswing in electricity prices from 2016 to 2018 did not continue in 2019. The electricity price on the Leipzig electricity exchange relevant for W.E.B in its core markets of Austria and Germany, Phelix-DE Baseload Year Future, dropped from around EUR 48/MWh to about EUR 42/MWh, a decrease of around 12%. Since the joint electricity price zone was split in October 2018, electricity prices in Austria have been slightly higher than those in Germany.

W.E.B still sells most of its electricity generation for guaranteed electricity prices, since the subsidized feed-in tariffs for the power plants are valid for 13 (Austria) and 25 years (Canada, among others). After the subsidized period has expired, we sell our electricity ourselves. As of the end of 2019, this applies to just under 18% of the entire production volume. The electricity prices that can be achieved for this volume depend on the prices on the electricity exchange and are roughly equivalent to base load prices.

Electricity price trend 2010–2019

Base load (EUR/MWh)



Wholesale electricity price trend in EUR/MWh by monthly average—Phelix Base Year Future 2010–2019 (EEX)

Source: European Energy Exchange AG

3.3 Financial markets—interest rate level

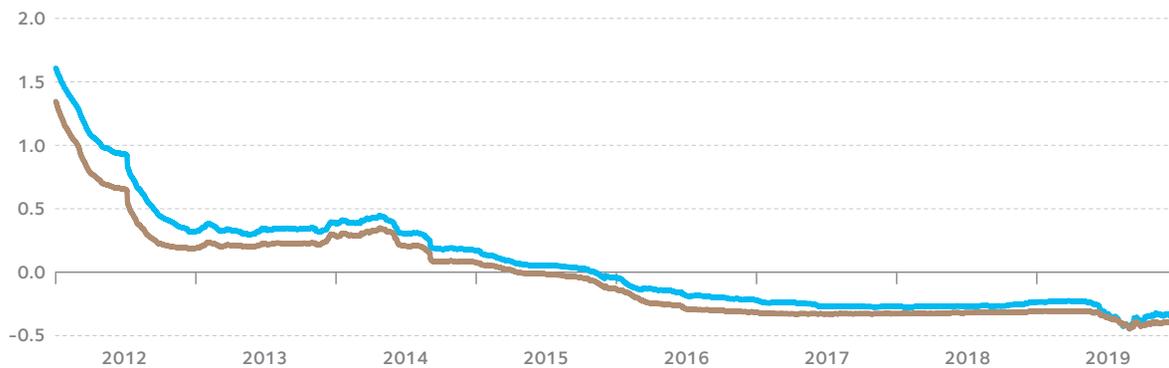
Throughout 2019, both the 3-month and 6-month EURIBOR rates were significantly below 0% and thus remained at a historically low level. We once again used this opportunity to enter into long-term power plant financing agreements at favorable terms.

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

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

Development of reference interest rates

% — 6M EURIBOR — 3M EURIBOR



Development of 3M and 6M EURIBOR

Source: Graph based on data from Deutsche Bundesbank

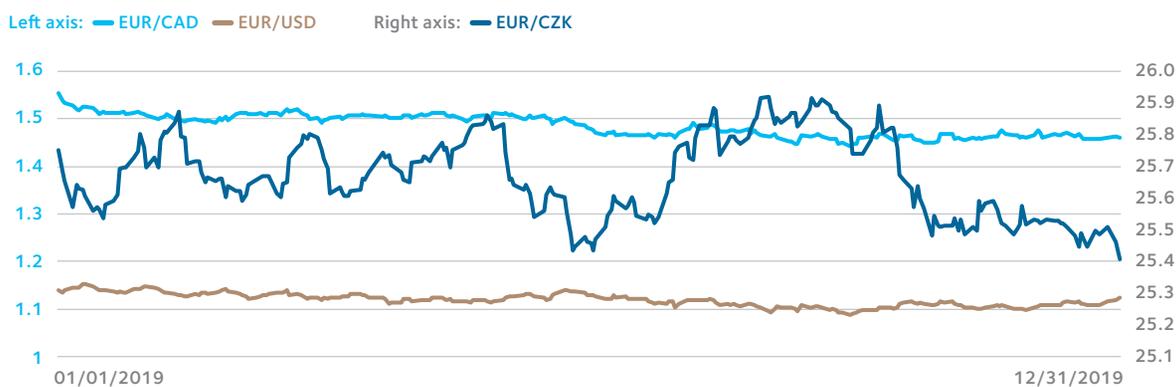
3.4 Exchange rate trend

The euro lost value against the Canadian dollar in 2019. While one euro was worth around CAD 1.55 at the beginning of the year, by the end of the year the exchange rate had dropped to around CAD 1.46. The second North American currency of relevance for us, the US dollar, saw practically no changes in value over the reference period.

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

The exchange rate of the Czech koruna to the euro fell from CZK 25.7 at the beginning of 2019 to CZK 25.4 at the end of the year.

Exchange rate trend



Relevant currency exchange rates

Source: European Central Bank (ECB)

4. Business performance

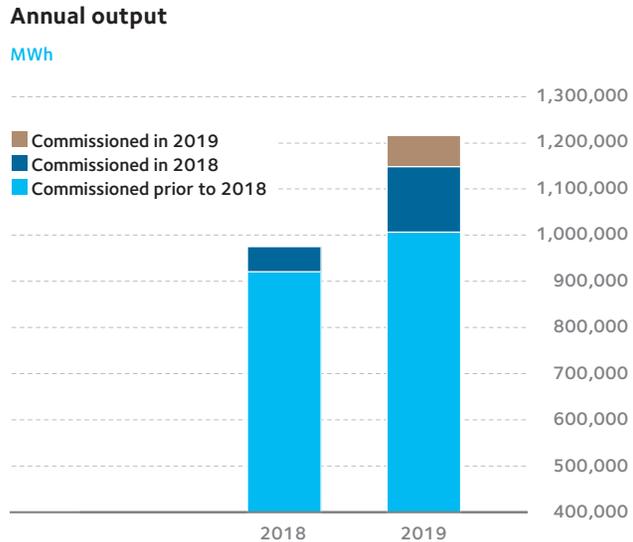
4.1 Electricity generation

	2019		2018	
	Capacity	Output	Capacity	Output
	kW	MWh	kW	MWh
Austria	230,068	560,335	228,438	450,743
Germany	99,722	195,929	96,272	157,229
France	84,800	214,679	84,800	160,374
Czech Republic	9,080	16,180	9,080	15,687
Italy	32,064	38,360	12,264	13,409
Canada	39,831	158,070	21,831	145,685
USA	9,075	31,703	9,075	31,310
Total	504,640	1,215,256	461,760	974,437

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

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

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



4.2 Generation conditions, availability, and maintenance

The first months of 2019 were extremely windy and thus laid the foundation for the overall good output results. In contrast, the summer months remained below expectations due to the pronounced high pressure area over the whole of Europe. The months of October, November, and December once again brought above-average wind volumes.

Thus, in the total portfolio view for 2019, output was increased by 2.9% (previous year: -3.2%). We also already surpassed the 1 TWh threshold in mid-November. In addition to the favorable wind conditions and stable operations, the commissioning of three new, high-capacity wind farms contributed significantly to this.

Viewed by country, the output of the Austrian power plant portfolio was 4.9% higher than forecast in 2019. The same applies to the plants in Germany, the Czech Republic, Canada, and the US (+2.3%, +7.0%, +6.7%, and +6.0%). By contrast, output fell short of expected figures in France and Italy (-2.4% and -9.0%).

Compared to the long-term average, output conditions for our wind power plants in 2019 proved to be better than average (+3.2%). In contrast, the solar power segment remained below target (-3.6%). The hydropower plants were also negatively affected by drought and required renovation measures (-13.3%).

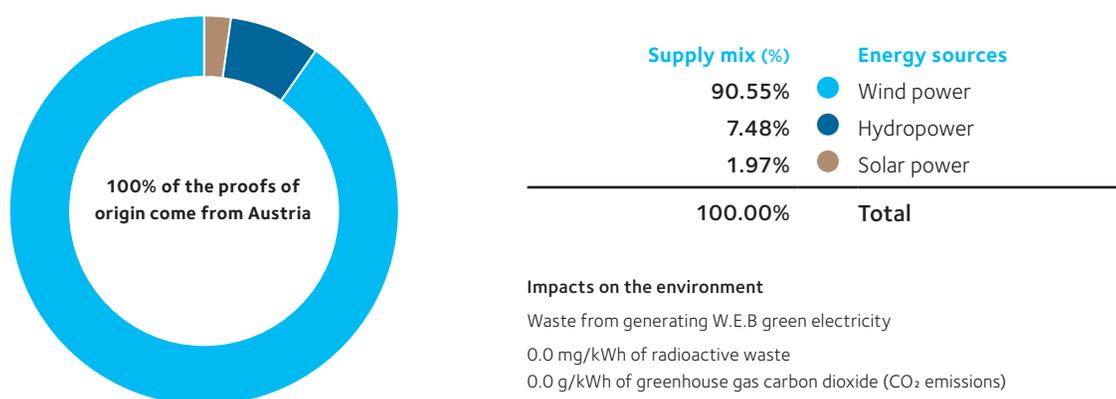
In regard to newly commissioned plants, 2019 was a highly satisfactory year. Three new wind farms were put into operation in the wind power segment. In Germany, the existing wind farm in Wörbzig (11 x V66) was repowered with six state-of-the-art wind turbines of the V136 model with 3,600 kW each. In Italy, Piombino (6 x V136) is the country's first W.E.B wind farm to go online, and W.E.B gained its first foothold in the Canadian province of New Brunswick with the Albert wind farm (5 x V126). In the solar power segment, we expanded the existing Pfaffenschlag III plant by 40.32 kW and commissioned a roof installation in Sachsendorf with 199.5 kW.

4.2.1 Electricity labeling

Of the 70,341,711 kWh volume supplied by W.E.B in 2019, 90.55% was generated from wind power, 7.48% from hydropower, and 1.97% from solar energy. In 2019, the supply mix of WEB Windenergie AG had an environmental impact amounting to 0.0 g/kWh CO₂ emissions and 0 mg/kWh of radioactive waste.

Electricity labeling of W.E.B green electricity

Electricity labeling for the period from 1/1/2019 to 12/31/2019 in accordance with Section 78 (1) and (2) of the Austrian Electricity Industry and Organization Act of 2010 (Elektrizitätswirtschafts- und organisationsgesetz, EIWOG) and in accordance with the Austrian Electricity Labeling Regulation of 2011 (Stromkennzeichnungsverordnung, StromkennzeichnungsVO)



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

Find energy consulting services at: <https://www.e-control.at/en/web/guest/konsumenten/service-und-beratung>

4.3 Electricity sales

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

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

	2019		2018	
	MWh	%	MWh	%
Electricity output	1,215,256	100%	974,437	100%
of which subsidized	1,000,203	82%	878,640	90%
of which nonsubsidized	215,053	18%	95,797	10%

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

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

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

Overall, W.E.B sold 70,342 MWh of electricity via direct sales in Austria in 2019.

4.4 Financial performance

W.E.B’s profit after tax in 2019 was up 55.8% on the prior-year figure. This is primarily attributable to higher output compared with the previous year.

Consolidated income statement	2019	2018
EUR k		
Revenue	104,159.0	85,483.4
Other operating income	3,187.1	2,208.3
Gross operating revenue	107,346.1	87,691.8
Cost of materials and purchased services	-3,682.8	-2,219.8
Personnel expenses	-11,789.3	-9,343.7
Depreciation, amortization, and impairment losses	-37,996.4	-33,511.5
Other operating expenses	-21,649.1	-18,656.8
Subtotal	-75,117.6	-63,731.8
Operating profit	32,228.5	23,959.9
Net finance costs	-10,414.5	-10,149.1
Profit before tax	21,814.0	13,810.9
Taxes on income	-5,300.3	-3,209.0
Profit after tax	16,513.8	10,601.9

4.4.1 Revenue

In 2019, revenue was 21.8% above the level of the previous year (EUR 85.5 million). The main reasons for this were above-average wind conditions and the commissioning of new plants. In contrast, the expiration of subsidized tariffs for some wind farms had an opposite effect in the reporting period.

Viewed by category, revenue breaks down as follows:

Revenue broken down by category	2019	2018	+/- %
EUR k			
Wind	94,050.7	78,565.9	19.7%
Solar	6,294.0	5,726.7	9.9%
Hydro	131.2	160.5	-18.3%
Proceeds from the sale of electricity directly to consumers and from electricity distribution	3,683.0	1,030.4	257.4%
Total	104,159.0	85,483.4	21.8%

Revenue broken down by country	2019	2018	+/- %
EUR k			
Austria	44,165.7	35,740.7	23.6%
Germany	16,338.1	13,999.6	16.7%
Italy	6,334.9	4,380.0	44.6%
Czech Republic	2,731.7	2,563.0	6.6%
France	18,506.8	13,751.3	34.6%
Canada	12,936.4	12,093.0	7.0%
USA	3,145.4	2,955.9	6.4%
Total	104,159.0	85,483.4	21.8%

4.4.2 Other operating income

Other operating income rose by 44.3% to EUR 3,187.1 thousand in 2019. In particular, it includes income from the reversal of provisions, income from insurance compensation, and income from construction management.

4.4.3 Cost of materials and purchased services

This item includes expenses for electricity purchases, grid loss fees, and grid usage fees (EUR 3,618.3 thousand, previous year: EUR 2,062.7 thousand) as well as the cost of materials. In total, the item rose by 65.9% to EUR 3,682.8 thousand as a result of higher electricity purchases for direct marketing of W.E.B's range of green electricity.

4.4.4 Personnel expenses

Compared with 2018, personnel expenses increased by 26.2% in 2019 to reach EUR 11,789.3 thousand. This increase is primarily attributable to the higher number of employees due to international expansion and the further internationalization of services.

4.4.5 Other operating expenses

Other operating expenses rose by 16.0% to EUR 21,649.1 thousand in 2019. This increase is mainly the result of the construction and acquisition of plants during the reporting period and the higher maintenance and operating costs caused by this activity.

4.4.6 Net finance costs

Interest expenses in the reporting period were above the level of the previous year, which was mainly attributable to the increase in financial liabilities and the initial application of IFRS 16 Leases. In total, net finance costs amounted to EUR -10,414.5 thousand (previous year: EUR -10,149.1 thousand). The profit from interests accounted for using the equity method had a positive effect overall.

4.4.7 Dividend

Distribution of a dividend of EUR 18.00 per share for the fiscal year 2018 was resolved at the Annual General Meeting held on May 24, 2019 (a total of EUR 5,192.2 thousand). This amount was paid out on

June 30, 2019. In accordance with the terms of the hybrid bonds issued in 2014, 2015, 2016, and 2018, partial repayments of EUR 443.8 thousand, EUR 672.7 thousand, EUR 634.9 thousand, and EUR 999.9 thousand and interest payments of EUR 173.1 thousand, EUR 306.1 thousand, EUR 317.5 thousand, and EUR 450.0 thousand were made in the late fall of 2019 as a result of the dividend distribution.

4.5 Assets and liabilities

	12/31/2019		12/31/2018	
	EUR k	%	EUR k	%
Noncurrent assets	552,090.6	88%	496,179.8	90%
Current assets	75,399.0	12%	54,043.9	10%
Total assets	627,489.6	100%	550,223.6	100%
Equity	150,284.0	24%	140,656.6	26%
Noncurrent liabilities	416,220.0	66%	339,220.2	62%
Current liabilities	60,985.6	10%	70,346.9	12%
Total assets	627,489.6	100%	550,223.6	100%

The increase in noncurrent assets of W.E.B was primarily attributable to the initial application of IFRS 16 Leases, (recognition of right-of-use assets) and the power plants constructed in the fiscal year in Germany, Italy, and Canada. Initial application of IFRS 16 and the new long-term borrowings taken out for the plants put into operation in the fiscal year also caused noncurrent liabilities to rise. A detailed description of the changes from initial application of IFRS 16 Leases, is included in the notes, Section 2; details on the changes to individual items in the statement of financial position are included in the notes, Section 4.

Investments	2019	2018
EUR k		
Capital expenditure for intangible assets	3,119.5	1,258.9
Capital expenditure for property, plant, and equipment	75,355.2	68,724.8
Total	78,474.7	69,983.7

The main investments in the fiscal year 2019 concern power plants under construction in Austria, Germany, Italy, France, Canada, and the US.

4.6 Financial position

4.6.1 Cash flow

	2019	2018
EUR k		
Net cash provided by operating activities	64,078.3	50,515.3
Net cash used in investing activities	-61,021.3	-77,012.9
Net cash provided by financing activities	10,030.2	14,917.2
Total cash flow	-13,087.1	-11,580.3

Net cash provided by operating activities amounted to EUR 64,078.3 thousand in the 2019 reporting period, up 26.8% on the prior-year figure. This increase is primarily attributable to the higher revenue in the reporting period.

Net cash used in investing activities amounted to EUR –61,021.3 thousand (previous year: EUR –77,012.9 thousand). The decrease is mainly due to the partial repayment of a loan granted to partners and to the cash outflows recorded in the previous year for additions to the basis of consolidation. In contrast, capital expenditure for property, plant, and equipment was higher than the level of the previous year.

Net cash provided by financing activities amounted to EUR 10,030.2 thousand in the reporting period (previous year: EUR 14,917.2 thousand). This amount includes dividend payments for the fiscal year 2018 made to the shareholders of WEB Windenergie AG and to noncontrolling interests, as well as scheduled repayments of financial liabilities.

4.6.2 Key performance indicators

	2019	2018
Revenue (EUR k)	104,159.0	85,483.4
Profit before interest and taxes (EUR k)	34,414.2	25,497.3
Return on sales	33.0%	29.8%
Return on equity	11.4%	8.0%
Return on investment	5.8%	4.8%
Net debt (EUR k)	403,578.6	359,962.0
Net gearing	268.5%	255.9%
Working capital (EUR k)	14,413.5	–16,040.0
Repayment period (years)	5.7	6.3
Equity ratio	24.0%	25.6%

Return on sales represents the ratio of profit before interest and taxes, which is comprised of the profit before tax plus interest expenses, to revenue generated, and it shows a company's profitability from operations independent of interest expenses and taxes. The increase from 29.8% in 2018 to 33.0% in 2019 is attributable to the increase in profit before interest and taxes in 2019.

Return on equity represents the ratio of net income for the year to the capital employed. It indicates the interest yield on the capital provided by the equity investors after deducting the income tax within a period. In 2019, we were able to generate a significantly higher return on equity of 11.4% for our owners.

Return on investment represents the ratio of profit before interest and taxes to the average total capital employed, and it indicates the interest yield of the total capital employed within a period. We were also able to improve this indicator significantly to 5.8% in 2019.

Net gearing is the ratio of net debt, determined as interest-bearing debt less cash and cash equivalents, to a company's equity. This makes it a key indicator for assessing a company's ability to withstand a crisis. Because of the sharper increase in net debt than in equity in 2019, the gearing ratio at 268.5% is slightly higher than in the previous year.

Calculated by subtracting current liabilities from current assets, working capital shows a positive value in the reporting period. This shows that our financing is carried out by matching maturities.

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

At 24.0%, the equity ratio, or the ratio of equity to total capital, is slightly lower than the 2018 value (25.6%), since total capital increased more rapidly than equity due to new long-term loans taken out in 2019.

4.7 Financing

In the fiscal year 2019, we took out long-term loans to finance capital expenditures in the Wörbzig wind farm (repowering) in Germany, the Piombino wind farm in Italy, and the Albert wind farm in Canada, as well as to purchase the Arsolar and Conza solar power plants in Italy.

In addition, we once again issued debenture bonds in 2019. The fixed-rate partially redeemable bonds were issued with a coupon of 2.25%. A volume of EUR 4,989.0 thousand was placed. In addition, W.E.B issued hybrid bonds with a coupon of 4.50% in a volume of EUR 9,659.0 thousand.

4.7.1 Financing strategy

When making investment decisions, we always consider our current liquidity situation and our further liquidity planning. We finance our investments by means of long-term loans as well as by issuing bonds and hybrid bonds. Both the bonds and the hybrid bonds carry fixed interest rates, while the loans to finance our power plants carry both fixed and variable interest rates. Interest rate swaps have been entered into for around 73% (previous year: 71%) of the existing variable rate financial liabilities. Accordingly, around 90% (previous year: 87%) of loan liabilities are hedged with a fixed interest rate as of December 31, 2019. An increase in the interest rate of 1 percentage point would cause a negative impact to profit of EUR 348.3 thousand (previous year: EUR 424.4 thousand) per year.

4.7.2 Repayment structure

We repaid EUR 57,051.1 thousand of long-term loans in the fiscal year 2019. A total of EUR 44,672.8 thousand will become due in 2020. A total of EUR 146,711.7 thousand is scheduled to be repaid from 2021 to 2024.

5. Nonfinancial report

5.1 Employees

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

The number of employees increased once again in the reporting period. On the one hand, this can be attributed to the positive framework for renewable energy in France and Italy, while on the other hand, it is also due to diligent efforts to expand the central services for our Group. In order to ensure rapid integration of new employees, we continued and further improved the onboarding procedure established in 2018. Efforts were also focused on international onboarding, in which employees from sites in other countries spend a week at headquarters.

Employees by country and gender

	12/31/2019	12/31/2018
Austria	125	105
of which men	74	62
of which women	51	43
Germany	12	14
of which men	8	10
of which women	4	4
Canada	11	11
of which men	8	8
of which women	3	3
France	13	13
of which men	9	8
of which women	4	5
Italy	7	4
of which men	4	3
of which women	3	1
Czech Republic	2	2
of which men	1	1
of which women	1	1
USA	2	2
of which men	2	2
of which women	0	0
Total	172	151
of which men	106	94
of which women	66	57
Percentage of women	38.4%	37.7%

Employees by age

	12/31/2019	12/31/2018
under 20	2	1
21–30 years	51	46
31–40 years	60	51
41–50 years	42	39
51–60 years	15	12
over 60	2	2
Total	172	151
Average age	36.5	36.3

Since 2012, the number of part-time employees has increased from 9 to 36. The main reason for this is the return of employees previously on family leave, some of whom are taking advantage of flexible working hours and others are preparing to return to full-time work.

Employees by employment type and gender

	12/31/2019	12/31/2018
Full time	136	119
of which men	101	90
of which women	35	29
Part time	36	32
of which men	5	4
of which women	31	28
Total	172	151

The percentage of employees with temporary employment contracts has fallen disproportionately. In most cases, this is because the employee has transitioned to permanent employment.

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

	12/31/2019	12/31/2018
Permanent	170	143
of which men	105	92
of which women	65	51
Temporary	2	8
of which men	1	2
of which women	1	6
Total	172	151

In keeping with the growth of our Company, we also invested continually in the training and continuing education of our employees throughout the reporting period. Per-capita direct training expenses amounted to EUR 1,163 in the reporting period (previous year: EUR 1,049).

Open, respectful, and responsible interaction with each other is very important to us. In order for us to address specific needs, employees' ideas are collected and discussed in annual performance reviews and during the anonymous employee satisfaction survey, which is conducted every year.

The format of the employee meetings was revised and optimized in 2018. The element of mutual feedback between the supervisor and the employee is just as important as defining targets and agreeing on opportunities for advancement. To achieve this, our managers also receive professional input within the framework of our Leadership Cafés launched in 2019.

The employee survey has been part of our Company since 2012 and was conducted on the basis of the Great Place to Work® concept for the first time in 2019. The action areas developed on this basis were dealt with in the Empower and Engage initiative.

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

5.2 Social responsibility

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

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

As one of the main employers in the northern part of the Waldviertel region, we support cultural initiatives in this area that aspire to connect urban and rural life. These include the "Literatur im Nebel" literary festival held in Heidenreichstein and the "Schrammelklang Festival" in Litschau.

In pre-registered tours offered by W.E.B, guests have the opportunity to familiarize themselves with the enormous potential and influential significance of wind and solar energy. Schools from the region frequently take advantage of this for field trips. We also hold an open house at our corporate headquarters every two to three years; the most recent of these was held in our anniversary year, 2019.

6. Innovation, research, and development

6.1 Technology innovations in generating electricity from wind and solar power

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

At our headquarters in Pfaffenschlag, we installed a pilot plant featuring a refined east-west ground mounting structure and verified the resulting efficiency gains. The wider generation panels combined with a simplified mounting system and higher electricity output per square meter confirmed our approach. Based on the success of this plant, we would like to install even larger ground-mount systems in 2020 as further pilot systems.

Our second focus in innovation was on the optimal design of hybrid systems combining wind and solar power generation at a single metering point. Here, our goal was to provide computational proof of better grid capacity utilization. Real load profile data from the Waldviertel and Weinviertel regions was used to mathematically simulate plant configurations which, at an output correlation of 1:1 (1 MW of wind to 1 MWp of solar) and a total grid connection value of 1 MW, required output regulation of no more than 2–3%. Based on the promising results from testing this concept, we intend to realize selected power plant projects using this hybrid approach beginning in 2020.

6.2 Forest of the future

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

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

Sector coupling involves the integration of different application areas with the goal of using energy as efficiently as possible, thus significantly lowering total energy consumption. The concept is a key factor for transitioning away from fossil fuels to 100% renewable energy sources.

Every sector (mobility, heating and cooling, residential, crafts and trades, etc.) has different consumption times and peaks and also has different means at its disposal for storing energy. By cleverly combining these, energy consumption can be balanced and significantly reduced between the sectors.

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

6.4 Ice shedding project

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

7. Opportunity and risk management

7.1 Introduction

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

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

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

Last year, the focus of work in this area was on further improving the risk categories considered and on revising and expanding the reporting function.

7.2 Risk and opportunity profile

Generating electricity from wind power plants and solar power installations depends heavily on weather conditions. Output is subject to strong seasonal and annual fluctuations. Management takes this risk into consideration when selecting project sites. System availability in the grid is another key factor for W.E.B.'s profitability. The technical availability of the power plants averaged 98.3% in 2019 (previous year: 98.5%). Only early inclusion of all stakeholders, compliance with regulatory conditions, and effective project management can ensure the success of projects. Operation and maintenance of plants used over the course of many years—comprising the significant assets of W.E.B.—requires highly qualified employees. In addition to these risks and uncertainties customary for the industry, our Company's risk profile is mainly characterized by political, legal, and regulatory challenges and changes in the competitive environment.

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

There were no contingent liabilities as of December 31, 2019.

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

With the exception of the interest rate swaps entered into (see notes to the financial statements, note (23) Derivative financial instruments), no special hedges/hedging transactions were entered into in the fiscal year 2019.

7.3 Significant opportunities and risks as well as measures

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

Category	Description	Measures	Effect on profit	
			Opportunity	Risk
Interest rate risk	Change in market interest rates	Fixed interest rate financing; interest rate hedging	x	x
Deterioration of the market conditions of banks	Dependence on a single bank	Spread risk by diversifying banks; ongoing contact with banks; monitoring bank ratings		x
Technical risks				
Data loss due to misappropriation of laptops; long-term server outage; virus or malware attack	Data loss; readability for external parties; no data access; data destruction	Active encryption; daily backup to the server; storage at different locations; employee awareness; antivirus software		x
Faulty technology; errors in workmanship of plants	Damage to plants	Highly trained W.E.B service teams for rapid and high-quality repair; risk minimization through long-established experience in operating wind power plants		x
Legal risks				
Permit compliance and legal proceedings	Loss of information; failure to raise issues of possible relevance	Orderly handover from planning phase to operational management		x
Changes to country-specific frameworks	New legal requirements for existing farms; changes to existing laws	Monitoring the markets; early reaction to adjustments		x
Personnel risk				
Behavior that is damaging to the business	Negative economic impacts from damage to corporate image	Targeted personnel development; improvement of process descriptions; specific communication		x
Staff departures	Loss of knowledge; data transfer	Active off-boarding process; definition of a stand-in role; documentation of key processes; promote employee satisfaction		x
Weather and wind				
Wind assessments; extreme weather years	Deviations between expected and actual output	Analysis of meteorological statistics; comparison of projects with existing farms; strategic distribution of production capacity	x	x
Project risk				
Approval and bidder risk of projects	Project risk	Review of projects; identification of main risks	x	x
Structure fire				
Fire in office and storage area	Building destruction due to fire	Fire safety drills; fire detectors; fire alarms		x

Category	Description	Measures	Effect on profit																			
			Opportunity	Risk																		
Counterparty risk—suppliers																						
Dependence on turbine manufacturers	Operation of wind turbines of two main suppliers; if one of these manufacturers were to experience financial difficulties, this could have a negative impact on our claims	Buildup of expertise in troubleshooting and corrective action; inspections; both companies are internationally operating manufacturers with significant shares of the global market; advance payments for new turbines; some existing turbines have guarantee/warranty claims and availability guarantees arising from maintenance agreements		x																		
Price risk																						
Price risk and political risk	There are tariffs guaranteed for the medium and long term for some of the electricity generated; changes to laws that safeguard tariffs; threat to plant profitability	<p>Overview of tariff guarantee terms</p> <table border="1"> <thead> <tr> <th rowspan="2">Tariff guarantee terms</th> <th colspan="2">Percentage of planned generation</th> </tr> <tr> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Expired</td> <td>17.8%</td> <td>15.9%</td> </tr> <tr> <td>< 1 year</td> <td>0.4%</td> <td>4.6%</td> </tr> <tr> <td>1 to 5 years</td> <td>9.4%</td> <td>3.9%</td> </tr> <tr> <td>> 5 years</td> <td>72.4%</td> <td>75.6%</td> </tr> </tbody> </table> <p>Direct marketing agreements entered into in Germany allowing transition to subsidized tariff; no tariff: monitoring of the electricity price trend</p>	Tariff guarantee terms	Percentage of planned generation		2019	2018	Expired	17.8%	15.9%	< 1 year	0.4%	4.6%	1 to 5 years	9.4%	3.9%	> 5 years	72.4%	75.6%			x
Tariff guarantee terms	Percentage of planned generation																					
	2019	2018																				
Expired	17.8%	15.9%																				
< 1 year	0.4%	4.6%																				
1 to 5 years	9.4%	3.9%																				
> 5 years	72.4%	75.6%																				
Electricity marketing																						
Electricity marketing	Deviations between expected and realized sales prices; necessity of purchasing balancing energy	Pricing strategy; improved forecasting	x		x																	
Pandemic																						
Pandemic	The spread of an illness across national and/or continental borders causes restrictions in the economy and society; projects cannot be continued and/or constructed; repairs to production facilities are not possible; replacement parts are not available; electricity prices fall; employees are absent from work	Availability of capital reserves to bridge a certain period of time; inclusion of any potential delays in planning projects; continual maintenance of production facilities; replacement parts are in stock; tariffs guaranteed for the medium and long term are in place for most electricity generated; stand-in roles have been defined; home office is possible for the majority of employees			x																	

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

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

7.4.1 Organizational framework

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

7.4.2 Basic principles of the internal control and risk management system

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

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

7.4.3 Periodic monitoring

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

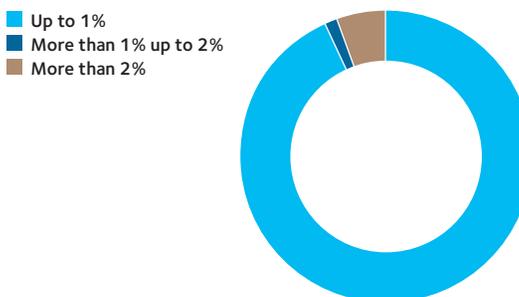
8. Shareholder structure and capital information

in accordance with Section 243a (1) UGB

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

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

Shareholders by ownership interest



As of December 31, 2019, no shareholder held more than 10% of the Company. The Articles of Association limit the voting rights of shareholders holding more shares in that those rights can only be exercised for a maximum of 10% of the share capital.

In accordance with the Articles of Association of WEB Windenergie AG, the shareholder Windkraftanlagen Errichtungs- und Betriebsgesellschaft m.b.H. (currently: FutureDriving Dangl GmbH), Pfaffenschlag, Austria, is entitled to appoint one member of the Supervisory Board.

There are no shares with special control rights.

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

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

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

There were no authorizations of the Management Board within the meaning of Section 243a (1) No. 7 UGB, particularly regarding the option to issue or buy back shares, in the fiscal year 2019.

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

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

9. Outlook

In the new fiscal year, W.E.B will continue to consistently implement its vision of taking on a leading role in the decentralized energy transition based on the three pillars of project development, power plant operations, and electricity marketing. A foundation of broad community participation is of great importance to us and has been since beginning our activities. We give private individuals and companies an attractive opportunity to participate in the energy transition and consider this to be an essential aspect in implementing our vision.

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

In our growth process, we continue to rely on a mix of wind power and solar energy as well as on expanding our national and international capacity. In the reporting year, for instance, we began construction on the wind farm in Tortefontaine, France, which was set to come onstream in the summer of 2020. At the end of January 2020, we were selected to implement the Ariano project in Italy, our largest wind farm to date with a total capacity of 84 MW. Construction was scheduled to begin in the spring of 2021 so that, under optimal circumstances, the plants can begin supplying the grid with clean electricity by the beginning of 2022.

However, the measures introduced due to the COVID-19 pandemic in all countries in which W.E.B sites are located are impacting these projects. Construction work at the wind farm in Tortefontaine, France, was temporarily halted in mid-March; further work on the project in Ariano, Italy, is currently not possible as planned. We anticipate a deferral of at least two months. Delays impacting W.E.B's overall project development extending beyond that period will depend on the duration of the measures put in place. Any other impacts of the COVID-19 measures are difficult to assess at this time.

W.E.B's earnings performance depends to a large extent on electricity generation by our power plants, which is primarily determined by the wind conditions in the regions where the sites are located. Mobility restrictions in response to COVID-19 would also affect output if we are unable to put our turbines back into operation after disruptions. The coronavirus crisis is also impacting energy prices. Since we sell around 18% of our electricity output on the open market, a reduction in the market price will reduce profit in the years to come, even though the effects of impairment testing cannot be estimated at this time. In January 2020, for instance, our wind power plants remained 23.1% below projected production volumes. In contrast, photovoltaic installations were 34.4% above target. This serves as further confirmation of the benefit of having our sites spread across several countries, because the generation of our French wind farms was above target in January thanks to favorable weather conditions. In February, output from wind farms was once again significantly above target due to numerous storms. These fluctuations will be reflected in the profit of W.E.B as well.

The Management Board
Pfaffenschlag, April 7, 2020.

Dr. Frank Dumeier

DI Dr. Michael Trcka

Consolidated financial statements (IFRSs)

Consolidated income statement 01/01–12/31/2019

	Note	2019	2018
EUR k			
Revenue	1	104,159.0	85,483.4
Other operating income	2	3,187.1	2,208.3
Cost of materials and purchased services	3	–3,682.8	–2,219.8
Personnel expenses	4	–11,789.3	–9,343.7
Depreciation, amortization, and impairment losses	5	–37,996.4	–33,511.5
Other operating expenses	6	–21,649.1	–18,656.8
Operating profit (EBIT)		32,228.5	23,959.9
Share of profit or loss of equity-accounted investments	13	905.5	711.7
Interest income	7	1,365.1	1,305.9
Interest expense	8	–12,600.1	–11,686.4
Other net finance costs	9	–85.0	–480.3
Net finance costs		–10,414.5	–10,149.1
Profit before tax		21,814.0	13,810.9
Income tax expense	24	–5,300.3	–3,209.0
Profit after tax		16,513.8	10,601.9
of which intended to be attributable to hybrid capital investors		1,440.6	1,010.8
of which attributable to noncontrolling interests		1,820.6	1,664.7
of which attributable to shareholders of WEB AG		13,252.6	7,926.4
Earnings per share¹ (EUR)	10	45.9	27.5

¹ Diluted earnings per share are the same as basic earnings per share.

Consolidated statement of comprehensive income

	2019	2018
EUR k		
Profit after tax	16,513.8	10,601.9
Items that will be reclassified subsequently to profit or loss		
Currency translation differences	2,171.5	-430.1
Changes in the fair value of cash flow hedges	-2,036.0	-633.2
Income taxes on other comprehensive income	550.2	163.6
Total other comprehensive income	685.8	-899.7
Total comprehensive income, net of tax	17,199.5	9,702.2
of which total comprehensive income attributable to hybrid capital investors	1,440.6	1,010.8
of which total comprehensive income attributable to noncontrolling interests	2,749.1	1,318.1
of which total comprehensive income attributable to shareholders of WEB AG	13,009.8	7,373.3

See note 19.

Consolidated statement of financial position as of December 31, 2019

	Note	12/31/2019	12/31/2018
EUR k			
Assets			
Intangible assets	11	22,727.9	3,610.4
Property, plant, and equipment	12	501,939.4	461,603.9
Investments in associates and joint ventures	13	3,863.6	3,211.0
Noncurrent financial assets	14	22,992.1	27,545.8
Deferred tax assets	24	567.7	208.8
Noncurrent assets		552,090.6	496,179.8
Inventories	15	3,741.1	3,951.7
Trade receivables	16	17,396.9	14,489.1
Other receivables and assets	17	18,761.1	13,421.1
Income tax receivables		1,566.4	1,733.3
Cash and cash equivalents	18	33,933.4	20,448.7
Current assets		75,399.0	54,043.9
Total assets		627,489.6	550,223.6

	Note	12/31/2019	12/31/2018
EUR k			
Equity and liabilities			
Share capital	19	28,845.3	28,845.3
Capital reserves	19	23,323.8	23,323.8
Hybrid capital	19	29,052.5	22,203.0
Other reserves	19	-5,152.6	-4,909.8
Retained earnings	19	59,748.2	51,525.3
Attributable to shareholders of WEB AG		135,817.3	120,987.6
Noncontrolling interests	20	14,466.8	19,669.1
Total equity		150,284.0	140,656.6
Financial liabilities	21	347,637.1	270,211.8
Bonds	22	33,563.4	39,023.8
Deferred tax liabilities	24	15,977.3	14,220.3
Provisions	25	14,126.6	13,177.5
Other noncurrent liabilities	23	4,915.7	2,849.9
Noncurrent liabilities		416,220.0	339,483.2
Financial liabilities	21	31,482.2	44,220.1
Bonds	22	11,151.8	14,212.0
Income tax payables		2,050.8	1,469.8
Trade and other payables	26	16,300.7	10,182.0
Current liabilities		60,985.5	70,083.9
Total liabilities		477,205.6	409,567.0
Total equity and liabilities		627,489.6	550,223.6
Equity (excl. hybrid capital and noncontrolling interests) per share (EUR)		368.5	341.6

Consolidated statement of cash flows

	2019	2018
EUR k		
Profit before tax	21,814.0	13,810.9
+ Depreciation and amortization of, and impairment losses on/ - reversals of impairment losses on, intangible assets and property, plant, and equipment	37,996.4	33,511.5
+ Net interest expense	11,235.0	10,380.5
+/- Noncash share of profit or loss of equity-accounted investments	-708.6	-422.7
- Dividends/distributions	-230.3	0.0
+/- Impairment losses on/reversals of impairment losses on financial assets	-15.2	-13.0
-/+ Gain/loss on disposals of financial assets and other noncurrent assets	0.0	12.6
-/+ Gain/loss on fixed asset disposals	2,039.6	329.0
+ Increase/ - decrease in noncurrent provisions	11.7	15.1
+/- Other noncash changes	-425.5	125.7
Operating cash flow before changes in working capital and income taxes	71,717.2	57,749.4
- Increase/ + decrease in inventories and receivables	-2,617.0	-1,988.7
- Increase/ + decrease in receivables from related parties	-15.9	17.5
- Increase/ + decrease in other receivables	-4,274.9	-1,520.1
+ Increase/ - decrease in trade and other payables	2,016.8	-1,689.1
- Income taxes paid	-2,748.0	-2,053.6
Net cash provided by operating activities	64,078.3	50,515.3
+ Proceeds from fixed asset disposals	1,548.6	513.6
+ Proceeds from disposals of financial assets and other noncurrent assets	6,211.8	1,147.1
+ Interest received	1,178.0	1,115.9
- Net cash used to acquire consolidated subsidiaries	0.0	-7,000.1
+ Increase/ - decrease in liabilities to affiliated companies	2.1	2.1
+ Disposal of consolidated subsidiaries	560.6	0.0
- Payments to acquire intangible assets and property, plant, and equipment	-70,188.0	-64,465.7
- Payments for additions to financial assets and other noncurrent assets	-564.8	-8,680.9
+ Dividends received	230.3	355.1
Net cash used in investing activities	-61,021.3	-77,012.9

	2019	2018
EUR k		
+ Receipts from noncontrolling interests	35.5	8,533.2
- Dividends/payments to noncontrolling interests	-7,984.6	-1,954.7
- Dividends paid (including payments of interest on hybrid capital)	-6,438.7	-7,831.7
- Dividends paid to noncontrolling interests	0.0	-15.0
- Interest paid	-13,852.5	-11,472.0
+ Proceeds from borrowings	87,645.1	62,953.6
- Repayment of borrowings	-43,414.8	-37,993.2
- Payment of lease liabilities	-4,231.9	0.0
+ Proceeds from issuance of hybrid capital	9,539.4	9,876.0
- Repayment of hybrid capital	-2,751.3	-1,751.4
+ Proceeds from issuance of bonds	5,120.2	5,088.0
- Repayment of bonds	-13,636.3	-10,515.5
Net cash provided by financing activities	10,030.2	14,917.2
Total cash flow	13,087.1	-11,580.3
Change in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	20,448.7	32,083.4
Foreign exchange differences	397.6	-54.4
Total cash flow	13,087.1	-11,580.3
Cash and cash equivalents at the end of the period	33,933.4	20,448.7

See section 8.2.

Consolidated statement of changes in equity

	Share capital	Capital reserves	Hybrid capital
EUR k			
Balance as of 01/01/2018	28,845.3	23,323.8	14,025.3
Adjustment due to the introduction of IFRS 9, net of income taxes			
Balance as of 01/01/2018 after adjustment due to the introduction of IFRS 9, net of income taxes	28,845.3	23,323.8	14,025.3
Other comprehensive income, net of income taxes			
Foreign exchange differences			
Changes in the value of hedges			
Total other comprehensive income, net of income taxes			0.0
Profit after tax			
Total comprehensive income for the period			0.0
Capital increase			
Repayment to noncontrolling interests			
Repayment/distribution of hybrid capital			-1,751.4
Issuance of hybrid capital			9,876.0
Tax effects from transactions with hybrid capital investors			53.1
Dividend (EUR 24.0 per share)			
Balance as of 12/31/2018	28,845.3	23,323.8	22,203.0
Balance as of 01/01/2019	28,845.3	23,323.8	22,203.0
Other comprehensive income, net of income taxes			
Foreign exchange differences			
Changes in the value of hedges			
Total other comprehensive income, net of income taxes			0.0
Profit after tax			
Total comprehensive income for the period			0.0
Capital increase			
Transactions with noncontrolling interests			
Dividend/repayment to noncontrolling interests			
Repayment/distribution of hybrid capital			-2,751.3
Issuance of hybrid capital			9,581.4
Tax effects from transactions with hybrid capital investors			19.4
Dividend (EUR 18.0 per share)			
Balance as of 12/31/2019	28,845.3	23,323.8	29,052.5

Other reserves		Retained earnings	Equity attributable to shareholders of WEB AG	Equity attributable to noncontrolling interests	Total equity
Hedges	Currency translation reserve				
-1,647.4	-2,709.3	50,449.4	112,459.3	11,819.2	124,278.5
		-7.2	-179.5	-31.7	-211.2
-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
-469.6	-83.5		-553.1	-346.6	-899.7
		8,937.2	8,937.2	1,664.7	10,601.9
-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
-2,117.0	-2,792.8	51,525.3	120,987.6	19,669.0	140,656.6
-2,117.0	-2,792.8	51,525.3	120,987.6	19,669.0	140,656.6
	1,243.0		1,243.0	928.5	2,171.5
-1,485.7			-1,485.7		-1,485.7
-1,485.7	1,243.0		-242.8	928.5	685.8
		14,693.2	14,693.2	1,820.6	16,513.8
-1,485.7	1,243.0	14,693.2	14,450.4	2,749.1	17,199.5
				35.0	35.0
				-1.8	-1.8
				-7,984.6	-7,984.6
		-1,246.6	-3,997.9		-3,997.9
			9,581.4		9,581.4
		-31.6	-12.2		-12.2
		-5,192.2	-5,192.2		-5,192.2
-3,602.7	-1,549.9	59,748.2	135,817.2	14,466.8	150,284.0

Notes to the consolidated financial statements for the fiscal year 2019

These notes to the consolidated financial statements

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

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

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1. About us

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

2. Rules under which these financial statements were prepared

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

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

Parts of the IFRSs are revised on a regular basis. Some of the revised Standards were already effective in the fiscal year 2019. The other new Standards are only required to be applied in subsequent years. The rules required to be adopted in the fiscal year 2019 had an impact on the consolidated financial statements and are explained below in this section. The Standards required to be adopted in the coming years are explained in greater detail in section 9.4.

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

We have been required to apply the following new Standards/Interpretations since January 1, 2019:

Standard	Title of the Standard/ Interpretation	Application mandatory for W.E.B	Effects on W.E.B's consolidated financial statements
IAS 19	Amendments to IAS 19 Employee Benefits— Plan Amendment, Curtailment or Settlement	01/01/2019	No material changes
IAS 28	Amendments to IAS 28 Investments in Associates and Joint Ventures—Long-term Interests in Associates and Joint Ventures	01/01/2019	No material changes
IFRS 9	Amendments to IFRS 9 Financial Instruments— Prepayment Features with Negative Compensation	01/01/2019	No material changes
IFRS 16	Leases	01/01/2019	New guidance for lessees on account- ing for rights and financial obligations under leases and similar contracts
IFRIC 23	Uncertainty over Income Tax Treatments	01/01/2019	No material changes
Various	Annual Improvements to IFRS Standards 2015–2017 Cycle	01/01/2019	No material changes

Initial application of new Standards

We adopted IFRS 16 Leases, which is effective for fiscal years beginning on or after January 1, 2019, by applying the modified retrospective approach; comparative information is not restated. On transition to the Standard, we made use of the practical expedient of retaining the definition of a lease. This means that we apply IFRS 16 to all contracts entered into before January 1, 2019 and identified as leases under IAS 17 and IFRIC 4. IFRS 16 supersedes the existing guidance on leases, including IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC–15 Operating Leases—Incentives, and SIC–27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. In the case of leases where we are the lessor, there are no significant changes. The effects of initially applying IFRS 16 are explained below.

There are no material changes to our consolidated financial statements as a result of applying the amendments to other Standards.

Effects of initially applying IFRS 16

W.E.B is both a lessee and a lessor. The assets we lease mostly comprise plots of land that provide sites for our power plants. Following the initial application of IFRS 16, we recognize lease liabilities for most of the leases previously classified as operating leases under IAS 17. These liabilities are measured at the present value of the remaining lease payments, discounted using our incremental borrowing rate as of January 1, 2019. We applied our weighted average incremental borrowing rate of 2.01%.

For leases previously classified as finance leases, the carrying amount of the leased asset immediately before the date of initial application of IFRS 16 and the carrying amount of the lease liability under IAS 17 are recognized as the initial carrying amount of the right-of-use asset and the lease liability under IFRS 16. Initial application of the measurement principles under IFRS 16 did not result in any measurement adjustments.

We lease solar power plants in accordance with IFRS requirements. We have classified these leases as operating leases. At the date of transition to IFRS 16, we were not required to make any adjustments for leases where we are the lessor.

Reconciliation of minimum lease payments to recognized lease liabilities

	EUR k
Obligations not later than one year	1,388.5
Obligations later than one year and not later than five years	5,506.8
Obligations later than five years	20,292.8
Total lease obligations	27,188.2
Obligations under other, short-term and low-value leases	-3,658.2
Total obligations for the purpose of determining lease liabilities	23,529.9
Effect of discounting using the incremental borrowing rate	-4,381.0
Discounted using the incremental borrowing rate at the date of initial application of IFRS 16 (01/01/2019)	19,148.9
of which:	
current lease liabilities	985.3
noncurrent lease liabilities	18,163.6
Finance lease liabilities recognized as of 12/31/2018	11,365.8
of which:	
current lease liabilities	3,080.1
noncurrent lease liabilities	8,285.7
Total lease liabilities recognized as of 01/01/2019	30,514.7
of which:	
current lease liabilities	4,065.5
noncurrent lease liabilities	26,449.2

Right-of-use assets were recognized for leases at an amount equal to the related lease liability. As there were no onerous leases at the date of initial application of IFRS 16, there was no need to recognize a related impairment charge on right-of-use assets.

The right-of-use assets recognized relate to the following classes of asset:

	12/31/2019	01/01/2019
EUR k		
Total right-of-use assets	33,284.1	38,552.7
Intangible assets	20,317.6	19,148.9
Right-of-use assets – land	19,284.8	19,148.9
Right-of-use assets – buildings	947.9	0.0
Right-of-use assets – passenger vehicles	84.9	0.0
Property, plant, and equipment	12,966.5	19,403.7
Wind power plants	0.0	5,204.8
Solar power plants	12,966.5	14,198.9

The change of accounting policy affected the following items in the statement of financial position as of January 1, 2019:

	01/01/2019	12/31/2018	Change
EUR k			
Assets			
Intangible assets	22,759.3	3,610.4	19,148.9
Property, plant, and equipment	461,603.9	461,603.9	0.0
Liabilities			
Lease liabilities	30,514.8	11,365.8	19,148.9

We made use of the following practical expedients on initial application of IFRS 16:

- No right-of-use assets or lease liabilities were recognized for leases with a term of 12 months or less at the date of initial application.
- No right-of-use assets or lease liabilities were recognized for leases for which the underlying asset is of low value.
- Earlier assessments of whether a lease is onerous were retained.
- Hindsight was used in determining the lease term if the contract contains extension or termination options.

For leases entered into before the date of transition, we decided not to reassess whether a contract is, or contains, a lease at the date of initial application, but instead to retain the previous assessment made under IAS 17 and IFRIC 4.

Leasing activities and accounting treatment

We have leased power plants. The contracts have remaining terms of up to nine years.

We have entered into leases for properties which we use in connection with the operation of our power plants. These are generally entered into for fixed periods of at least 20 years, but may contain extension options.

Up to and during 2018, leases were classified as either a finance lease or an operating lease. Payments associated with operating leases were recognized in profit or loss on a straight-line basis over the lease term.

Since January 1, 2019, leases have been recognized as a right-of-use asset with a corresponding lease liability at the date when the leased asset is available for us to use. Each lease payment is apportioned between the principal portion and the finance costs. The finance costs are recognized in profit or loss over the lease term, producing a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term.

Lease assets and liabilities are initially recognized at present value. Lease liabilities comprise the present value of fixed payments and variable lease payments that depend on an index or a rate.

Lease payments are discounted using the interest rate implicit in the lease if that rate can be determined. If not, they are discounted using the lessee's incremental borrowing rate, i.e., the rate of interest that we would have to pay to borrow the funds necessary to obtain an asset of a similar value on similar terms and in a similar economic environment.

Right-of-use assets are measured at cost, which comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs we have incurred, and an estimate of the costs to be incurred in dismantling the asset.

Payments for short-term leases and leases for which the underlying asset is of low value are recognized in profit or loss as an expense on a straight-line basis.

Estimation uncertainty arising from variable lease payments and in determining the lease term

Some leases include payments that depend on the income generated by the wind power plants. The percentage of variable payments that depend on revenue differs significantly. Variable lease payments that depend on revenue are recognized in profit or loss in the period in which the condition that triggers the payments is met.

Our approach to determining the lease term is outlined in section 6.

3. Further information on the income statement

(1) Revenue

	2019	2018
EUR k		
Electricity revenue from		
wind power plants	94,050.7	78,565.9
solar power plants	6,294.0	5,726.7
hydropower plants	131.2	160.5
Revenue from the sale of electricity directly to end customers and from electricity marketing	3,683.0	1,030.4
	104,159.0	85,483.4

Most of the electricity we generate is sold to government and quasi-government organizations. A total of 79.1% (previous year: 69.6%) of the electricity revenue comes from subsidized tariffs governed by law.

(2) Other operating income

	2019	2018
EUR k		
Income from the reversal of provisions	627.2	175.2
Insurance compensation	592.9	152.1
Income from construction management	449.8	180.0
Income from merchandise	340.7	157.6
Income from onward billing	327.6	433.4
Income from operations management	246.8	238.3
Income from maintenance contracts	118.7	127.3
Rental income	91.1	68.3
Income from services	90.3	247.9
Reversal of allowance for doubtful receivables	0.0	200.0
Other	302.0	228.2
	3,187.1	2,208.3

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

(3) Cost of materials and purchased services

	2019	2018
EUR k		
Electricity expenses – power plants	814.8	719.5
Grid loss charges	549.9	639.6
Marketing of electricity purchases	2,253.6	703.6
Cost of sales	64.4	157.1
	3,682.8	2,219.8

As in the previous year, cost of sales does not include any inventory write-downs.

(4) Personnel expenses

	2019	2018
EUR k		
Wages and salaries	9,465.1	7,439.2
Expenses for statutory charges and contributions	2,071.4	1,665.3
Contributions to the employee benefit fund	141.3	119.1
Other personnel expenses	111.5	120.1
	11,789.3	9,343.7

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

Employees (FTEs)	2019	2018
EUR k		
Salaried employees	131	111
Blue-collar employees	18	18
Average (FTEs)	149	129

(5) Depreciation, amortization, and impairment losses

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

(6) Other operating expenses

	2019	2018
EUR k		
Maintenance and operating costs – power plants	9,443.1	8,725.3
Taxes other than income taxes	1,775.6	1,432.2
Consultancy expenses	1,651.8	1,409.7
Travel expenses, motor vehicle expenses	1,115.1	1,094.1
Project depreciation, amortization, and impairment losses	1,008.3	313.6
Maintenance – operations	1,003.6	445.8
Lease expenses (2018: rental expenses for power plants)	994.3	2,226.7
Insurance – power plants	919.6	818.9
Advertising expenses	652.3	456.4
Prior-period expenses	418.8	0.0
Third-party services	348.5	395.0
Telecommunications costs, postage, and transportation expenses	292.8	111.6
Project development expenses	290.4	129.2
Loss on fixed asset disposals	273.9	0.0
Education and training	200.0	158.4
Maintenance contract expenses	189.8	177.5
Supervisory Board remuneration	140.0	140.0
Other	931.1	622.6
	21,649.1	18,656.8

The change in lease expenses is due mainly to the initial application of IFRS 16 in the reporting period. This is also shown in (8) Interest expense.

Expenses for statutory auditor KPMG Niederösterreich GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and its Austrian network firms totaled EUR 87.3 thousand for the fiscal year (previous year: EUR 94.3 thousand). The audit of separate financial statements accounted for EUR 27.3 thousand (previous year: EUR 27.3 thousand) of this amount, the audit of the consolidated financial statements for EUR 48.0 thousand (previous year: EUR 45.2 thousand), and other services for EUR 12.0 thousand (previous year: EUR 21.8 thousand).

(7) Interest income

	2019	2018
EUR k		
Clearing accounts	1,176.4	1,092.2
Time deposits/bank balances	188.7	213.7
	1,365.1	1,305.9

(8) Interest expense

	2019	2018
EUR k		
Interest on bank loans	8,023.6	8,259.5
Interest on bonds	1,849.6	1,983.8
Interest on lease liabilities	808.9	0.0
of which from right-of-use assets under IFRS 16	388.9	0.0
Expenses for interest rate hedges	1,208.4	858.5
Other	709.7	584.6
	12,600.1	11,686.4

(9) Other net finance costs

	2019	2018
EUR k		
Net income from equity investments	6.6	21.6
Foreign currency gains/losses	-134.2	-115.9
Unwinding of discount on provision for dismantling costs	-263.7	-239.7
Other	306.3	-146.3
	-85.0	-480.3

(10) Earnings per share

Basic earnings per share

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

Attribution of profit

	2019	2018
EUR k		
Profit attributable to owners of the parent	13,252.6	7,926.4
Profit attributable to shareholders	13,252.6	7,926.4

Weighted average number of shares (basic)

	2019	2018
in thousands of shares		
Issued shares as of 01/01	288.5	288.5
Weighted average number of shares as of 12/31	288.5	288.5

	2019	2018
EUR		
Basic earnings per share	45.9	27.5

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

4. Further information on the statement of financial position

(11) Intangible assets	Software	Rights of use	Right-of-use assets	Goodwill	Total
EUR k					
2019					
Cost as of 01/01/2019	1,017.7	8,119.4	0.0	42.3	9,179.5
Recognition of right-of-use asset on initial application of IFRS 16	0.0	0.0	19,148.8	0.0	19,148.8
Exchange rate effects	1.8	0.0	106.4	0.0	108.2
Additions	431.2	293.9	2,394.4	0.0	3,119.5
Decreases in cost	-4.1	0.0	0.0	0.0	-4.1
Disposals	-3.7	-2,425.5	0.0	0.0	-2,429.1
Reclassifications	12.4	-1,400.1	0.0	0.0	-1,387.7
Cost as of 12/31/2019	1,455.4	4,587.7	21,649.6	42.3	27,735.1
Cumulative changes in value as of 01/01/2019	866.2	4,660.5	0.0	42.3	5,569.1
Exchange rate effects	1.3	0.0	2.1	0.0	3.3
Amortization	106.1	165.8	1,329.8	0.0	1,601.7
Impairment losses	0.0	0.0	0.0	0.0	0.0
Disposals	-3.7	-2,163.1	0.0	0.0	-2,166.8
Reclassifications	0.0	0.0	0.0	0.0	0.0
Cumulative changes in value as of 12/31/2019	969.9	2,663.2	1,331.9	42.3	5,007.3
Net carrying amount as of 12/31/2019	485.6	1,924.6	20,317.7	0.0	22,727.9
	Software	Rights of use	Goodwill	Total	
EUR k					
2018					
Cost as of 01/01/2018	912.6	7,057.3	0.0	7,969.9	
Exchange rate effects	-0.6	0.0	0.0	-0.6	
Additions	85.8	1,173.1	0.0	1,258.9	
Decreases in cost	0.0	-6.5	0.0	-6.5	
Disposals	0.0	0.0	0.0	0.0	
Initial consolidation under IFRS 3	17.6	0.0	42.3	59.9	
Initial consolidation of project acquisitions	2.3	0.0	0.0	2.3	
Reclassifications	0.0	-104.5	0.0	-104.5	
Cost as of 12/31/2018	1,017.7	8,119.4	42.3	9,179.5	
Cumulative changes in value as of 01/01/2018	790.1	4,367.2	0.0	5,157.3	
Exchange rate effects	-0.4	0.0	0.0	-0.4	
Amortization	76.6	293.3	0.0	369.9	
Impairment losses	0.0	0.0	42.3	42.3	
Disposals	0.0	0.0	0.0	0.0	
Reclassifications	0.0	0.0	0.0	0.0	
Cumulative changes in value as of 12/31/2018	866.2	4,660.5	42.3	5,569.1	
Net carrying amount as of 12/31/2018	151.5	3,458.9	0.0	3,610.4	

Intangible assets include rights of use relating to leased assets (right-of-use assets) in the amount of EUR 20,317.6 thousand.

The carrying amounts of the rights of use include the water rights in Imst, Austria, in the amount of EUR 845.8 thousand (previous year: EUR 877.2 thousand). As of the reporting date, the Imst water rights had a remaining useful life of 26.5 years. In December 2016, WEB Windenergie Deutschland GmbH was granted water rights for the Eberbach hydropower plant for the period through June 30, 2042, on condition that it construct a fish ladder. Permission to construct the fish ladder was granted on July 25, 2017. The building work was completed in 2019. A reclassification was made out of rights of use and into technical equipment and machinery.

(12) Property, plant, and equipment

	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Prepayments, assets under construction	Total
EUR k					
2019					
Cost as of 01/01/2019	14,834.7	664,423.8	6,041.8	30,202.1	715,502.4
Exchange rate effects	8.3	4,949.7	24.1	1,316.1	6,298.3
Additions	229.3	13,192.6	1,254.5	60,678.9	75,355.2
Decreases in cost	-1.0	-146.4	-15.7	-69.1	-232.2
Deconsolidation	0.0	0.0	0.0	-1,335.8	-1,335.8
Disposals	0.0	-20,214.9	-254.0	-1,192.7	-21,661.5
Reclassifications	1,901.7	72,029.1	80.5	-72,623.7	1,387.7
Cost as of 12/31/2019	16,973.0	734,233.9	7,131.3	16,975.8	775,314.0
Cumulative depreciation and impairment losses as of 01/01/2019					
Depreciation	278.2	35,399.5	712.9	0.0	36,390.6
Impairment losses	0.0	0.0	0.0	0.0	0.0
Exchange rate effects	0.0	990.5	11.8	20.2	1,022.5
Disposals	0.0	-17,791.1	-146.0	0.0	-17,937.1
Reclassifications	0.0	0.0	0.0		0.0
Cumulative depreciation and impairment losses as of 12/31/2019	3,575.2	265,614.4	3,881.0	304.0	273,374.6
Net carrying amount as of 12/31/2019	13,397.8	468,619.5	3,250.3	16,671.8	501,939.4
2018					
Cost as of 01/01/2018	14,739.1	603,319.3	5,092.0	24,804.1	647,954.5
Exchange rate 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
Decreases in cost	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
Initial consolidation under IFRS 3	1.6	4,400.0	407.6	0.0	4,809.2
Initial consolidation of project acquisitions	38.1	0.0	0.0	3,047.7	3,085.8
Reclassifications	0.0	52,889.6	12.2	-52,797.4	104.5
Cost as of 12/31/2018	14,834.7	664,423.8	6,041.8	30,202.1	715,502.4

Cumulative depreciation and impairment losses as of 01/01/2018	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
Exchange rate effects	0.0	-327.1	-5.5	-10.7	-343.2
Disposals	-1.6	-2,502.6	-156.4	0.0	-2,660.5
Reclassifications	0.0	0.0	0.0	0.0	0.0
Cumulative depreciation and impairment losses as of 12/31/2018	3,296.9	247,015.5	3,302.4	283.9	253,898.7
Net carrying amount as of 12/31/2018	11,537.7	417,408.3	2,739.5	29,918.3	461,603.8

Prepayments and assets under construction consist mainly of the Tortefontaine project in France, the Brookfield project in the USA, and the Dürnkrot-Götzendorf III, Harras II, and Spannberg III projects in Austria.

The cost of the technical equipment and machinery acquired in the fiscal year includes interest of EUR 302.8 thousand directly attributable to the projects (previous year: EUR 22.3 thousand). This relates to wind power projects in Germany and Canada. The capitalization rate was an average of 1.63% in Germany and 2.25% in Canada (previous year in Austria: 0.54%).

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

As of December 31, 2019, power plants leased through finance leases accounted for EUR 12,966.5 thousand of the carrying amount of technical equipment and machinery (previous year: EUR 19,467.2 thousand). These relate to WEB Italia's Montenero I and Montenero II solar power plants.

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

Finance lease liabilities

EUR k	Maturities of minimum lease payments					
	12/31/2019			12/31/2018		
	Nominal value	Discount amount	Present value = carrying amount	Nominal value	Discount amount	Present value = carrying amount
Due in less than 1 year	1,982.9	315.7	1,667.2	3,030.0	-50.1	3,080.1
Due in 1 to 5 years	4,502.6	661.4	3,841.2	5,652.0	859.5	4,792.5
Due in more than 5 years	2,969.8	192.5	2,777.3	3,803.6	310.4	3,493.2
	9,455.3	1,169.6	8,285.7	12,485.6	1,119.8	11,365.8

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

(13) Investments in associates and joint ventures

Entity	Interest		Carrying amount 12/31/2018	Share of profit or loss for the year	Change in interest	Contribution/ repayment
	12/31/2019	12/31/2018				
EUR k						
Tauernwind Windkraftanlagen GmbH	20.0%	20.0%	787.4	651.4	0.0	0.0
Sternwind Errichtungs- und BetriebsgmbH	49.0%	49.0%	523.2	41.3	0.0	0.0
Sternwind Errichtungs- und BetriebsgmbH & Co KG	49.0%	49.0%	643.4	-169.7	0.0	0.0
SASU Energie Verte Plaine d'Artois ¹	33.3%	33.3%	308.2	0.0	0.0	0.0
Zweite WP Weener GmbH & Co KG	50.0%	50.0%	600.5	403.3	0.0	0.0
Black Spruce Inc. (including limited partnership agreement)	50.0%	50.0%	348.3	-3.1	0.0	0.0
WEB Windenergie Brandenburg GmbH	50.0%	0.0%	0.0	-10.1	0.0	10.1
WEB ARIANO SRL	75.0%	0.0%	0.0	-7.5	0.0	7.5
Total			3,211.0	905.5	0.0	17.6

¹ Disclosures are based on prior-year figures.

(14) Noncurrent financial assets

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

Distribution	Currency translation adjustment	Carrying amount 12/31/2019	Total			Net income/loss for the year
			Assets	Liabilities	Revenue	
0.0	0.0	1,438.8	42,309.8	35,159.1	8,439.3	3,675.3
-24.5	0.0	540.0	884.5	34.3	153.0	74.2
-97.6	0.0	376.1	1,101.1	125.0	986.9	-274.0
-22.4	0.0	285.8	2,897.0	2,144.5	406.4	39.0
-150.0	0.0	853.8	12,985.6	11,298.5	2,320.9	794.5
0.0	24.0	369.1	756.8	18.9	0.0	-6.4
0.0	0.0	0.0	1,785.9	1,929.8	0.0	-113.6
0.0	0.0	0.0	12,158.9	12,255.8	0.0	-87.1
-294.5	24.0	3,863.6				

The entities operate wind farms and engage in project development. They are therefore subject to similar business risks and opportunities as we are. In the reporting period, we sold 50% of the shares in WEB Windenergie Brandenburg GmbH, Germany. The entity was therefore deconsolidated and has since been reported as an associate. In addition, 75% of the shares in WEB ARIANO SRL, Italy, were acquired in 2019.

	Shares in affiliated companies	Marketable securities	Equity investments	Long-term lendings	Loans	Credit and capital reserve accounts	Hedges	Total
EUR k								
2018								
Cost								
Balance as of 01/01/2018	47.1	387.1	1,156.0	147.0	10,038.6	8,200.0	0.0	19,975.8
Exchange rate effects	0.0	0.0	0.0	0.0	-126.8	-113.8	0.0	-240.6
Additions	55.0	0.0	21.4	0.0	9,555.5	0.0	95.0	9,726.9
Disposals	0.0	0.0	-34.5	-73.5	-1,413.0	0.0	0.0	-1,521.0
Balance as of 12/31/2018	102.1	387.1	1,142.9	73.5	18,054.3	8,086.2	95.0	27,941.1
Cumulative changes in value								
Balance as of 01/01/2018	0.0	33.0	-102.8	-4.3	0.0	0.0	0.0	-74.1
Adjustments due to IFRS 9	0.0	0.0	0.0	0.0	0.0	-305.3	0.0	0.0
Balance as of 01/01/2018	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
Disposals	0.0	0.0	-34.3	0.0	0.0	0.0	0.0	-34.3
Balance as of 12/31/2018	0.0	47.3	-137.1	-0.2	0.0	-305.3	0.0	-395.3
Carrying amounts as of 12/31/2018	102.1	434.4	1,005.8	73.3	18,054.3	7,780.9	95.0	27,545.8

Equity investments comprised the following:

	Interest	12/31/2019	12/31/2018
EUR k			
oekostrom AG für Energieerzeugung und -handel	5.00%	622.5	622.5
Windkraft Simonsfeld AG	0.33%	203.7	203.7
Weinviertler Energie GmbH & Co KG	17.66%	150.0	150.0
ANE GmbH & Co KG (merged with GESY Green Energy Systems GmbH)	0.63%	29.6	29.6
		1,005.8	1,005.8

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

Loans include a loan extended by us to Windpark Eschenau GmbH in the amount of EUR 4.6 thousand (previous year: EUR 4.0 thousand), a loan to Scotian WindFields Inc., Canada, in the amount of EUR 3,043.1 thousand (previous year: EUR 2,961.1 thousand), a loan to Pisgah Holdings LLC, USA, in the amount of EUR 7,211.7 thousand (previous year: EUR 6,820.9 thousand), and a loan to Woodstock First Nations, Canada, in the amount of EUR 2,681.4 thousand (previous year: EUR 8,268.3 thousand).

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

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

Credit and capital reserve accounts in the amount of EUR 8,447.9 thousand (previous year: EUR 7,780.9 thousand) include cash and cash equivalents serving as security for lenders. The allowance for expected credit losses on this item amounted to EUR 305.3 thousand as of December 31, 2019 (previous year: EUR 305.3 thousand).

(15) Inventories

	12/31/2019	12/31/2018
EUR k		
Spare parts for wind power plants	3,741.1	3,951.7

(16) Trade receivables

	12/31/2019	12/31/2018
EUR k		
Receivables from electricity supplied	17,308.5	14,489.1
Receivables from maintenance contracts	88.4	0.0
	17,396.9	14,489.1

(17) Other receivables and assets

	12/31/2019	12/31/2018
EUR k		
Financial assets		
Insurance compensation receivable	807.8	2,686.3
Clearing accounts	11,731.0	1,266.9
Clearing accounts – third parties	60.4	80.1
Other	3,060.0	3,155.9
	15,659.3	7,189.2
Nonfinancial assets		
Receivables from taxation authorities	1,835.0	5,091.9
Prepaid charges	1,266.8	1,140.0
	3,101.8	6,231.9
Total	18,761.1	13,421.1

Clearing accounts mainly comprise temporary financing extended to associates.

Analysis of impaired financial assets

	12/31/2019	12/31/2018
EUR k		
Gross receivable	211.7	211.7
Specific valuation allowance	211.7	211.7
Carrying amount	0.0	0.0

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

(18) Cash and cash equivalents

	12/31/2019	12/31/2018
EUR k		
Bank balances	33,928.9	20,446.5
Cash on hand	4.5	2.2
	33,933.4	20,448.7

(19) Equity

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

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

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

The hybrid capital consists of the hybrid bond issued in 2014 (“wind power bond”) in the amount of EUR 4,438.0 thousand, the hybrid bond issued in 2015 in the amount of EUR 6,727.0 thousand, the hybrid bond issued in 2016 in the amount of EUR 6,349.0 thousand, the hybrid bond issued in 2018 in the amount of EUR 9,999.0 thousand, and the hybrid bond issued in 2019 in the amount of EUR 9,659.0 thousand, less the issuance costs attributable in each case. In 2019, partial repayments were made on the hybrid bonds issued in 2014 (EUR 443.8 thousand), 2015 (EUR 672.7 thousand), 2016 (EUR 634.9 thousand), and 2018 (EUR 999.9 thousand) (previous year: EUR 1,751.4 thousand). The bonds are listed on the “Third Market” (MTF) of the Vienna Stock Exchange and deposited with Österreichische Kontrollbank in the form of global certificates.

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

In 2019, as a result of the resolution to distribute a dividend for the fiscal year 2018 passed at the Annual General Meeting, a partial repayment at a tenth of the nominal value was made on the hybrid bonds issued in 2014, 2015, 2016, and 2018 (EUR 2,751.3 thousand; previous year: EUR 1,751.4 thousand) along with interest payments amounting to EUR 1,246.6 thousand (previous year: EUR 908.9 thousand). As of the reporting date, there was not yet an obligation to make further principal and interest payments, as such an obligation will arise at the earliest when a resolution regarding the distribution of a dividend for the fiscal year 2019 is passed at the 2020 Annual General Meeting. A dividend payout for the fiscal year 2019 will be proposed at the 2020 Annual General Meeting. We therefore anticipate that interest and principal payments will be made on hybrid bonds again in 2020.

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

EUR k	12/31/2019			12/31/2018		
	Amount before taxes	Income taxes	Amount after taxes	Amount before taxes	Income taxes	Amount after taxes
Currency translation	2,171.5	0.0	2,171.5	-430.1	0.0	-430.1
Hedges	-2,036.0	550.2	-1,485.7	-633.2	163.6	-469.6
	135.5	550.2	685.5	-1,063.3	163.6	-899.7

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

(20) Noncontrolling interests

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

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

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
EUR k							
Headquarters	New Brunswick, Canada	New Brunswick, Canada	New Brunswick, Canada	Maine, USA	Pfaffen- schlag, Austria	Pfaffen- schlag, Austria	Paris, France
Interest held by noncontrolling interests	67.00%	67.00%	51.00%	51.00%	30.00%	49.00%	20.00%
Voting rights held by/ share of profit attribut- able to noncontrolling interests	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
Profit or loss allocated	1,438.8	137.4	-1.2	159.3	9.8	-77.4	-2.0

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

2019	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership	Wisokolamson Energy Limited Partnership	Pisgah Mountain LLC	WEB Photo- voltaik AG & Co KG	WEB Traisenwind GmbH	WEB Grid	Windpark Grube GmbH & Co KG
EUR k								
Revenue	8,957.3	3,460.7	518.5	3,145.4	115.1	0.0	0.0	0.0
Comprehensive income, net of tax	3,147.4	542.2	-66.4	416.5	29.3	-4.1	-18.9	-8.2
Noncurrent assets	44,615.5	24,121.8	29,074.2	21,205.7	885.7	0.0	1,671.9	43.4
Current assets	3,748.2	897.0	4,903.5	1,184.8	65.3	13.9	251.2	25.8

2019	Scotian WEB Limited Partnership	Scotian WEB II Limited Partnership	Wisokolamson Energy Limited Partnership	Pisgah Mountain LLC	WEB Photo- voltaik AG & Co KG	WEB Traisenwind GmbH	WEB Grid	Windpark Grube GmbH & Co KG
EUR k								
Current liabilities	3,320.0	1,068.4	4,129.0	1,146.0	4.3	151.9	1,951.0	7.4
Noncurrent liabilities	34,182.9	18,553.2	25,105.3	12,013.3	726.7	0.0	0.0	0.0
Equity	10,860.8	5,397.2	4,743.3	9,231.2	220.0	-138.1	-27.9	61.8
Net cash provided by/ used in operating activities	7,368.0	2,762.1	2,306.7	2,186.4	97.0	-3.9	-103.6	-6.6
Net cash provided by/ used in investing activities	22.2	37.6	-10,701.2	-6.4	-3.7	0.0	-443.9	-40.9
Net cash provided by/ used in financing activities	-7,361.1	-2,830.2	11,849.5	-2,312.9	-131.7	0.0	647.4	70.0
Payments to noncontrolling interests	1,534.6	0.0	6,146.7	293.4	9.9	0.0	0.0	0.0

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
EUR k							
Revenue	8,767.0	3,467.8	0.0	2,955.9	114.8	0.0	0.0
Comprehensive income, net of tax	3,234.5	305.4	-2.3	312.1	32.7	-157.9	-10.0
Noncurrent assets	5,061.6	817.0	3,134.6	21,989.5	855.2	0.0	178.0
Current assets	40,732.2	23,220.8	13,415.4	1,230.5	105.9	18.0	58.6
Current liabilities	2,630.3	1,837.9	403.5	1,194.9	22.0	151.9	245.6
Noncurrent 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
Net cash provided by/ used in operating activities	7,468.2	2,510.7	-25.3	2,290.4	92.6	-22.2	0.5
Net cash provided by/ used in investing activities	-7.4	-200.8	-15,574.1	-3.7	-2.2	37.4	33.6
Net cash provided by/ used in financing activities	-7,384.3	-2,728.8	16,490.0	-2,333.2	-104.2	0.0	0.0
Dividend/repayment to noncontrolling interests	1,607.1	0.0	0.0	347.6	15.0	0.0	0.0

In the fiscal year, we established Windpark Grube GmbH & Co KG together with a project partner. We hold 50% of the shares in this entity. We hold 100% of the shares in the managing general partnership, Windpark Grube Verwaltungs GmbH. Windpark Grube GmbH & Co KG is consolidated, as we control it through Windpark Grube Verwaltungs GmbH.

(21) Financial liabilities

	12/31/2019			12/31/2018		
	Current	Noncurrent	Total	Current	Noncurrent	Total
EUR k						
Bank loans	28,551.4	321,786.8	350,338.2	41,140.0	261,926.1	303,066.1
Finance leases	1,666.8	6,618.9	8,285.7	3,080.1	8,285.7	11,365.8
Lease liabilities – right-of-use assets	1,264.0	19,231.4	20,495.4	0.0	0.0	0.0
Total	31,482.2	347,637.1	379,119.3	44,220.1	270,211.8	314,431.9

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

Liabilities to banks

Maturity	Interest	Currency	Carrying amount	Carrying amount
			12/31/2019	12/31/2018
			EUR k	EUR k
2019	LIBOR +1.0%	CHF	0.0	103.7
2019	from EURIBOR +0.90% to EURIBOR +1.00%	EUR	0.0	11,815.1
2019	EURIBOR +0.75%	EUR	0.0	2,636.8
2020	EURIBOR +1.38%	EUR	185.9	1,232.4
2020	EURIBOR +1.35%	EUR	0.0	82.4
2020	PRIBOR +1.20%	CZK	220.8	509.0
2021	EURIBOR +0.90%	EUR	330.0	520.0
2021	EURIBOR +1.45%	EUR	3,168.3	0.0
2024	PRIBOR +1.50%	CZK	2,090.5	0.0
2024	EURIBOR +1.30%	EUR	5,220.8	6,266.5
2025	from EURIBOR +1.625% to EURIBOR +1.65%	EUR	7,975.8	9,702.6
2025	EURIBOR +2.125%	EUR	543.7	638.0
2025	PRIBOR +1.85%	CZK	1,070.3	1,220.2
2026	PRIBOR +2.80%	CZK	1,182.8	1,317.8
2026	from EURIBOR +2.00% to EURIBOR +2.30%	EUR	9,029.1	10,321.3
2027	from EURIBOR +2.00% to EURIBOR +2.20%	EUR	14,517.4	16,714.1
2029	EURIBOR +1.80%	EUR	417.9	460.4
2031	EURIBOR +0.715%	EUR	25,930.3	23,861.2
2031	EURIBOR +1.75%	EUR	6,878.2	7,598.4
2033	EURIBOR +1.35%	EUR	26,785.5	29,485.0
2034	LIBOR +2.25%	USD	12,737.3	13,563.0
2035	EURIBOR +1.85%	EUR	1,968.8	2,093.8
2042	CDOR +2.1%	CAD	3,801.9	0.0
Total at a variable interest rate			124,055.3	140,141.7

Maturity	Interest	Currency	Carrying amount	Carrying amount
			12/31/2019	12/31/2018
			EUR k	EUR k
2021	4.05% fixed	EUR	808.9	1,355.0
2022	5.99% fixed	CZK	0.0	1,741.4
2027	1.90% fixed	EUR	8,458.2	9,405.1
2027	3.09% fixed	USD	2,336.7	2,598.3
2028	1.95% fixed	EUR	13,039.4	14,488.0
2028	2.00% fixed	EUR	16,046.8	17,813.7
2029	2.00% fixed	EUR	236.0	262.3
2030	2.00% fixed	EUR	391.2	426.8
2030	2.89% fixed	EUR	6,084.5	6,634.8
2031	1.45% fixed	EUR	9,500.0	0.0
2031	1.85% fixed	EUR	37,267.6	40,320.1
2033	6.22% fixed	CAD	34,157.4	33,564.5
2034	1.35% fixed	EUR	15,172.1	16,236.8
2035	5.35% fixed	CAD	18,558.9	18,077.8
2037	1.65% fixed	EUR	19,688.0	0.0
2038	1.65% fixed	EUR	9,800.0	0.0
2038	2.06% fixed	EUR	13,774.0	0.0
2042	4.45% fixed	CAD	20,963.3	0.0
Total at a fixed interest rate			226,282.9	162,924.3
			350,338.2	303,066.1

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

Finance lease liabilities

Maturity	Interest	Currency	Carrying amount	Carrying amount
			12/31/2019	12/31/2018
			EUR k	EUR k
2028	EURIBOR +2.40%	EUR	2,182.5	3,173.5
Total at a variable interest rate			2,182.5	3,173.5
2019	3.35% fixed	EUR	0.0	1,495.0
2021	5.92% fixed	EUR	6,103.3	6,697.3
Total at a fixed interest rate			6,103.3	8,192.3
			8,285.7	11,365.8

The average effective interest rate on all financial liabilities was 2.87% in the reporting period (previous year: 3.02%).

The following securities have been pledged for the financial liabilities:

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

(22) Bonds

Bond	ISIN no.	Interest	Maturity	Nominal amount	Effective interest rate	Carrying amount 12/31/2019		Carrying amount 12/31/2018	
						EUR k	EUR k	EUR k	EUR k
Wind power bonds									
2013–2023 bond	AT0000AOZ793	5.50% fixed	2023	6,391.0	5.51%	6,366.8	–7.3	6,359.5	–7.3
2013–2023 bond	AT0000AOZ785	5.25% fixed	2023	10,211.0	5.25%	4,068.0	1,013.5	5,079.5	1,011.5
2014–2019 bond	AT0000A191B7	3.50% fixed	2019	10,566.0	3.50%	0.0	0.0	10,531.4	10,531.4
2015–2020 bond	AT0000A1GTN8	2.75% fixed	2020	7,054.0	2.75%	7,035.3	7,035.3	7,014.9	–20.4
2015–2025 bond	AT0000A1GTP3	4.00% fixed	2025	8,532.0	4.31%	5,070.5	839.6	5,908.1	837.6
2016–2021 bond	AT0000A1MC14	2.50% fixed	2021	6,963.0	2.50%	6,928.4	–19.8	6,908.6	–19.8
2016–2026 bond	AT0000A1MC22	3.75% fixed	2026	6,872.0	4.05%	4,762.3	675.2	5,435.9	673.7
2018–2028 bond	ATOWEB1810A6	2.25% fixed	2028	5,088.0	2.50%	4,530.2	499.1	5,028.3	498.1
2019–2029 bond	ATOWEB1910A4	2.25% fixed	2029	4,989.0	2.50%	4,932.6	488.6	0.0	0.0
Accrued interest on bonds						618.0	618.0	697.5	697.5
LUMO bond		4.25% fixed	2023	131.2	4.25%	131.2	0.0	0.0	0.0
Other subordinated loans – ELLA						272.0	9.7	272.0	9.7
						44,715.3	11,151.8	53,235.8	14,212.0

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

(23) Other noncurrent liabilities

	Carrying amount 12/31/2019	Carrying amount 12/31/2018
EUR k		
Fair value measurement of derivatives	4,915.7	2,849.9
	4,915.7	2,849.9

Derivative financial instruments

Description	Currency	Amount 12/31/2019	Maturity	Fair value 12/31/2019	Fair value 12/31/2018
		EUR k		EUR k	EUR k
1) Interest rate swap EUR/3M EURIBOR >> 1.1225% fixed (EUR 7,500k)	EUR	0.0	07/01/2019	0.0	-1.7
2) Interest rate swap EUR/3M EURIBOR >> 1.60% fixed (EUR 13,581k)	EUR	5,658.8	12/31/2024	-283.9	-340.0
3) Interest rate swap CZK/1M PRIBOR >> 1.75% fixed (EUR 2,155.8k)*	CZK	1,182.8	08/31/2026	0.0	-5.8
4) Interest rate swap EUR/3M EURIBOR >> 1.2775% fixed (EUR 13,644.6k)	EUR	7,641.0	12/31/2026	-416.9	-395.1
5) Interest rate swap EUR/3M EURIBOR >> 1.29% fixed (EUR 14,875k)	EUR	8,166.6	12/31/2026	-447.9	-426.7
6) Interest rate swap EUR/3M EURIBOR >> 1.24% fixed (EUR 6,727.5k)	EUR	3,551.3	06/30/2026	-176.2	-174.6
7) Interest rate swap EUR/3M EURIBOR >> 1.01% fixed (EUR 9,116.9k)	EUR	6,182.4	12/30/2031	-342.2	-200.2
8) Interest rate swap USD/1M LIBOR +2.25% >> 4.63% fixed (USD 17,500.0k)	USD	12,838.5	02/13/2027	-483.6	-84.8
9) Interest rate swap EUR/6M EURIBOR >> 1.092% fixed (EUR 25,360.0k)	EUR	23,025.6	06/30/2032	-1,544.9	-740.9
10) Interest rate swap EUR/3M EURIBOR >> 0.835% fixed (EUR 8,843.5k)	EUR	8,484.6	06/30/2031	-429.5	-169.1
11) Interest rate swap EUR/3M EURIBOR >> 0.835% fixed (EUR 16,266.5k)	EUR	15,616.8	06/30/2031	-790.5	-311.0
				-4,915.7	-2,849.9
3) Interest rate swap CZK/1M PRIBOR >> 1.75% fixed (EUR 2,155.8k)*	CZK	1,182.8	08/31/2026	8.0	0.0
12) Forward-starting interest rate swap EUR/3M EURIBOR >> 0.918% fixed start: 03/29/2029 (EUR 8,883.0k)*	EUR	8,883.0	09/30/2037	8.3	0.0
FX forward EUR/CAD exchange rate 1.5393 (EUR 3,949.8k)*	EUR	0.0	05/29/2019	0.0	95.0
				16.3	95.0

* See note (14) Noncurrent financial assets.

Our derivative financial instruments comprise interest rate swaps and forward-starting interest rate swaps. Interest rate swaps transform variable-rate financial liabilities into fixed-rate financial liabilities, thereby mitigating the risk of higher interest payments in the event that interest rates rise. Forward-starting interest rate swaps differ from interest rate swaps in that the hedge starts at a future date. In the case of all interest rate swaps, the amount decreases as the hedged liability is repaid.

All interest rate swaps qualify for hedge accounting (hedges of future cash flows). We therefore recognized the change in fair value net of the tax effect of EUR -1,485.7 thousand (previous year: EUR -469.6 thousand) in other comprehensive income.

(24) Income taxes

Income tax expense

	2019	2018
EUR k		
Current income taxes for the current period	3,553.8	1,824.1
Current income taxes for prior periods	-34.4	28.0
Deferred income taxes for the current period	2,033.9	1,338.7
Deferred income taxes for prior periods	-253.0	18.2
	5,300.3	3,209.0

Profit before tax is EUR 21,814.0 thousand (previous year: EUR 13,810.9 thousand). Applying the income tax rate of 25% applicable in Austria, tax expense would be EUR 5,453.5 thousand (previous year: EUR 3,452.7 thousand). The income tax expense reported in the income statement for 2019 amounts to EUR 5,300.3 thousand (previous year: EUR 3,209.0 thousand) and is thus EUR 153.2 thousand lower (previous year: EUR 243.7 thousand lower). The reasons for this difference are as follows:

	2019	2018
EUR k		
Profit before tax	21,814.0	13,810.9
Group tax rate	25.0%	25.0%
Expected tax expense	5,453.5	3,452.7
Higher income taxes due to		
higher foreign tax rates	530.5	413.5
tax benefit from unrecognized deferred taxes	288.0	305.3
property, plant, and equipment	231.5	0.0
interest not deductible for tax purposes	8.9	18.7
tax credits	104.9	35.9
other reasons	157.2	165.5
Lower income taxes due to		
tax-exempt income from equity investments	-44.2	-174.8
loss allocated to equity investments	-34.2	-137.5
interest on hybrid capital	-311.6	-227.2
property, plant, and equipment	-27.0	-167.9
taxes and levies	-40.0	0.0
other reasons	-34.3	-69.5
deferred taxes attributable to noncontrolling interests	-669.0	-173.9
Income taxes for prior periods		
Current income taxes for prior periods	-34.4	28.0
Deferred taxes from prior periods	-253.0	18.2
Tax rate changes	-26.5	-278.0
Current tax expense	5,300.3	3,209.0
Effective tax rate	24.3%	23.2%

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

	12/31/2019	12/31/2018
EUR k		
Differences between the tax base and IFRS carrying amounts of:		
Intangible assets and property, plant, and equipment	-27,810.0	-22,012.5
Financial assets	-1,168.1	-1,011.2
Other noncurrent assets	151.0	165.7
Other current assets	488.7	616.9
Financial liabilities	7,539.1	3,050.2
Bonds	-188.4	-158.7
Noncurrent provisions	1,033.2	924.4
Other noncurrent liabilities	724.1	152.4
Other current liabilities	159.8	122.0
Loss carryforwards	3,661.0	4,139.3
Net deferred taxes	-15,409.6	-14,011.5
of which deferred tax assets	567.7	208.8
of which deferred tax liabilities	-15,977.3	-14,220.3

Net deferred taxes changed as follows:

	2019	2018
EUR k		
Opening balance as of 01/01	-14,011.5	-12,965.8
Adjustment due to the initial application of IFRS 9	0.0	-13.0
Foreign exchange differences	-167.4	147.6
Deferred taxes on other comprehensive income	550.2	163.6
Deferred taxes recognized in profit or loss	-1,780.9	-1,343.9
Closing balance as of 12/31	-15,409.6	-14,011.5

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

We have not recognized deferred tax liabilities of EUR 9,220.0 thousand (previous year: EUR 6,351.5 thousand) for differences between the tax base of investments in subsidiaries and the share of the equity of those subsidiaries because we do not expect these differences to reverse in the foreseeable future or a reversal to be subject to income taxes.

(25) Provisions

	Balance as of 01/01/2019	New provisions	Addition due to change in discount rate	Interest	Used	Reversed	Foreign exchange differences	Balance as of 12/31/2019
EUR k								
Dismantling costs	13,139.4	1,155.9	0.0	263.7	0.0	569.6	87.4	14,076.8
Severance payments	38.1	11.7	0.0	0.0	0.0	0.0	0.0	49.8
	13,177.5	1,167.7	0.0	263.7	0.0	569.6	87.4	14,126.6
of which noncurrent	13,177.5							14,126.6

Due to our contractual obligations to dismantle the wind power plants at the end of their useful life, we recognized a provision for dismantling costs in the amount of the expected costs and discounted it at 2.0% (previous year: 2.0%). The provision for some existing plants was reversed in the reporting period, as those plants were dismantled and removed.

(26) Trade and other payables

	12/31/2019	12/31/2018
EUR k		
Financial liabilities		
Trade payables	7,917.3	4,871.9
Outstanding invoices	4,818.7	2,413.3
Claims of employees and members of the Management Board	2,836.9	1,984.4
Other	651.1	551.1
	16,224.0	9,820.7
Nonfinancial liabilities		
Amounts payable to taxation authorities	76.7	361.3
	16,300.7	10,182.0

The claims of employees and members of the Management Board consist mainly of untaken vacation time in the amount of EUR 815.3 thousand (previous year: EUR 662.7 thousand), time credits of EUR 216.1 thousand (previous year: EUR 158.1 thousand), and bonuses of EUR 1,388.3 thousand (previous year: EUR 811.7 thousand).

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

(27) Leases

Please see the accounting policies outlined in section 9.

Leases as lessee (IFRS 16)

We have entered into leases for properties which we use in connection with the operation of our power plants. These are generally entered into for fixed periods of at least 20 years, but may contain extension

options. Many contracts provide for adjustments to be made based on the changes in local price indexes. We also lease offices in various countries and electric vehicles for our employees. All other leases, such as leases of IT equipment, are either short-term leases or leases for which the underlying asset is of low value. We have not recognized any right-of-use assets or lease liabilities for these lease agreements.

Right-of-use assets

	Land	Buildings	Passenger vehicles	Total
EUR k				
Balance as of 01/01/2019	19,148.8	0.0	0.0	19,148.8
Additions to right-of-use assets	1,208.1	1,081.7	104.6	2,394.4
Foreign exchange differences	106.2	0.2	0.0	106.4
Disposals of right-of-use assets	0.0	0.0	0.0	0.0
Depreciation charge for the fiscal year	-1,176.2	-133.9	-19.7	-1,329.8
Foreign exchange differences	-2.0	-0.1	0.0	-2.1
Balance as of 12/31/2019	19,284.9	947.9	84.9	20,317.7

Amounts recognized in profit or loss

	2019
EUR k	
<i>Leases under IFRS 16</i>	
Interest expense on lease liabilities	388.9
Expense relating to short-term leases	86.0
Expense relating to leases of low-value assets	141.1
Expense relating to variable lease payments and expense relating to contracts not within the scope of IFRS 16	994.3
Total	1,610.3
2018	
EUR k	
<i>Operating leases under IAS 17</i>	
Lease expenses	2,538.4

Amounts recognized in the statement of cash flows

	2019
EUR k	
Total cash outflow for leases	5,066.3

Extension options

Some leases contain extension options that only we, and not the lessor, may exercise. At the commencement date, we assess whether extension options are reasonably certain to be exercised. We reassess whether an extension option is reasonably certain to be exercised upon the occurrence of a significant event or a signifi-

cant change in circumstances. Based on the current assessment, there is no change in the lease liability as a result of the fact that an extension option may be exercised.

Leases as lessor

We lease solar power plants in accordance with IFRS requirements. We have classified these leases as operating leases, as they do not transfer substantially all the risks and rewards incidental to ownership of the asset. In 2019, we recognized lease income of EUR 26.0 thousand (previous year: EUR 0.7 thousand). The lease income is variable, as it depends on production at the solar power plants.

5. Other obligations

5.1 Financial obligations arising from lease contracts and purchase orders

Most of our power plants are on leased land. The term of the underlying lease contracts is usually the expected useful life of the respective assets. Under the contracts, we are obliged to make lease payments, which in accordance with IFRS 16 are presented as a right-of-use asset and a lease liability—see (27) and sections 2 and 9.

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

As of the reporting date, material orders for purchases of property, plant, and equipment were outstanding in the amount of EUR 14,360.4 thousand (previous year: EUR 38,782.3 thousand).

5.2 Pending litigation

Proceedings pending since 2006 and involving the subsidiary WEB Windenergie Deutschland GmbH were closed following a discussion before the court in April 2019, as the plaintiff withdrew the action. All court costs were assumed by the plaintiff.

6. Judgments and estimation uncertainty

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

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

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

- The assessment of the recoverability of investments of EUR 10,577.2 thousand (previous year: EUR 8,838.2 thousand) in the project development of wind farms that do not yet have final approval for implementation is based on an assessment of the respective wind farm's probability of realization. This probability of realization may quickly change if public acceptance is lacking or approvals are unattainable. In the fiscal year, we derecognized project costs of EUR 1,008.3 thousand (previous year: EUR 430.5 thousand) as expenses, as it is no longer likely that the project will be realized.
- An impairment test is carried out on our technical equipment and machinery whenever there are indications that an impairment/reversal of impairment may have occurred. The indications identified by W.E.B include, for example, a short remaining term of the subsidized tariff or unforeseen building costs during construction.
- In the event of the indications identified, we test our technical equipment and machinery for impairment by determining their recoverable amount, which is the present value of the future net cash inflows. The outcome of the calculation depends on several assumptions. The most significant assumptions are the future revenue for the electricity generated (especially for projects without a subsidized tariff or after the end of the subsidized period) and the interest rate used to discount the future cash flows. The assumptions for the tariff are based on electricity trading prices and, as in the previous year, assume a price rise of 3% p.a. over the medium to long term. In the wind segment, we have assumed a price rise of 1.4% p.a. The discount rate used is the post-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the asset in question. The post-tax interest rate was determined specifically for each measured asset depending on the remaining term and ranges from 4.32% to 4.85% (previous year: 3.51% to 5.07%). The pre-tax interest rate was calculated iteratively and ranges from 5.37% to 12.16% (previous year: 5.18% to 56.41%).

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

A change in the tariff and/or the interest rate would have the following impact on profit for the fiscal year 2019:

Electricity price	-20%	-10%	Base case
	EUR k	EUR k	EUR k
WACC +0.5%	-1,714.4	-463.6	0.0
Base case	-1,115.5	-114.4	0.0

- Further assumptions and estimates relate to the determination of the useful lives of property, plant, and equipment (see section 9.3) and the determination of components of an item of property, plant, and equipment.
- Provisions for dismantling costs, with a carrying amount of EUR 14,076.9 thousand as of December 31, 2019 (previous year: EUR 13,139.4 thousand), are measured on the basis of expert estimates and experience of the cost of dismantling similar plants as well as on the assumption that some of the materials to be disposed of can be reused. The provision is recognized as part of the cost of the asset, as a result of which any increase or decrease in the provision is recognized in profit or loss over the useful life of the asset rather than immediately.
- The hybrid bonds issued by us are reported in equity due to the bond terms and conditions, under which there is only a contractual obligation to make interest and principal payments on the bonds in the event of a legally effective resolution to disburse a dividend, some other form of distribution, or a payment for the previous fiscal year. Furthermore, the hybrid bonds are subordinate to all other liabilities.
- In determining lease terms, we consider all facts and circumstances that create an economic incentive to exercise extension options. Any changes in the term of a lease relating to the exercise of extension options are only reflected in the term if the options are reasonably certain to be extended. This assessment is reviewed upon the occurrence of a significant event or a significant change in circumstances that may affect the previous assessment—provided that this event or change is within our control.

7. Additional information on financial instruments

7.1 Significance of financial instruments

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

	Carrying amount 12/31/2019	Carrying amount 12/31/2018	Fair value 12/31/2019	Fair value 12/31/2018	Measure- ment level
EUR k					
Financial assets measured at fair value					
Marketable securities	449.2	434.4	449.2	434.4	Level 1
Shares in companies	1,137.9	1,107.9	1,137.9	1,107.9	Level 2
<i>Hedges</i>					
Interest rate swaps or previous year FX forward with positive carrying amount	16.3	95.0	16.3	95.0	Level 2
Financial assets not measured at fair value					
<i>Loans and receivables</i>					
Trade receivables	17,396.9	14,489.1	17,396.9	14,489.1	
Loans and other receivables	28,600.2	25,243.5	28,600.2	25,243.5	
Long-term lendings	0.0	73.4	0.0	73.4	
Credit and capital reserve accounts	8,447.9	7,780.9	8,447.9	7,780.9	
<i>Cash</i>					
Cash and cash equivalents	33,933.4	20,448.7	33,933.4	20,448.7	
Total financial assets	89,981.8	69,672.9			
Financial liabilities measured at fair value					
<i>Hedges</i>					
Interest rate swaps with a negative carrying amount	4,915.7	2,849.9	4,915.7	2,849.9	Level 2
Financial liabilities not measured at fair value					
<i>Financial liabilities measured at amortized cost</i>					
Financial liabilities (including leases)	379,119.3	314,431.9	344,730.6	308,138.7	
Bond liabilities	44,715.2	53,235.8	47,157.8	57,322.3	
Trade and other payables	15,420.3	9,539.6	15,420.3	9,539.6	
Total financial liabilities	444,170.5	380,057.2			

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

The carrying amounts of financial assets pledged as security amounted to EUR 9,998.0 thousand on December 31, 2019 (previous year: EUR 9,442.0 thousand). A portion of this amount served as security for our contractual obligation to land owners to dismantle and remove the wind power plants at the end of their useful lives. The other portion served as security for liabilities to banks.

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

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

	From subsequent measurement			From interest	
	At fair value through other comprehensive income	Currency translation	At fair value through profit or loss	Valuation allowance	
2018					
EUR k					
Marketable securities	0.0	0.0	14.3	0.0	0.0
Shares in companies	0.0	0.0	0.0	0.0	0.0
Cash	0.0	0.0	0.0	0.0	213.7
Loans and receivables	0.0	0.0	4.1	0.0	1,090.6
Financial liabilities at amortized cost	0.0	1,268.3	0.0	0.0	-10,827.9
Hedges	469.6	0.0	0.0	0.0	-858.5
Total	469.6	1,268.3	18.4	0.0	-10,382.1

The financial assets were remeasured in the reporting period. For companies for which a rating was available, we consider there to be no probability of default in the case of agency ratings of BB+ or above. For companies for which no rating is available, the electricity sector assumes a probability of default of 1% to 3%.

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

The year-end measurement did not result in any changes in the measurement of noncurrent assets. The credit risk on operating receivables in the amount of EUR 78.8 thousand (previous year: EUR 43.2 thousand) was not recognized for reasons of immateriality. Expected credit losses therefore changed as follows in the fiscal year:

EUR k	
Expected credit losses as of 12/31/2018	305.3
of which addition to allowance for expected credit losses on "Other noncurrent receivables"	0.0
Valuation allowances in 2019	0.0
Expected credit losses as of 12/31/2019	305.3

7.2 Risks arising from financial instruments

7.2.1 Liquidity risk

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

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

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

12/31/2018	Maturity		
	Up to 1 year	Between 1 and 5 years	More than 5 years
EUR k			
Bonds	15,425.3	36,447.1	6,652.1
Liabilities to banks	38,895.4	126,257.1	189,637.3
Lease liabilities	3,030.0	5,652.0	3,803.2
Other obligations	10,182.0	0.0	0.0
Purchase commitments for property, plant, and equipment	38,782.3	0.0	0.0
Total	106,315.0	168,356.2	200,092.6

As security for existing financing, extensive pledges of assets and assignments of receivables have been agreed with the financial institutions. In addition, we have undertaken to comply with certain financial ratios. A breach of these ratios might entitle the financial institutions to call in the financing.

When making investment decisions, we always consider our current liquidity position and further liquidity planning. As of the reporting date, purchase orders for property, plant, and equipment were outstanding in the amount of EUR 14,350.4 thousand (previous year: EUR 38,782.3 thousand).

7.2.2 Market risk

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

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

Interest rate risk

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

As of December 31, 2019, the proportion of variable-rate financial liabilities (taking into account the interest rate swaps entered into) was 9.6% (previous year: 13.4%). With the loan portfolio in place as of the reporting date and factors otherwise unchanged, an interest rate rise of 1 percentage point would reduce profit (before tax) by EUR 348.3 thousand p.a. (previous year: EUR 424.4 thousand p.a.).

As of December 31, 2019, we were a contracting party to interest rate swaps with a nominal value of EUR 101,231.3 thousand (previous year: EUR 101,885.0 thousand). The sole purpose of these interest rate swaps is to swap variable for fixed rates. They are designated as hedges (hedges of future cash flows) in accordance with IFRS 9. The table in note 23 shows a detailed presentation of derivative financial liabilities including fair values. The derivatives have an average remaining maturity of 8.7 years (previous year: 8.9 years). Changes in interest rates affect the measurement of interest rate swaps and, through the recognition of the remeasurement gains or losses in other comprehensive income, they also affect equity.

Currency risk

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

Equity financing is not hedged. Equity risk amounts to EUR 8,347.5 thousand for Canada (previous year: EUR 15,989.3 thousand), EUR 939.7 thousand for the Czech Republic (previous year: EUR 928.3 thousand), and EUR 10,753.6 thousand for the USA (previous year: EUR 10,753.6 thousand). We recognize the resulting translation differences in other comprehensive income. In the fiscal year 2019, they amounted to EUR 70.2 thousand for subsidiaries in the Czech Republic (previous year: EUR 37.0 thousand), EUR -1,642.6 thousand

for those in Canada (previous year: EUR –2,563.7 thousand), and EUR –24.5 thousand for those in the USA (previous year: EUR –266.1 thousand).

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

Financial liabilities

	12/31/2019	12/31/2018
EUR k		
CHF bank loan	0.0	103.7
CAD bank loan	78,722.2	52,326.4
WEB AG – WEB NA CAD loan (intragroup)	5,724.5	11,229.4
WEB AG – WEB NA CAD loan (intragroup)	0.0	3,961.4
WEB AG – USA USD loan (intragroup)	7,211.7	6,820.9
CZK bank loan	4,564.4	4,788.3
USD bank loan	15,266.3	17,308.1

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

In addition, the parent WEB Windenergie AG has extended a euro-denominated loan of EUR 1,933.3 thousand (previous year: EUR 1,901.3 thousand) to the subsidiary WEB Wind Energy North America Inc. This gives rise to currency risk, which in the reporting period was recognized as a change of EUR 125.1 thousand (previous year: EUR –73.6 thousand) and presented in other comprehensive income as a loss in the amount of EUR 918.9 thousand (previous year: loss of EUR 1,044.0 thousand).

In the previous year, the parent WEB Windenergie AG had extended a loan of CAD 6,000.0 thousand to the subsidiary WEB Wind Energy North America Inc. as short-term financing until May 29, 2019. We hedged the resulting currency risk by entering into an FX forward. This is designated as a hedge (hedge of future cash flows) in accordance with IFRS 9. The table in note 23 shows a detailed presentation of derivative financial liabilities including fair values. The term of the hedge is the term of the hedged item. Currency fluctuations affect the measurement of the FX forward and, through the recognition of the remeasurement gains or losses in other comprehensive income, they also affect equity.

In the previous year, the subsidiary WEB USA Inc. had extended a US dollar-denominated loan of EUR 651.8 thousand to the parent WEB Windenergie AG as short-term financing. This was fully repaid in the reporting period. In the previous year, a loss of EUR 37.2 thousand from the currency risk was recognized in profit or loss.

In previous years, the parent WEB Windenergie AG had taken out a US dollar-denominated loan, the balance of which was EUR 2,336.7 thousand as of the reporting date (previous year: EUR 2,598.3 thousand). In the reporting period, the resulting currency risk was recognized in profit or loss as a loss of EUR 48.0 thousand (previous year: gain of EUR 128.7 thousand).

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

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

2019	10% appreciation	10% depreciation
EUR k	Result	Result
USD	212.4	-259.6

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

2019	10% appreciation	10% depreciation
EUR k	Result	Result
CAD	-914.2	1,095.9
CZK	-164.7	201.3
USD	-929.8	1,136.4
Total	-2,008.7	2,433.6

Credit risk

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

The maximum exposure to credit risk is the carrying amount of the financial assets, plus the liabilities mentioned in section 6. There are no arrangements regarding the offsetting of our receivables against existing liabilities.

The risk of credit losses is limited by the fact that we generate most of our revenues from government or quasi-government organizations. We measured our receivables as of the reporting date. For companies for which a rating was available, we consider there to be no probability of default in the case of agency ratings of BB+ or above. For companies for which no rating is available, the electricity sector assumes a probability of default of 1% to 3%. The credit risk on operating receivables in the amount of EUR 78.8 thousand (previous year: EUR 43.2 thousand) was not recognized for reasons of immateriality. As of December 31, 2019, the maximum exposure to credit risk in connection with trade receivables was EUR 17,396.9 thousand (previous year: EUR 14,489.1 thousand); for all other receivables, loans, etc., it was EUR 40,149.9 thousand (previous year: EUR 39,256.2 thousand).

8. Other disclosures

8.1 Geographical information

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

Revenue

	2019	2018	Change
EUR k			
Austria	44,165.7	35,740.7	24%
France	18,506.8	13,751.3	35%
Germany	16,338.1	13,999.6	17%
Canada	12,936.4	12,093.0	7%
Italy	6,334.9	4,380.0	45%
USA	3,145.4	2,955.9	6%
Czech Republic	2,731.7	2,563.0	7%
Total	104,159.0	85,483.4	22%

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

	2019	2018	Change
EUR k			
Austria	179,729.2	181,630.7	-1%
France	105,349.1	98,594.4	7%
Canada	85,647.4	66,836.0	28%
Germany	71,747.1	56,124.0	28%
Italy	49,562.3	30,543.4	62%
USA	24,376.7	22,624.9	8%
Czech Republic	8,255.4	8,860.8	-7%
Total	524,667.2	465,214.3	13%

8.2 Notes to the statement of cash flows

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

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

Payments to noncontrolling interests of EUR 7,984.6 thousand (previous year: EUR 1,969.7 thousand) relate to repayments of equity. These were used predominantly to repay loans issued to noncontrolling interests.

In the past fiscal year, dividends of EUR 5,192.2 thousand (previous year: EUR 6,922.9 thousand) were distributed and interest of EUR 1,246.6 thousand (previous year: EUR 908.9 thousand) was disbursed to hybrid capital investors.

Payments for additions to financial assets and other noncurrent assets of EUR 564.8 thousand (previous year: EUR 8,680.9 thousand) relate to the acquisition of equity investments and payments for capital reserve accounts.

Financial liabilities and bonds changed as follows:

	Cash				Noncash					12/31/2019
	01/01/2019	Repay- ments	Borrow- ings	Loan charges	Initial applica- tion of IFRS 16	New lease liabilities under IFRS 16	Interest	Foreign exchange differences	Loan charges	
EUR k										
Financial liabilities	303,066.1	-43,414.8	87,645.1	-1,726.4	0.0	0.0	15.0	4,202.2	551.0	350,338.2
Lease liabilities under IFRS 16	11,365.8	-4,231.9	0.0	0.0	19,148.8	2,335.5	0.0	139.5	23.4	28,781.1
Bonds	53,235.8	-13,636.3	5,120.2	-61.8	0.0	0.0	-79.5	0.0	136.9	44,715.2
	367,667.7	-61,283.0	92,765.3	-1,788.2	19,148.8	2,335.5	-64.6	4,341.6	711.3	423,834.5

Income tax payments amounted to EUR 2,748.0 thousand (previous year: EUR 2,053.6 thousand) and related mainly to operating cash flows.

8.3 Objectives of capital management

The objectives of capital management are to ensure the Company's continued existence as a going concern and further expand the generation of electricity from renewables in Europe, Canada, and the USA while achieving an adequate return on equity. Our goal is to achieve a long-term return on equity of 7% to 10%. To hedge against corporate risks while at the same time making optimum use of the equity available, we aim to achieve an equity ratio of 20% to 30% over the long term. As of December 31, 2019, the equity ratio was 24.0% (previous year: 25.6%) and the return on equity 11.4% (previous year: 8.0%).

In the reporting period, a resolution to distribute EUR 5,192.2 thousand (previous year: EUR 6,922.9 thousand) was passed at the Annual General Meeting. This equated to a dividend of EUR 18.00 (previous year: EUR 24.00) per share. Over the long term, it is intended to distribute a significant portion of consolidated profit as a dividend.

A dividend distribution for 2019 is expected to be proposed in 2020. The amount of the dividend per share had not yet been set at the date of preparation of the financial statements.

8.4 Related party disclosures

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

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

Operations management and maintenance contracts have been entered into on arm's length terms with the equity-accounted investments Sternwind Errichtungs- und Betriebs GmbH and Sternwind Errichtungs-

und Betriebs GmbH & Co KG. As of December 31, 2019, outstanding receivables amounted to EUR 14.7 thousand (previous year: EUR 17.2 thousand).

Noncontrolling interests' capital contributions to Scotian WEB Inc. and Scotian WEB II Inc., Canada, were financed by loans from WEB Windenergie AG. As of December 31, 2019, outstanding receivables from Scotian Windfields Inc., Canada, amounted to EUR 3,043.1 thousand (December 31, 2018: EUR 2,961.1 thousand).

A loan was also extended by WEB Windenergie AG to finance noncontrolling interests' capital contribution to Pisgah Mountain LLC, USA. As of December 31, 2019, outstanding receivables from Pisgah Holdings LLC, USA, amounted to EUR 7,211.7 thousand (December 31, 2018: EUR 6,820.9 thousand).

A loan was extended by WEB Windenergie AG to finance noncontrolling interests' capital contribution to Wisokolamson Energy LP, Canada. As of December 31, 2019, outstanding receivables from Woodstock Wind LP, Canada, amounted to EUR 2,681.4 thousand (December 31, 2018: EUR 8,268.3 thousand).

For details of the loans extended to project partners, please refer to note 14.

The law firm Sattler und Schanda, in which Supervisory Board member Dr. Reinhard Schanda is a partner, holds an advisory mandate. The legal advisory service is provided by the lawyer Dr. Angela Heffermann, who works at the law firm. The Supervisory Board approved the continuation of the advisory mandate at its meeting on June 26, 2009. Expenses of EUR 21.1 thousand were recognized in the reporting period (previous year: EUR 8.3 thousand). As in the previous year, there were no outstanding fees receivable by the law firm Sattler und Schanda as of December 31, 2019.

A contract for the development and maintenance of brownfield land is in place with Supervisory Board member Martin Zimmermann in connection with wind power sites in Austria. Expenses of EUR 9.0 thousand were recognized in the reporting period (previous year: EUR 7.6 thousand). There were no outstanding liabilities as of December 31, 2019 (previous year: EUR 0.0 thousand).

8.4.1 Governing bodies of the Company

a) Management Board

In the fiscal year 2019, the Management Board was made up of the following persons:

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

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

b) Supervisory Board

In 2019, the Supervisory Board was made up of the following persons:

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

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

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

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

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

c) Authorized signatories

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

8.4.2 Remuneration of governing body members

In 2019, the members of the Management Board received remuneration totaling EUR 634.6 thousand (previous year: EUR 592.0 thousand), of which EUR 311.4 thousand comprised performance-related components for the profit for 2018 (previous year: EUR 273.6 thousand in relation to the profit for 2017). The criteria set for the performance-related components (variable remuneration) are the number of megawatts of power plant capacity newly installed in the fiscal year in question and achieving or exceeding a certain return on equity. Caps have been set on total remuneration. We did not pay any remuneration to former members of the Management Board in the fiscal year (previous year: EUR 0.0 thousand).

We did not extend any advances to members of the Company's governing bodies in 2019 (previous year: EUR 0.0 thousand).

We have defined-contribution pension obligations to governing body members. In the fiscal year, we paid contributions of EUR 66.0 thousand (previous year: EUR 66.0 thousand) into the pension fund. There are no other benefit obligations.

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

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

We have taken out a directors' and officers' liability insurance (D&O insurance) covering certain personal liability risks for persons acting responsibly on behalf of WEB Windenergie AG and its subsidiaries. The costs (EUR 18.9 thousand) are borne by the Company.

9. Accounting policies

9.1 Entities included in the consolidated financial statements

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

Subsidiaries are entities that we control. Control exists if we

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

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

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

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

Associates and joint ventures are also recognized in our consolidated financial statements. Associates are entities over which we have significant influence, but which we do not control. One rebuttable indication of significant influence is an ownership interest of 20% to 50%. Joint ventures are entities which we manage jointly with one or more partners. We account for associates and joint ventures using the equity method. This means that, at the acquisition date, we include the shares in the statement of financial position at cost. In subsequent periods, we adjust the carrying amount for our share of the associate's profit or loss and other comprehensive income as well as our share of other changes in the associate's net assets (e.g., distributions). We only assume a loss if the remaining carrying amount of the shares is positive.

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

	Subsidiaries	Associates and joint ventures
As of 01/01/2018	31	8
Entities established by us	3	0
Entities acquired by us	4	-2
Dissolution of entities	0	0
As of 12/31/2018	38	6
Entities established by us	2	1
Entities acquired by us	0	0
Dissolution of entities	0	0
Deconsolidation of WEB Windenergie Brandenburg GmbH	-1	1
As of 12/31/2019	39	8

Deconsolidation

In February 2019, we sold 50% of the shares in WindSale Holding GmbH, Germany. The company was subsequently renamed WEB Windenergie Brandenburg GmbH. As a result of the loss of control, consolidation ceased in February 2019. Since March 2019, we have accounted for the remaining equity investment as an associate (see note 13). Deconsolidation resulted in a gain of EUR 63.9 thousand being recognized in other net finance costs.

Deconsolidation gain

	WEB Windenergie Brandenburg GmbH
EUR k	
Carrying amount of WEB Windenergie Brandenburg GmbH at fair value	43.7
Net assets disposed of	20.2
Gain on deconsolidation	63.9

Entities established by us

On February 19, 2019, WEB ARIANO SRL, Italy, was established. On February 26, 2019, it 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. We have since held 75%. As we do not control it, WEB ARIANO SRL is included in our consolidated financial statements as an associate.

In July 2019, Windpark Grube GmbH & Co KG was established in Germany together with a project partner. We hold 50% of the shares in this company. We hold 100% of the shares in the managing general partnership, Windpark Grube Verwaltungs GmbH. Windpark Grube GmbH & Co KG is consolidated, as we control it through Windpark Grube Verwaltungs GmbH.

WEB Windpark Kuhs Verwaltungs GmbH, in which we hold 100% of the shares, was established in Germany upon its entry in the commercial register in August 2019. This company is not consolidated for reasons of immateriality.

In September 2019, W.E.B Parc éolien Autour des Carrières was established in France. We hold 100% of the shares. Therefore, the entity is consolidated.

In November 2019, WEB DGHS Verwaltungs GmbH, in which we hold 100% of the shares, was established in Austria. The company is not consolidated for reasons of immateriality.

9.2 Currency translation

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

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

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

For the financial statements as of December 31, 2019 and 2018, we used the following rates:

	Valuation rate 12/31/2019	Average rate 2019	Valuation rate 12/31/2018	Average rate 2018
CZK	25.4080	25.6851	25.7240	25.6627
CHF			1.1269	
USD	1.1234	1.1213	1.1450	1.1838
CAD	1.4598	1.4906	1.5605	1.5282

9.3 Other accounting policies

9.3.1 Goodwill and intangible assets

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

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

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

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

9.3.2 Property, plant, and equipment

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

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

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

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

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

9.3.3 Impairment of nonfinancial assets

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

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

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

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

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

9.3.4 Financial instruments

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

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

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

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

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

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

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

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

9.3.5 Impairment of financial assets

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

9.3.6 Inventories

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

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

9.3.7 Provisions

Provisions are liabilities of uncertain timing or amount. We recognize a provision in the statement of financial position when we have a legal or constructive obligation to a third party, it is probable that an outflow of resources (e.g., payments or services) will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. A provision is measured at the amount representing the best estimate of the future expenditure required to settle the obligation. Where the effect is material, we discount the amount to its present value as of the reporting date. The interest rate used in the fiscal year 2019 was 2.0% (previous year: 2.0%). The interest cost subsequently required to be added back on provisions is recognized in other net finance costs. The provisions reported in the statement of financial position relate mainly to our obligations to dismantle assets and restore the generation sites. Further information on the measurement of these provisions is provided in the accounting policies for property, plant, and equipment.

9.3.8 Leases

We adopted IFRS 16 by applying the modified retrospective approach and therefore did not restate comparative information, but continued to present it applying IAS 17 and IFRIC 4. Details of the accounting policies under IAS 17 and IFRIC 4 are presented separately.

Policy applied as of January 1, 2019

At inception of a contract, we assess whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a defined period of time in exchange for consideration. We base our assessment of whether a contract conveys the right to control an identified asset on the definition of a lease specified in IFRS 16. This policy is applied to contracts entered into on or after January 1, 2019.

As lessee

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

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

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

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

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

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

As lessor

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

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

As a general rule, the accounting policies that we are required to apply as lessor under IFRS 16 do not differ from those in the comparative period.

Policy applied before January 1, 2019

For contracts entered into before January 1, 2019, we assessed whether an arrangement was, or contained, a lease as follows:

Fulfillment of the arrangement was dependent on the use of a specific asset or specific assets and the arrangement conveyed a right to use the asset. An arrangement conveyed the right to use an asset if one of the following conditions was met:

The purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output or other utility of the asset. The purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output or other utility of the asset.

As lessee

In the comparative period, we classified leases that transfer substantially all the risks and rewards incidental to ownership of an asset as finance leases. If this was the case, leased assets were initially recognized at amounts equal to their fair value or, if lower, the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding contingent payments. After initial recognition, the asset was accounted for in accordance with the accounting policy applicable to that asset. Assets from other leases were classified as operating leases and not recognized in the Group's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the lease term.

As lessor

If the Group was the lessee, it classified the arrangement as either a finance lease or an operating lease at inception. In order to classify each lease, the Group made an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this was the case, the lease was classified as a finance lease; if not, it was an operating lease. In making this assessment, the Group considered certain indicators, such as whether the lease term was for the major part of the economic life of the asset.

9.3.9 Income taxes

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

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

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

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

Deferred taxes are measured using the local tax rate applicable in the future and may not be discounted.

The tax rates in the individual countries are as follows:

- Austria: 25.00% (previous year: 25.00%)
- Germany: 27.00–30.00% (previous year: 27.00–30.00%)
- France: 25.00–28.00% (previous year: 25.00–28.00%)
- Canada: 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 25% in annual steps over the period to 2022. In the prior accounting period, a tax rate of 28% was applied. As we use local tax rates to measure deferred taxes, this change resulted in deferred tax liabilities of EUR 72.3 thousand being reversed in the reporting period.

9.3.10 Revenue recognition

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

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

9.3.11 Interest and income from equity investments

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

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

9.4 Rules required to be applied in the future

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

Standard/ Interpretation	Title of the Standard/ Interpretation	Fiscal year of initial application	Description of the amendment
IFRS 3	Definition of a Business	01/01/2020	Amendments regarding the definition of a business
IFRS 17	Insurance Contracts	01/01/2021	New guidance on accounting for insurance contracts
IAS 1	Definition of Material	01/01/2020	Amendments regarding the definition of "material"
IAS 8	Definition of Material	01/01/2020	Amendments regarding the definition of "material"
IFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed indefinitely	Amendments regarding sales or contributions of assets between an investor and its associate or joint venture
IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Postponed indefinitely	Amendments regarding sales or contributions of assets between an investor and its associate or joint venture

We are required to apply the amendments to IFRS 3, IAS 1, and IAS 8 as of January 1, 2020. We have assessed the estimated effects of the amendments on our consolidated financial statements. The actual effects of applying the amendments to those Standards as of January 1, 2020 may differ, as we have not yet completed all checks. We do not expect any material effects on our consolidated financial statements.

10. Events after the reporting period

The W.E.B Group continues to drive its growth. In January and February 2020, three solar power plants with a total capacity of 277.1 kWp were brought on stream in Litschau, Wieselburg, and Vienna, Austria, as part of the SMU Energy Transition Partnership (KMU-Energiewendepartnerschaft).

In January 2020, we were informed of the outcome of a routine review of the legality of the tariff award for a solar farm that is held by a company acquired by WEB Windenergie AG. The documents required by the subsidy provider were furnished with the assistance of the lawyers representing us. There is as yet no final response from the subsidy provider. We consider the risk of the subsidized tariff being reduced or lost to be low.

At the end of January, the Ariano project, Italy, received the tariff award in the current tender. With a total of 20 wind power installations, it is the largest project not only in the tender, but also in the history of W.E.B. Construction work on this wind farm is scheduled to start in the fiscal year 2021.

The emergence of COVID-19 in the first few months of 2020 presents enormous challenges for the entire world. At W.E.B, we have done all we can to comply with the recommendations and orders issued by the authorities in order to slow the speed of its spread. Immediately and wherever possible, we enabled our employees to work from home. In doing so, we benefit from the technical equipment in all key areas which we as a global business need anyway and which enables flexible working from any location. This lack of dependence on a particular location also applies to the control center, for example.

W.E.B's core business, the generation of wind power, continues to run reliably at present. However, we—like all others—do of course face a situation that is highly short-term and unpredictable in nature. In the near term, we will therefore regularly reassess the situation, look in detail at the possible effects on our Company in all countries in which we are located, and set clear priorities.

It is possible that the mobility restrictions in place as a result of COVID-19 will affect us to the extent that we are no longer able to power up our plants in the event of disruption. If this were to result in a 1 percentage point reduction in availability, revenue would be reduced by EUR 1.0 million. The coronavirus crisis has also impacted on energy prices. As we sell around 18% of the electricity we generate on the free market, a fall in market prices of EUR 10/MWh for the years starting 2021 would result in a fall in profit of EUR 1.5 million in those years, although the effects of impairment tests cannot yet be estimated. The impact on our project development—due to delays in processes or in the construction phase, for example—are not yet foreseeable. This will very much depend on how long the measures put in place in the individual countries in connection with COVID-19 are maintained.

The Management Board approved these consolidated financial statements on April 7, 2020.

The separate financial statements of the parent, which were also included in the consolidated financial statements following restatement to International Financial Reporting Standards, were submitted to the Supervisory Board for it to examine on April 7, 2020. The Supervisory Board may adopt the annual financial statements or delegate their adoption to the Annual General Meeting.

Pfaffenschlag, April 7, 2020



Dr. Frank Dumeier
Chairman of the Management Board



DI Dr. Michael Trcka
Chief Financial Officer

Group companies | Information on investees in accordance with Section 238 (4) of the Austrian Commercial Code (Unternehmensgesetzbuch, UGB)

Company	Registered office	Country	Method of inclusion
WEB Windenergie AG	Pfaffenschlag	Austria	C
WEB Windpark GmbH & Co KG	Pfaffenschlag	Austria	C
WEB PV GmbH & Co KG	Pfaffenschlag	Austria	C
WEB PV GmbH	Pfaffenschlag	Austria	NC
WEB DHW Wind GmbH & Co KG	Pfaffenschlag	Austria	C
WEB DHW Wind GmbH	Pfaffenschlag	Austria	NC
WEB DGHS Verwaltungs GmbH	Pfaffenschlag	Austria	NC
WEB Traisenwind GmbH	Pfaffenschlag	Austria	C
WEB Windenergie Deutschland GmbH	Hamburg	Germany	C
WEB Windenergie Loickenzin GmbH	Tützpatz	Germany	C
WEB Energie du Vent SAS	Paris	France	C
Parc éolien de Champigneul-Pocancy SAS	Paris	France	C
WEB Větrná Energie s.r.o.	Brno	Czech Republic	C
Friendly Energy s.r.o.	Brno	Czech Republic	C
WEB Italia Energie Rinnovabili s.r.l.	Bolzano	Italy	C
WEB Wind Energy North America Inc.	New Brunswick	Canada	C
ELLA GmbH & Co KG	Pfaffenschlag	Austria	C
ELLA Verwaltungs GmbH	Pfaffenschlag	Austria	NC
Les Gourlus Holding SAS	Paris	France	C
Parc éolien des Portes du Cambresis SAS	Paris	France	C
CEPE de Bel-Air Nord SAS	Paris	France	C
W.E.B Parc éolien des Vallées SAS	Paris	France	C
W.E.B Parc éolien des Vents du Serein SAS	Paris	France	C
W.E.B Parc éolien du Pays Blancourtien SAS	Paris	France	C
WEB Grid SAS	Paris	France	C
Les Gourlus Holding II SARL	Paris	France	NC
W.E.B Parc éolien Autour des Carrières	Paris	France	C
Regenerative Energy Bulgaria EOOD – in liquidation	Sofia	Bulgaria	NC
WEB Windenergie Brandenburg GmbH (formerly: WindSale Holding GmbH)	Hamburg	Germany	EM
WEB Windpark Wörbzig GmbH & Co KG	Hamburg	Germany	C
WEB Windpark Wörbzig Verwaltungs GmbH	Hamburg	Germany	NC
Windpark Grube Verwaltungs GmbH	Grube	Germany	NC
Windpark Grube GmbH & Co KG	Hamburg	Germany	C
WEB Windpark Kuhs Verwaltungs GmbH	Hamburg	Germany	NC
WEB USA Inc.	Delaware	USA	C
SWEB Development USA LLC	Delaware	USA	C
Pisgah Mountain USA LLC	Maine	USA	C
Zweite WP Weener GmbH & Co. KG	Weener	Germany	EM
Tauernwind Windkraftanlagen GmbH	Pottenbrunn	Austria	EM
Sternwind Errichtungs- und BetriebsgmbH	Bad Leonfelden	Austria	EM
Sternwind Errichtungs- und BetriebsgmbH & Co KG	Vorderweißenbach	Austria	EM
WEB Windenergie Betriebs GmbH	Pfaffenschlag	Austria	NC
Società di gestione impianti fotovoltaici s.r.l.	Bolzano	Italy	C
WEB Conza s.r.l.	Bolzano	Italy	C
ARSOLAR S.R.L.	Sant'Andrea Di Conza	Italy	C
WP France 4 SNC	Paris	France	C
WEB Windenergie Loickenzin Betriebsgesellschaft GmbH & Co KG	Tützpatz	Germany	C
Scotian WEB Inc. (including limited partnership agreement)	Halifax	Canada	C
Scotian WEB II Inc. (including limited partnership agreement)	Halifax	Canada	C
Scotian WEB III Inc. (including limited partnership agreement)	Halifax	Canada	NC
SWEB Development Inc. (including limited partnership agreement)	Halifax	Canada	C
SWEB Ownership Ontario Inc. (including limited partnership agreement)	Toronto	Canada	NC
SWEB Development Ontario Inc. (including limited partnership agreement)	Toronto	Canada	NC
Wisokolamson Energy GP inc. (including limited partnership agreement)	Saint John	Canada	C
SASU Energie Verte Plaine d'Artois	Le Havre	France	EM
Société d'Electricité du Nord SARL	Paris	France	C
Società Elletrica Ligure Toscana s.r.l.	Bolzano	Italy	C
WEB ARIANO SRL	Bolzano	Italy	EM
Black Spruce Wind Energy GP Inc. (including limited partnership agreement)	Toronto	Canada	EM

Ownership interest	Prior-year ownership interest	Reporting date	Equity	Net income/ loss for the year	Equity in foreign currency	Net income/ loss for the year in foreign currency	Exchange rate
			EUR k	EUR k			
		12/31/2019	66,793	5,890			
100%	100%	12/31/2019	8,492	4,019			
70%	70%	12/31/2019	218	29			
70%	70%	12/31/2019	-2	-1			
100%	100%	12/31/2019	6,578	3,564			
100%	100%	12/31/2019	0	-1			
100%		12/31/2019	1	-4			
51%	51%	12/31/2019	-138	-4			
100%	100%	12/31/2019	21,233	5,583			
100%	100%	12/31/2019	19	-1			
100%	100%	12/31/2019	-2,576	47			
100%	100%	12/31/2019	-121	-16			
100%	100%	12/31/2019	2,613	780	CZK 66,388,172	CZK 19,808,440	25.408
100%	100%	12/31/2019	774	199	CZK 19,675,415	CZK 5,051,748	25.408
100%	100%	12/31/2019	2,028	358			
100%	100%	12/31/2019	18,407	2,307	CAD 26,869,908	CAD 3,367,764	1.460
100%	100%	12/31/2019	-111	-153			
100%	100%	12/31/2019	0	-5			
100%	100%	12/31/2019	-1,848	-469			
100%	100%	12/31/2019	2,302	1,486			
100%	100%	12/31/2019	-12	-6			
100%	100%	12/31/2019	-87	-54			
100%	100%	12/31/2019	-34	-9			
100%	100%	12/31/2019	-22	-7			
80%	80%	12/31/2019	-28	-19			
100%	100%	12/31/2019	-20	-3			
100%		12/31/2019	-1	-2			
100%	100%	12/31/2019	0	0	BGN 0	BGN 0	1.956
50%	100%	12/31/2019	-144	-114			
100%	100%	12/31/2019	1,431	67			
100%	100%	12/31/2019	24	1			
100%	100%	12/31/2019	20	-2			
50%		12/31/2019	62	-4			
100%		12/31/2019	22	-3			
100%	100%	12/31/2019	16,631	108	USD 18,683,102	USD 120,827	1.123
100%	100%	12/31/2019 ¹					
49%	49%	12/31/2019 ¹					
50%	50%	12/31/2019	1,583	664			
20%	20%	12/31/2019	6,182	3,304			
49%	49%	12/31/2019	850	74			
49%	49%	12/31/2019	927	-274			
100%	100%	12/31/2019	31	1			
100%	100%	12/31/2019	67	11			
100%	100%	12/31/2019	975	-75			
100%	100%	12/31/2019	4,422	-4			
100%	100%	12/31/2019	4,408	2,026			
100%	100%	12/31/2019	1,137	146			
55%	55%	12/31/2019 ²					
55%	55%	12/31/2019 ²					
55%	55%	12/31/2019 ²					
100%	100%	12/31/2019 ²					
90%	90%	12/31/2019 ²					
90%	90%	12/31/2019 ²					
49%	49%	12/31/2019 ²					
33%	33%	12/31/2018	752	39			
100%	100%	12/31/2019	-1,026	188			
100%	100%	12/31/2019	2,265	-454			
75%			-77	-87			
50%	50%	12/31/2019 ²					

¹ Included in the figures of WEB USA Inc.

² Included in the figures of WEB Wind Energy North America Inc.

Auditor's report

Report on the consolidated financial statements

Audit opinion

We have audited the consolidated financial statements of

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

and its subsidiaries ("the Group"), comprising the consolidated statement of financial position as of December 31, 2019, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the fiscal year then ended, and the notes to the consolidated financial statements.

In our opinion, the consolidated financial statements comply with legal requirements and give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2019 and of its financial performance and cash flows for the fiscal year then ended in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU, and the additional requirements of Section 245a of the Austrian Commercial Code (Unternehmensgesetzbuch, UGB).

Basis for the audit opinion

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

Key audit matters

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

Measurement of intangible assets and property, plant, and equipment

See notes 2.; 3.(5); 4.(11), (12), (13); 6., and 9.3.

Risk for the financial statements

Intangible assets (in particular right-of-use assets) and property, plant, and equipment (in particular wind power plants, solar power plants, and hydropower plants) with a carrying amount totaling EUR 524.7 million represent 83.6% of the Company's reported assets as of the reporting date.

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

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

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

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

Our audit approach

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

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

spot checks to assess the appropriateness of the assumptions applied in determining interest rates by comparing against market- and sector-specific benchmarks and reconciled the projections on which the measurement was based with the budgets and medium-term plans adopted by management.

- In order to assess adherence to planning, we compared both the actual cash flows in 2019 and the current projections with the projections in prior periods on a random sampling basis. We discussed any deviations observed with management.
- We reconciled the carrying amounts affected with the fixed asset accounting.

Responsibilities of management and the Audit Committee for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements and for ensuring that they give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group in accordance with IFRSs, as adopted by the EU, and the additional requirements of Section 245a of the UGB. In addition, management is responsible for such internal control as it determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, for disclosing, as applicable, matters relating to going concern, and for financial reporting based on the going concern basis of accounting, unless management intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement, if it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

In addition:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems for the Company.
- We evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates made by management and related disclosures.
- We conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business transactions within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.
- We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the Audit Committee with a statement that we have complied with the relevant professional requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements for the fiscal year and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other legal and regulatory requirements

Report on the audit of the Group management report

Under the provisions of Austrian commercial law, the Group management report is required to be audited as to whether it is consistent with the consolidated financial statements and as to whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the Group management report in accordance with the UGB.

We conducted our audit in accordance with generally accepted principles for the audit of the Group management report.

Opinion

In our opinion, the Group management report has been prepared in accordance with the applicable legal requirements, includes the appropriate disclosures pursuant to Section 243a of the UGB, and is consistent with the consolidated financial statements.

Statement

Based on the knowledge and understanding of the Group and its environment obtained in the course of the audit of the consolidated financial statements, we have not identified any material misstatements in the Group management report.

Other information

Management is responsible for the other information. The other information includes all information in the annual report, with the exception of the consolidated financial statements, the Group management report, and the auditor's report. The annual report is expected to be made available to us after the date of the auditor's report.

Our audit opinion on the consolidated financial statements does not cover this other information and we do not express any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, when available, and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Engagement partner

The engagement partner responsible for the audit is Ms. Mag. Heidi Schachinger.

Mödling, April 7, 2020

KPMG Niederösterreich GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Heidi Schachinger
Wirtschaftsprüfer (Austrian Certified Public Accountant)

The consolidated financial statements may only be published or disclosed together with our auditor's report in the version audited by us. This auditor's report relates solely to the complete consolidated financial statements in German, including the Group management report. Section 281 (2) of the UGB applies to versions differing from the version audited by us.

Separate financial statements

Income statement of WEB Windenergie AG 01/01–12/31/2019

	2019	2018
EUR		
1. Revenue	35,320,453.93	32,288,810.61
2. Other operating income		
<i>a) Income from the disposal of and the reversal of write-downs of fixed assets with the exception of long-term financial assets</i>	621,966.10	3,120.92
<i>b) Income from the reversal of provisions</i>	91,151.58	73,303.52
<i>c) Other</i>	145,320.39	295,492.86
	858,438.07	371,917.30
3. Cost of materials and other purchased services		
<i>a) Cost of materials</i>	-3,221,181.14	-2,016,802.47
<i>b) Cost of purchased services</i>	-6,986,744.80	-6,718,909.90
	-10,207,925.94	-8,735,712.37
4. Personnel expenses		
<i>a) Wages</i>	-814,812.53	-647,002.87
<i>b) Salaries</i>	-5,886,178.52	-4,457,628.89
<i>c) Payments to employee benefit funds</i>	-92,714.12	-76,348.84
<i>d) Post-employment benefit costs</i>	-66,000.01	-66,000.01
<i>e) Expenses for statutory social security contributions as well as income-based charges and compulsory contributions</i>	-1,617,189.82	-1,293,548.09
<i>f) Other social security expenses</i>	-80,884.53	-58,457.95
	-8,557,779.53	-6,598,986.65
5. Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	-11,963,890.80	-11,792,482.75
6. Other operating expenses		
<i>a) Taxes other than taxes on income</i>	-150,769.62	-89,177.23
<i>b) Other</i>	-5,782,319.56	-3,830,242.56
	-5,933,089.18	-3,919,419.79
7. Subtotal of items 1 through 6 (operating result)	-483,793.45	1,614,126.35

	2019	2018
EUR		
Brought forward:	-483,793.45	1,614,126.35
8. Income from long-term equity investments	11,014,232.76	8,172,647.82
of which from affiliated companies: EUR 10,877,088.80; previous year: EUR 7,990k		
9. Income from other marketable securities and long-term lendings classified as long-term financial assets	37,895.57	41,770.95
10. Other interest and similar income	1,108,578.71	774,327.81
of which from affiliated companies: EUR 848,622.35; previous year: EUR 575k		
11. Income from the disposal of and the reversal of write-downs of long-term financial assets	1,078.30	25,887.67
12. Expenses from long-term financial assets	-8,430.01	-43,863.59
of which write-downs: EUR 35,416.45; previous year: EUR 35k		
13. Interest and similar expenses	-5,225,556.18	-5,070,842.64
of which relating to affiliated companies: EUR 81,977.68; previous year: EUR 60k		
14. Subtotal of items 8 through 13 (financial result)	6,927,799.15	3,899,928.02
15. Result before tax	6,444,005.70	5,514,054.37
16. Taxes on income	-553,509.11	159,212.28
of which deferred taxes: EUR 108,652.82; previous year: EUR 142k		
17. Profit after tax = Net income for the year	5,890,496.59	5,673,266.65
18. Retained profits brought forward from previous year	765,905.40	284,792.75
19. Net retained profits	6,656,401.99	5,958,059.40

Separate financial statements

Statement of financial position of WEB Windenergie AG as of December 31, 2019

Assets	12/31/2019	12/31/2018
EUR		
A. Fixed assets		
I. <i>Intangible fixed assets</i>		
1. Concessions, industrial and similar rights and assets, and licenses in such rights and assets	1,316,120.69	1,006,564.60
2. Goodwill	179,087.23	508,652.05
	1,495,207.92	1,515,216.65
II. <i>Tangible fixed assets</i>		
1. Land, land rights and buildings, including buildings on third-party land	10,579,131.81	8,730,863.93
2. Technical equipment and machinery	63,135,276.85	73,261,915.61
3. Other equipment, operating and office equipment	2,361,939.49	1,854,922.22
4. Prepayments and assets under construction	4,307,846.15	4,209,711.79
	80,384,194.30	88,057,413.55
III. <i>Long-term financial assets</i>		
1. Shares in affiliated companies	50,602,956.20	58,149,417.91
2. Long-term lendings to affiliated companies	7,439,217.37	1,901,321.80
3. Long-term equity investments	1,190,520.43	1,166,253.92
4. Long-term lendings to other long-term investees and investors	0.00	72,421.70
5. Long-term securities (book-entry securities)	156,993.84	156,993.84
	59,389,687.84	61,446,409.17
	141,269,090.06	151,019,039.37
B. Current assets		
I. <i>Inventories</i>		
Raw materials, consumables, supplies, and spare parts	3,271,568.77	3,496,566.66
	3,271,568.77	3,496,566.66
II. <i>Receivables and other assets</i>	63,634,772.49	54,982,449.88
of which due in more than one year: EUR 7,911,530.69; previous year: EUR 3k		
III. <i>Marketable securities classified as current assets</i>		
Marketable securities classified as current assets	107,800.00	118,500.00
	107,800.00	118,500.00
IV. <i>Cash in hand, bank balances</i>	7,226,985.26	5,999,110.02
	74,241,126.52	64,596,626.56
Subtotal of A and B	215,510,216.58	215,615,665.93

Assets	12/31/2019	12/31/2018
EUR		
Brought forward	215,510,216.58	215,615,665.93
C. Prepaid expenses	229,255.18	110,755.55
D. Deferred tax assets	965,920.60	857,267.78
	216,705,392.36	216,583,689.26
Equity and liabilities	12/31/2019	12/31/2018
EUR		
A. Equity		
I. <i>Subscribed, called, and paid-in capital</i>	28,845,300.00	28,845,300.00
	28,845,300.00	28,845,300.00
II. <i>Capital reserves</i>		
Appropriated	23,596,066.55	23,596,066.55
	23,596,066.55	23,596,066.55
III. <i>Revenue reserves</i>		
Other reserves (unappropriated reserves)	7,695,268.41	7,695,268.41
	7,695,268.41	7,695,268.41
IV. <i>Net retained profits</i>		
of which retained profits brought forward: EUR 765,905.40; previous year: EUR 285k	6,656,401.99	5,958,059.40
	66,793,036.95	66,094,694.36
B. Special reserve for investment grants	1,224,002.53	1,251,986.27
C. Provisions		
Other provisions	6,628,964.29	5,623,846.44
	6,628,964.29	5,623,846.44
D. Liabilities	141,171,804.57	143,612,856.96
of which due in less than one year: EUR 37,997,068.61; previous year: EUR 42,644k		
of which due in more than one year: EUR 103,174,735.96; previous year: EUR 100,969k		
of which taxes: EUR 118,171.36; previous year: EUR 97k		
of which relating to social security: EUR 170,441.05; previous year: EUR 134k		
E. Deferred income	887,584.02	305.23
	216,705,392.36	216,583,689.26

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This annual report was prepared with the utmost care. However, the possibility of typesetting and typographical errors cannot be ruled out. Furthermore, numerical disclosures may contain rounding differences due to the use of computational aids. This annual report also contains forward-looking estimates and statements. These were made on the basis of all the information currently available. We point out that actual facts—and therefore actual results—may differ from the expectations stated in this report due to a wide variety of factors. In this context, we also refer to the statements on expected developments as well as risks and uncertainties, starting on page 68 of the Group management report.

We apologize for the fact that, in order to enhance readability, we have chosen to dispense with gender-specific references. We are, of course, addressing both genders at the same time.

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