

QUARTERLY STATEMENT

PNE AG

1 | 2020

**PNE**  
pure new energy

# THE PNE GROUP AT A GLANCE

The PNE Group consists of the companies PNE AG and WKN GmbH and is a leading wind farm developer located in Northern Germany.

## PNE Group key figures

<b>in million EUR</b>	<b>1.1. – 31.3. 2020</b>	<b>1.1. – 31.3. 2019</b>	<b>1.1. – 31.3. 2018</b>
Total aggregate output	25.1	44.4	15.7
Revenues	15.7	28.0	10.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	6.4	6.9	2.1
Operating profit (EBIT)	2.3	4.3	-0.2
Earnings before taxes (EBT)	-1.4	2.3	-3.9
Result for the period	0.2	1.6	-3.0
Basic earnings per share (euro)	0.00	0.02	-0.04
Average number of shares (million)	76.3	74.4	76.6

<b>in million EUR</b>	<b>31.3.2020</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Equity on the reporting date	219.9	220.0	216.3
Equity ratio on the reporting date (%)	38.0	38.8	47.8
Balance sheet total on the reporting date	578.0	567.6	452.6

# FOREWORD OF THE BOARD OF MANAGEMENT

## DEAR SHAREHOLDERS

2019 was a strong year for our enterprise, and we took this pleasing tailwind with us into 2020. However, the first few months have already shown very clearly that this will not be a normal year in view of global developments.

### Conversions due to Corona pandemic

Over the past weeks and months, we have had to adjust to an extraordinary situation. The global Corona pandemic and the associated restrictions have shaped everyday life and changed economic conditions. We have also not been able to escape this development. We have reacted consistently to this, and the majority of our staff have worked from home. Only those employees who were absolutely necessary for maintaining business operations have remained in our offices. That this is working is shown, among other things, by the fact that we were able to complete preparations for the final applications for approval under the Federal Immission Control Act (BImSchG) for three wind farm projects and to start construction of three further wind farm projects in the first quarter. Meanwhile we are working under normal operational conditions again.

However, the consequences of the crisis triggered by the pandemic for the economy as a whole cannot yet be assessed. This includes possible effects on delivery routes and suppliers of the wind power turbines and components required for the projects. We therefore had to adjust to the fact that there may be delays in the operative project business. We have already taken this into account in our planning. However, we also assume that the global hunger for energy and the will to drive forward CO<sub>2</sub> reduction and thus climate protection will make it necessary to expand renewable energies even after the current crisis.

The fact that we had developed our processes and organisational structure to a high level last year is now paying off for us. We were and still are fully operational even during the quarantine times. The changeover to working from home was quick and easy for our teams in Germany and abroad.

Special thanks are due here to our employees, who have shown great commitment despite the difficult conditions.

### **Dynamic start to 2020**

In operational terms, we have made a dynamic start to the 2020 fiscal year. The construction of wind farms on behalf of customers in Sweden and Poland has been continued. One project in Poland was completed and put into operation.

In the first quarter, we also started the construction of three further wind farms in Germany with a total nominal capacity of 38.5 MW, of which 4.2 MW in the form of a “citizen wind park”. At the end of the first quarter, we thus had a total of around 284 MW of projects under construction on our own account and for customers.

### **Internal operations strengthened**

In the first quarter, we decided to strengthen the portfolio of internally operated projects. In addition to expanding the service business, we want to make a further contribution to reducing the volatility of earnings and stabilising earnings and sales at a high level. This should enable the goal of significantly increasing average results to be achieved earlier than planned.

We are not pursuing the sale of the wind farm portfolio in 2020 as planned. However, individual projects, especially in foreign markets, will continue to be marketed in the future.

PNE currently operates wind farms with an installed nominal capacity of 130.1 MW. The plans are to expand the portfolio of internally operated projects, primarily in Germany, to up to 500 MW by the end of 2023. The basis for the expansion is the well-filled project pipeline.

### **Good operative position**

Due to the poor conditions for the development of renewable energy projects in Hungary and Bulgaria, we withdrew from these markets in the first quarter as announced. Nevertheless, the “pipeline” of onshore wind energy projects that we are currently working on in the various phases of project development still comprises more than 5,100 MW. This is a very good basis for the PNE Group to continue its positive development in the future.

There was progress in the first quarter in the development of photovoltaic projects. Here, we were able to expand our “pipeline” of projects in progress to 132 MWp. This, too, is an important component of our strategic further development.

### First quarter results on target

On the basis of these business developments, the Group generated in the reporting period sales revenues of euro 15.7 million (prior year: euro 28.0 million), total aggregate output of euro 25.1 million (prior year: euro 44.4 million), earnings before interest, taxes, depreciation and amortisation (EBITDA) of euro 6.4 million (prior year: euro 6.9 million), operating profit (EBIT) of euro 2.3 million (prior year: euro 4.3 million) and undiluted earnings per share of euro 0.00 (prior year: euro 0.02).

The results of the first quarter are on target. However, it is the consolidated results achieved in the Group, which do not provide a complete picture of the performance of the entire enterprise. These are strongly influenced by the development of our own portfolio. If we also look at the individual segments, we see a very positive development there. In view of the internal operation of wind farms, the EBITDA parameter is increasingly becoming a key performance indicator. In the medium term, we will therefore place more emphasis on EBITDA.

Accordingly, we can confirm our goals for the entire year: Despite our investments in building up our internally held wind farm portfolio, we are expecting EBITDA of euro 15 to 20 million and EBIT of euro 5 to 10 million for the Group for the 2020 fiscal year.

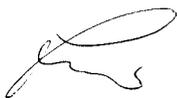
PNE is well on track. In spite of the current developments triggered by the Corona pandemic, we are optimistic about the future.

We would like to express our very sincere gratitude – including on behalf of our employees – for your support to date.

Please maintain your confidence in us in the future!

Kind regards

The Board of Management



**Markus Lesser**  
CEO



**Jörg Klawat**  
CFO

## IMPORTANT NOTE ON THE 2020 ANNUAL GENERAL MEETING

Due to the measures taken to combat the spread of the Corona virus, PNE AG's Annual General Meeting, which will take place on May 20, 2020, will be held for the first time in the form of a purely virtual general meeting. In view of the potential risk of infection, the Board of Management, with the approval of the Supervisory Board, has decided to make use of the legal options and refrain from holding a meeting in person. All shareholders who have registered in due time can follow the Annual General Meeting via the Internet. It will also be possible to vote on the proposed resolutions via the Internet.

On the basis of the annual financial statements for the 2019 fiscal year, the Supervisory Board examined and concurred with the Management Board's proposal on the appropriation of profits, taking into account the interests of the Company and its shareholders. The Board of Management and the Supervisory Board will propose to the Annual General Meeting on May 20, 2020 that a dividend of euro 0.04 per eligible share be distributed.

## 1. OVERVIEW OF BUSINESS ACTIVITY

### Summary

The effects of the Corona epidemic will also be felt by companies working to expand renewable energies. The effects on the global economy and consequently also on supply routes or the development of electricity prices are not yet foreseeable. At present, PNE assumes that there may be shifts in the operating business as regards the sale of project rights and project implementation from 2020 to 2021 and from 2021 to 2022 due to the current developments relating to the spread of the COVID-19 virus. This has already been taken into account in the guidance. However, the Company currently assumes that there should be no significant impact on our business in the medium to long term. The good liquidity position gives the Company sufficient leeway to be able to cope well with longer-term restrictions.

PNE decided in March to significantly expand its own wind farm operations in the future. The planned sale of the wind farm portfolio 2020 will therefore not be pursued further. The aim is to stabilise sales and earnings at a high level. However, individual projects, especially abroad, will still be marketed in the future. PNE currently operates wind farms with an installed nominal capacity of 130.1 MW itself. The plans are to expand the portfolio of internally operated projects, primarily in Germany, to up to 500 MW by the end of 2023. The basis for the expansion is the well-filled project pipeline, since PNE is currently developing national and international onshore wind farms with a volume of 5,125 MW in various phases of project development.

The operational business of the PNE Group during the first quarter of 2020 was characterised by the development and realisation of onshore wind farms in various countries. The Polish wind farm "Barwice" (42 MW), which was erected on behalf of the purchaser, was completed and put into operation.

As at March 31, 2020, wind farms with a total rated output of 283.4 MW were under construction in Germany, Sweden and Poland.

The development of national and international photovoltaic projects was also continued in the reporting period.

### Segment reporting

The determination and presentation of segment reporting as at March 31, 2020 has not changed versus December 31, 2019.

The "project development" segment reports on the following sub-divisions: onshore wind power – national and international, offshore wind power – national and international, photovoltaic projects – national and international, as well as other projects.

The "service products" segment will report in summary on services. These include technical and commercial operations management, construction management, transformer station services, wind measurements, electricity marketing management, and similar services.

As before, the "electricity generation" segment combines all activities of the Group companies which are engaged directly in the production of electricity from clean energies.

### "Project development" segment

#### Wind energy onshore sub-division

The development and realisation of onshore wind farms have been continued consistently in the first quarter of 2020, both in Germany and in the foreign markets.

Overview of the status of onshore wind energy project activities of the PNE Group as at March 31, 2020 in MW:

Country	Phase I – II	Phase III	Phase IV	Total MW	Sold/ Service Provider
Germany	1,260	365	39	1,664	0
France	271	261	0	532	0
United Kingdom	43	0	0	43	0
Italy	40	0	0	40	0
Canada	505	0	0	505	0
Panama	352	0	0	352	0
Poland	92	19	0	111	132
Romania	54	102	0	156	0
South Africa	500	30	0	530	0
Sweden	0	59	0	59	113
Turkey	629	71	0	700	0
USA	266	167	0	433	0
<b>Total</b>	<b>4,012</b>	<b>1,074</b>	<b>39</b>	<b>5,125</b>	<b>245</b>

Phase I – II = Exploration & Development

Phase III = Planning

Phase IV = Implementation

Sold/Service Provider = Projects already sold, for which PNE is currently providing construction management services

### Wind energy onshore – national

At the end of the first quarter of 2020, the PNE Group was working on wind farm projects with a nominal output of approx. 1,664 MW in various phases of project development.

The wind farms “Katzenstirn” (17.5 MW), “Langstedt” (12.6 MW) and “Lentförden” (8.4 MW) were under construction at the end of the reporting period.

### Wind energy onshore – international

The PNE Group also successfully continued its core business of project development and realisation abroad. Compared to the presentation in the 2019 annual report, there were the following changes in the foreign markets:

### Poland

The previously sold Barvice wind farm in the North West of Poland was completed. 14 Siemens SWT-3.0-113 wind turbines with a total capacity of 42 MW were erected as part of this project. PNE was responsible for construction management on behalf of the investor.

Construction of the “Jasna” wind farm (132 MW) was continued as scheduled on behalf of the purchaser.

### Sweden

The construction of the previously sold “Malarberget” wind farm (113 MW) has progressed as scheduled. PNE has taken over the construction management of the wind farm on behalf of the purchaser and will continue to support it during the operating phase.

### Bulgaria

The political and economic conditions in Bulgaria made it very difficult to construct and operate wind farms there profitably. Against this backdrop, PNE decided at the end of 2019 to cease operations in Bulgaria for the time being and to completely stop all activities. The winding-up has started in the first quarter and is expected to be finalised during the second/third quarter.

### Hungary

The Hungarian government has been blocking the further expansion of wind energy for some time now. Against this backdrop, PNE decided at the end of 2019 to cease operations in Hungary for the time being and to completely stop all activities. The winding-up has started in the first quarter and is expected to be finalised during the second/third quarter.

### Wind energy offshore

#### Wind energy offshore – national

PNE’s high level of competence in offshore project development has resulted in visible successes: In recent years, PNE has sold eight offshore wind farm projects after their development was completed. These include the projects “Atlantis I”, “Borkum Riffgrund” and “Gode Wind”. PNE continues to act as a service provider for the divested projects.

In the offshore wind energy segment, PNE also examines opportunities of generating electricity from other energy carriers such as hydrogen at sea. Fundamental calculations and examinations are carried out for this purpose, which, if positive, can form the basis of further project activities in this respect.

### Wind energy offshore – international

PNE has achieved a further milestone for starting the development of marine wind farms off the US coasts. In this connection, a company was founded and an office established in Boston. The United States Bureau of Ocean Energy Management (BOEM) is currently in the process of leasing additional sites for offshore wind farms in state-controlled coastal waters. In 2018, a tender was launched for three sites off the US east coast (Massachusetts). In this context, contracts for a total volume of USD 405 million were awarded. This demonstrates the value of offshore wind projects off the US coast and shows that this market will continue to develop in the future. PNE is currently preparing for future tenders.

### Photovoltaics subdivision

In recent years, photovoltaic installations have become increasingly cost-effective and thus more marketable in the area of electricity generation. In addition, the legal and economic framework conditions for the development of photovoltaic projects are in place in many countries. The development of photovoltaic projects is therefore part of the strategic expansion of the business model of PNE AG. Numerous markets are currently being examined in detail and the first rights are being secured. Particular attention will initially be paid to Germany, France, Italy, Romania and the USA as well as other international markets.

Overview of the status of photovoltaic project activities of the PNE Group as at March 31, 2020 in MWp:

Country	Phase I – II	Phase III	Phase IV	Total MWp
Germany	19	0	0	19
Romania	112	0	0	112
USA	1	0	0	1
<b>Total</b>	<b>132</b>	<b>0</b>	<b>0</b>	<b>132</b>

Phase I – II = Exploration & Development  
Phase III = Planning  
Phase IV = Implementation

The operative achievements listed above have led to positive results being generated in the “project development” segment in the first quarter of 2020. The current “COVID-19” crisis has had little impact on the business activities of the “project development” segment in the form of minor project postponements. These shifts had no effect on the results of the “project development” segment

in the first quarter. However, as explained in connection with the published guidance 2020, it cannot be ruled out that this might lead to shifts in earnings in the “project development” segment and in the Group from 2020 to 2021 in the further course of the fiscal year.

In the first quarter of 2020, the “project development” segment achieved

- » total aggregate output of euro 20.8 million (prior year: euro 40.2 million),
- » EBITDA of euro 4.8 million (prior year: euro 5.2 million) and
- » EBIT of euro 4.3 million (prior year: euro 4.6 million).

### “Service products” segment

The “service products” segment reports in summary on services. These include technical and commercial operations management, construction management, transformer station services, wind measurements, electricity marketing management, and similar services.

The international business of operations management was expanded in the first quarter of 2020 by activities in France and Poland.

In the Polish wind farm “Barwice”, developed and sold by PNE, Group companies provided construction management services until the start of operation. With this project, PNE once again successfully implemented its strategy of increasing the volume of services.

For the Polish “Jasna” project, which was developed, successfully tendered for and sold by Group companies, and for the Swedish “Malarberget” project, the Company also provides services during the construction phase. In the “Jasna” project, PNE will also take on tasks during the subsequent operating phase.

The current “COVID-19” crisis has only had a minor impact on the business activities of the “service products” segment, as the order situation in this segment is based primarily on long-term service orders.

In the first quarter of 2020, the “service products” segment achieved

- » total aggregate output of euro 4.4 million (prior year: euro 3.5 million),
- » EBITDA of euro 1.1 million (prior year: euro 1.1 million) and
- » EBIT of euro 0.3 million (prior year: euro 0.5 million).

### “Electricity generation” segment

The “electricity generation” segment combines all activities of the Group companies that are engaged directly in the production of electricity from clean energies. This division includes primarily the PNE-operated wind farms with a total nominal capacity of 130.1 MW and the Silbitz biomass power plant with approx. 5.6 MW. Furthermore, the segment includes interests in limited partnerships, in which wind farm projects will be realised in the future.

Until the successful sale and delivery of wind farms to the operators, the “electricity generation” segment will include the revenues of these projects as part of segment reporting.

Good wind performance was recorded in the first quarter of 2020 so that the “electricity generation” segment generated results above forecasts.

The current “COVID-19” crisis has had no impact on the business activities of the “electricity generation” segment.

In the first quarter of 2020, the “electricity generation” segment achieved

- » total aggregate output of euro 8.5 million (prior year: euro 5.4 million),
- » EBITDA of euro 7.1 million (prior year: euro 4.1 million) and
- » EBIT of euro 4.3 million (prior year: euro 2.8 million).

### Changes

Changes in the Group’s structure are shown under the table for segment reporting.

Compared to December 31, 2019, there were no other significant changes in the area of operations.

### Major events after the reporting period

After the end of the reporting period, no significant events affecting the results of operations, financial position and net assets have occurred.

### Outlook/forecast

As an internationally operating company and one of the most experienced developers of clean energy projects on land and at sea, the PNE Group combines economic success with ecological responsibility. We offer services covering the entire value-added chain, ranging from the development, planning, realisation, sale and operation of wind and photovoltaic farms as well as transformer stations to repowering – i.e. the replacement of older wind power turbines by new modern equipment. We also offer our skills acquired in this context as a service provider to third parties. This extended approach towards customers is part of the strategic orientation to develop into a “Clean Energy Solution Provider”.

We develop high quality projects that meet international standards and allow for secure project financing at the international level. We can achieve this through our professional project development, very good contracts, particularly experienced staff and the many years of know-how within the PNE Group.

A contribution to the further development of business activities is the increasing volume of wind farms operated by PNE. At present, PNE is operating wind farms with a total nominal capacity of 130.1 MW in its own portfolio to generate current income from the sale of electricity.

In addition, the combination of power plants with clean energies and storage technologies is an issue of the future. We have therefore expanded the strategic orientation of the Group via the “Scale up” concept. The operative business will be realigned, and the activities will be placed on a significantly broader basis, both nationally and internationally. In this way, we are going to develop PNE from a wind farm specialist into a broad-based provider of clean energy solutions. The fundamentals of this expanded strategy of a “Clean Energy Solution Provider” are the expansion of our range of services and the development of new markets and technologies. We will also focus on photovoltaic projects and hybrid solutions as well as storage technologies.

Based on this broader position, we are minimising market risks, opening up new potentials and markets for PNE and, in the medium term, we will stabilise primarily the, to date, volatile results.

After a transitional phase, in which investments will pave the way for the implementation of the "Scale up" programme, this is expected to lead to an increase in average operating results (EBIT or EBITDA) by 2023. Due to the larger number of internally operated wind farms, this strategic goal can be envisaged earlier, i.e. as of 2022.

The following forecasts are based on the results derived

- » from the implementation of operationally planned projects in Germany and abroad (onshore, offshore, photovoltaics),
- » from the service business, and
- » from the electricity generation business.

In fiscal 2020, we will have further upfront expenditure in the lower single-digit million range for the strategic expansion of the business model and the preparations for the entry into new markets. At the time of publication of this quarterly statement in May 2020, we must assume that there may be shifts in the operating business as regards the sale of projects rights and project implementation from 2020 to 2021 and from 2021 to 2022 due to the continuing global spread of the "Corona virus". Nevertheless, we confirm our guidance for the 2020 fiscal year with Group EBITDA of euro 15 to 20 million and EBIT of euro 5 to 10 million.

## 2. ORGANISATION AND EMPLOYEES

On March 31, 2020, the PNE AG Group employed 432 people in total (prior year: 387), including the members of the Board of Management.

Of these, 170 employees (prior year: 152 persons) were employed directly by PNE AG and 262 employees (prior year: 235 persons) by the subsidiaries of PNE AG.

When distinguished between Germany and abroad,

- » 357 employees (prior year: 323 persons) were employed by domestic and
- » 75 employees (prior year: 64 persons) by foreign companies of the Group.

## 3. FINANCIAL SITUATION/BUSINESS RESULTS

The figures shown below were determined and presented in accordance with IFRS for the Group. The consolidated financial information for the first three months of the 2020 fiscal year as at March 31, 2020 was based on the same accounting and valuation methods as the consolidated financial statements as at December 31, 2019.

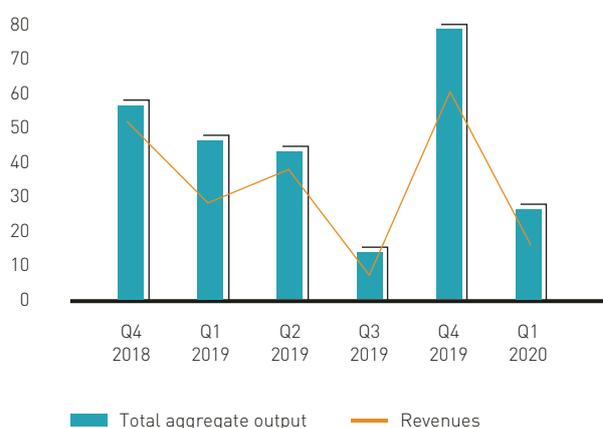
The figures in the text and in the graphic illustrations were rounded, and small rounding differences are possible. Due to the reorganisation of the segments, the information and figures for the segments are only partially comparable with those of the previous year.

### a. Revenues and earnings

In the first three months of 2020, the PNE Group achieved a total aggregate output of euro 25.1 million (prior year: euro 44.4 million). Of this, euro 15.7 million was attributable to revenues (prior year: euro 28.0 million), euro 6.6 million to changes in inventories (prior year: euro 15.1 million), and euro 2.8 million to other operating income (prior year: euro 1.4 million).

#### Total aggregate output/Revenues

million EUR



In the first three months of 2020:

- » In the "project development" segment, the Company invoiced internal revenues of euro 11.1 million (prior year: euro 20.5 million), including for general contractor and project development services for the Company's own wind farms "Langstedt" and "Lentförhden" as well as external revenues of euro 5.0 million (prior year: euro 20.0 million), inter alia, from project development and general contractor services provided to wind farm projects.

- » In the “service products” segment, the Company billed external revenues of euro 4.0 million (prior year: euro 3.4 million). The main revenues were generated from commercial and technical operations management (euro 2.5 million) and from transformer station services (euro 0.9 million).
- » In the “electricity generation” segment, external revenues of approx. euro 7.7 million (prior year: euro 4.7 million) were generated in the reporting period. These revenues were mainly attributable to the electricity income of the internally operated wind farms (euro 7.1 million) and the revenues from the Silbitz biomass power plant (euro 0.5 million).

In the first quarter of 2020, the services rendered for the wind farm projects that are planned for internal operation and are under construction were shown under changes in inventories.

Other operating income in the first three months of 2020 resulted primarily from the reversal of provisions in connection with the construction of wind farm projects and from insurance compensation payments for a plant interruption at the Silbitz biomass power plant (HKW Silbitz).

The Group’s personnel expenses rose year-on-year by euro 0.7 million due to the comparatively higher number of employees and due to the higher salaries for qualified personnel.

Amortisation of intangible fixed assets and depreciation of property, plant and equipment increased mainly due to the higher average number of wind power turbines in the Group (“electricity generation” segment: euro 2.8 million in the 2020 reporting period versus euro 1.4 million in the prior-year period).

With the continued construction and ongoing operation of the wind farms owned by the Group and the HKW Silbitz, other operating expenses increased on a year-on-year basis from euro 4.2 million to euro 5.0 million.

Interest expenses changed from euro 2.0 million in the prior-year period to euro 3.7 million in the reporting period. Interest and similar expenses were incurred mainly in connection with

- » the 2018/2023 bond (euro 0.5 million),
- » the equity and debt financing in connection with wind farm projects (euro 0.9 million),
- » the application of IFRS 16 “Leases” (euro 0.4 million) and
- » the valuation of interest swaps concluded as part of the project financing for wind farm projects (euro 1.5 million).

In the reporting period, the Group generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of euro 6.4 million (prior year: euro 6.9 million), operating profit (EBIT) of euro 2.3 million (prior year: euro 4.3 million) and earnings before taxes (EBT) of euro -1.4 million (prior year: euro 2.3 million). The consolidated net result after non-controlling interests amounted to euro 0.2 million (prior year: euro 1.6 million). The undiluted earnings per share for the Group amounted to euro 0.00 (prior year: euro 0.02) and the diluted earnings per share for the Group amounted to euro 0.00 (prior year: euro 0.02).

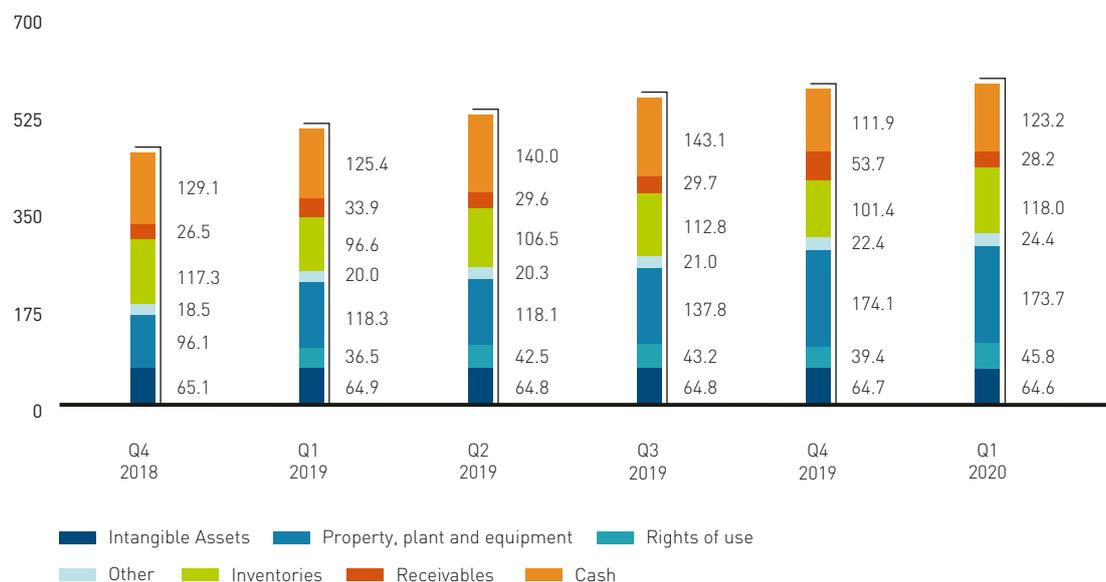
#### EBIT and EPS



## b. Net assets and financial position

### Assets

million EUR



### Assets

in million EUR	31.3.2020	31.12.2019
<b>Long-term assets</b>	<b>308.5</b>	<b>300.6</b>
Intangible assets	64.6	64.7
Property, plant and equipment	173.7	174.1
Rights of use	45.8	39.4
Long-term financial assets	2.0	2.0
Deferred taxes	22.4	20.4
<b>Short-term assets</b>	<b>269.5</b>	<b>267.0</b>
Inventories	118.0	101.4
Receivables and other assets	26.0	51.7
Tax receivables	2.3	2.0
Cash and cash equivalents	123.2	111.9
<b>Balance sheet total</b>	<b>578.0</b>	<b>567.6</b>

Total long-term assets increased from euro 300.6 million at the end of 2019 to euro 308.5 million on the reporting date. The main reason for the increase is the increase in rights of use (euro +6.4 million) in connection with "IFRS 16 Leases". As at March 31, 2020, euro 45.8 million for rights of use (December 31, 2019: euro 39.4 million) were reported under long-term assets.

As at March 31, 2020, intangible assets totalled euro 64.6 million, including goodwill, and thus remained approximately at the same level as at December 31, 2019.

In the same period, property, plant and equipment changed by euro -0.4 million to euro 173.7 million (December 31, 2019: euro 174.1 million).

The item "Property, plant and equipment" mainly includes:

- » land and buildings (euro 11.0 million, excluding the "Silbitz" land and buildings),
- » transformer stations owned or under construction (euro 15.2 million),
- » the technical equipment and machinery of the wind farms owned by the Company (euro 141.2 million) and of HKW Silbitz (euro 2.8 million, including land and buildings of euro 2.6 million).

During the period under review, short-term assets changed from euro 267.0 million on December 31, 2019 to euro 269.5 million on March 31, 2020. This change is mainly attributable to the higher inventories (euro +16.6 million), the increase in cash and cash equivalents (euro +11.2 million) and the simultaneous decrease in receivables and other assets (euro -25.5 million). Of the short-term assets, euro 10.6 million is attributable to trade receivables (December 31, 2019: euro 34.3 million).

The work in progress shown under the inventories increased from euro 77.6 million as at December 31, 2019 to euro 85.0 million. The increase in inventories is due primarily to the Group's investments for onshore projects under construction and for the further development of the onshore and offshore project pipelines in Germany and abroad.

Work in progress is divided as follows:

- » offshore projects (euro 16.9 million),
- » onshore projects/national (euro 39.8 million),
- » onshore projects/international (euro 28.2 million).

In addition, the advance payments made for onshore projects under construction reported under inventories changed by euro +9.4 million from euro 23.4 million to euro 32.8 million.

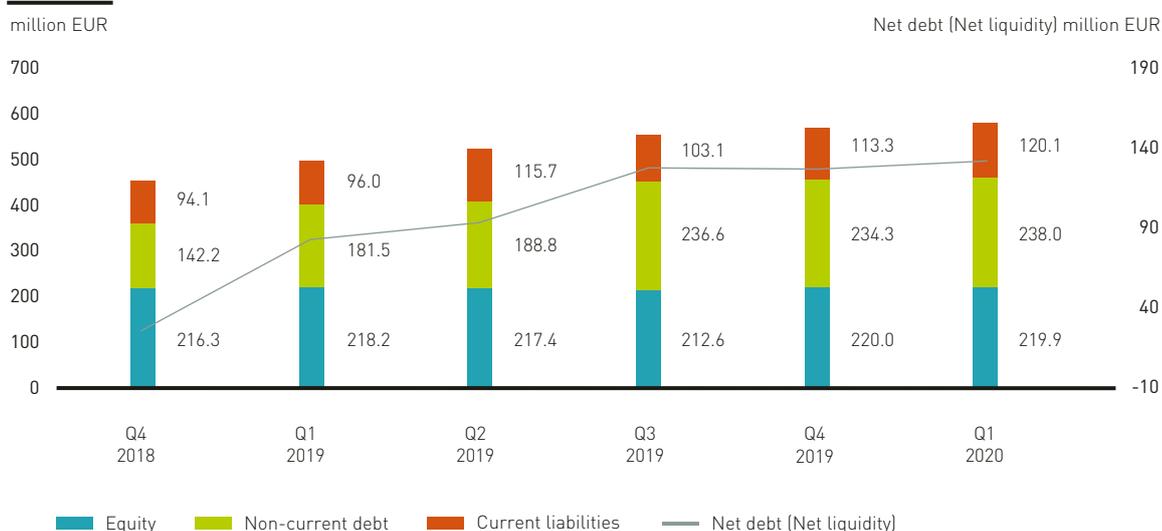
Cash and cash equivalents amounted to euro 123.2 million as at March 31, 2020, of which euro 2.7 million was pledged to banks (as at December 31, 2019: euro 111.9 million, of which euro 10.0 million pledged).

### Liabilities

in million EUR	31.3.2020	31.12.2019
Equity	219.9	220.0
Deferred subsidies from public authorities	0.7	0.8
Provisions	11.7	9.4
Long-term liabilities	235.9	232.2
Short-term liabilities	87.2	84.9
Deferred revenues	22.6	20.3
<b>Balance sheet total</b>	<b>578.0</b>	<b>567.6</b>

### Liabilities

million EUR



Group equity decreased from euro 220.0 million (December 31, 2019) to euro 219.9 million as at March 31, 2020. The equity ratio of the Group was approx. 38 percent as at March 31, 2020 (December 31, 2019: approx. 39 percent).

The long-term liabilities changed from euro 232.2 million (December 31, 2019) to euro 235.9 million. This item consists mainly of long-term financial liabilities totalling euro 231.7 million (as at December 31, 2019: euro 226.2 million).

The long-term liabilities mainly consist of

- » the 2018/2023 bond issued in 2018 with a carrying amount of euro 48.9 million (as at December 31, 2019: euro 48.9 million),
- » long-term liabilities to banks of euro 133.8 million (as at December 31, 2019: euro 135.6 million) and
- » liabilities from leases of euro 43.0 million (as at December 31, 2019: euro 37.2 million).

Significant long-term liabilities to banks relate to the "non-recourse" project financing of the wind farm projects operated by the Company.

In the first three months of the 2020 fiscal year, the short-term liabilities changed from euro 84.9 million (December 31, 2019) to euro 87.2 million. The short-term liabilities to banks, included in this item, increased from euro 10.3 million (December 31, 2019) to euro 20.1 million due to interim financing raised for onshore wind farms. In the reporting period, the trade liabilities in the context of normal operating business changed from euro 35.3 million (December 31, 2019) to euro 27.5 million.

Taking the liquid funds into account, the net debt (cash and cash equivalents less the short-term and long-term financial liabilities) as at March 31, 2020 amounted to euro -133.8 million (December 31, 2019: euro -129.0 million).

#### 4. OPPORTUNITIES AND RISKS

For information about the opportunities and risks of PNE AG, refer to the chapter "Report on opportunities and risks" in the 2019 annual report, which is available on the Company's website at [www.pne-ag.com](http://www.pne-ag.com).

All recognisable risks arising from the COVID-19 virus currently present worldwide are continually assessed by the Company with regard to possible effects on the net assets, financial position and results of operations as well as the well-being of the employees, and are included in this quarterly statement and the outlook.

During the first three months of the 2020 fiscal year, the Board of Management has not identified any other significant additions or changes to the risks presented in the 2019 annual report.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

in TEUR (differences due to rounding possible)	Period 1.1.2020 – 31.3.2020	Period 1.1.2019 – 31.3.2019
1. Revenues	15,745	27,967
2. Changes in inventories of finished goods and work in progress	6,610	15,059
3. Other operating income	2,759	1,370
<b>4. Total aggregate output</b>	<b>25,114</b>	<b>44,396</b>
5. Cost of materials and purchased services	-6,527	-26,909
6. Personnel expenses	-7,204	-6,464
7. Amortisation of intangible fixed assets and depreciation of property, plant and equipment	-4,100	-2,599
8. Other operating expenses	-4,982	-4,162
<b>9. Operating result</b>	<b>2,300</b>	<b>4,262</b>
10. Income from participations and associated companies	6	13
11. Other interest and similar income	31	72
12. Expenses from assumption of losses of associated companies	-27	-58
13. Interest and similar expenses	-3,725	-1,969
<b>14. Result before taxes</b>	<b>-1,416</b>	<b>2,320</b>
15. Taxes on income	923	-570
16. Other taxes	-55	-92
<b>17. Result before non-controlling interests</b>	<b>-548</b>	<b>1,658</b>
18. Share of non-controlling interests in the result	-764	50
<b>19. Consolidated net income</b>	<b>215</b>	<b>1,608</b>
Undiluted earnings per share in EUR	0.00	0.02
Diluted earnings per share in EUR	0.00	0.02
Weighted average of shares in circulation (undiluted), in million	76.3	74.4
Weighted average of shares in circulation (diluted), in million	76.3	76.6
<b>19. Consolidated net income</b>	<b>215</b>	<b>1,608</b>
<b>Other comprehensive income/items that may be reclassified in the future in the profit and loss account</b>		
20. Currency translation differences	417	309
21. Others	0	0
<b>22. Other comprehensive income for the period (after tax)</b>	<b>417</b>	<b>309</b>
<b>23. Total comprehensive income for the period</b>	<b>-131</b>	<b>1,967</b>
<b>Consolidated profit/loss for the period attributable to</b>		
Owners of the parent company	216	1,608
Non-controlling interests	-764	50
	<b>-548</b>	<b>1,658</b>
<b>Total comprehensive income for the period attributable to</b>		
Owners of the parent company	633	1,917
Non-controlling interests	-764	50
	<b>-131</b>	<b>1,967</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

### Assets

in TEUR (differences due to rounding possible)	as per 31.3.2020	as per 31.12.2019
Intangible assets	64,647	64,720
Property, plant and equipment	173,696	174,081
Rights of use	45,804	39,376
Long-term financial assets	1,982	2,026
Deferred taxes	22,433	20,401
<b>Total long-term assets</b>	<b>308,562</b>	<b>300,604</b>
Inventories	118,003	101,357
Receivables and other assets	28,249	53,702
Cash and cash equivalents	123,152	111,935
<b>Total short-term assets</b>	<b>269,404</b>	<b>266,994</b>
<b>Total assets</b>	<b>577,966</b>	<b>567,598</b>

### Liabilities

in TEUR (differences due to rounding possible)	as per 31.3.2020	as per 31.12.2019
Subscribed capital	76,603	76,603
Capital reserve	82,953	82,953
Treasury shares	-707	-707
Retained earnings	51	51
Foreign currency reserve	-403	-819
Consolidated profit	75,432	75,216
Non-controlling interests	-14,047	-13,283
<b>Total equity</b>	<b>219,882</b>	<b>220,014</b>
Other provisions	1,060	1,060
Deferred subsidies from public authorities	749	761
Long-term financial liabilities	231,664	226,160
Deferred tax liabilities	4,202	5,966
<b>Total long-term liabilities</b>	<b>237,675</b>	<b>233,947</b>
Provisions for taxes	6,726	4,604
Other provisions	3,867	3,777
Short-term financial liabilities	25,297	14,762
Trade liabilities	27,497	35,276
Other liabilities	57,022	55,217
<b>Total short-term liabilities</b>	<b>120,409</b>	<b>113,636</b>
<b>Total liabilities</b>	<b>577,966</b>	<b>567,598</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

FOR THE PERIOD FROM JANUARY 1 TO MARCH 31

in TEUR	2020	2019
<b>Consolidated net result</b>	<b>-548</b>	<b>1,657</b>
-/+ Income tax benefit/expense	-923	570
-/+ Income tax paid/received	-752	-967
-/+ Interest income and expense	3,695	1,898
- Interest paid	-1,236	-621
+ Interest received	31	72
+/- Write-downs/write-ups of intangible fixed assets, property, plant and equipment, rights of use and long-term financial assets	4,100	2,599
+/- Increase/decrease in provisions	2,212	-195
+/- Non-cash effective expenses and income	465	304
+/- Decrease/increase in inventories and other assets	-16,834	-1,485
+/- Decrease/increase in trade receivables and stage of completion accounting	25,289	-9,695
+/- Increase/decrease in trade liabilities and other liabilities	-8,638	-9,146
<b>Cash flow from operating activities</b>	<b>6,861</b>	<b>-15,010</b>
+ Inflow of funds from disposal of items of property, plant and equipment	0	40
- Outflow of funds for investments in property, plant and equipment and intangible assets	-2,860	-667
+ Inflow of funds from disposal of financial assets	0	-1
<b>Cash flow from investing activities</b>	<b>-2,860</b>	<b>-627</b>
+ Inflow of funds from financial loans	10,018	14,352
- Outflow of funds for the redemption of financial loans	-2,122	-1,704
- Outflow of funds for the redemption of lease liabilities	-679	-634
<b>Cash flow from financing activities</b>	<b>7,217</b>	<b>12,014</b>
Cash-effective change in liquid funds	11,218	-3,623
+ Change in liquid funds due to changes in scope of consolidation	0	0
+ Liquid funds at the beginning of the period	111,934	129,071
<b>Liquid funds at the end of the period*</b>	<b>123,152</b>	<b>125,448</b>
* of which are pledged to a bank as security	2,653	10,614

Supplementary information: The value of liquid funds on March 31 corresponds to the "Cash and cash equivalents" item in the balance sheet.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

in TEUR (differences due to rounding possible)	Capital subscribed	Capital reserve	Treasury shares	Profit reserves	Foreign exchange reserve	Retained results	Share- holders' equity before non- controlling interests	Non- controlling interests	Total share- holder's equity
<b>Balance on 1.1.2019</b>	<b>76,558</b>	<b>82,292</b>	<b>-5,803</b>	<b>51</b>	<b>-385</b>	<b>77,499</b>	<b>230,212</b>	<b>-13,938</b>	<b>216,274</b>
Result for the period	0	0	0	0	0	1,607	1,607	50	1,657
Other result	0	0	0	0	309	0	309	0	309
<b>Total result for the period 1.-3.2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>309</b>	<b>1,607</b>	<b>1,916</b>	<b>50</b>	<b>1,966</b>
Other changes	0	0	0	0	0	0	0	0	0
<b>Balance on 31.3.2019</b>	<b>76,558</b>	<b>82,292</b>	<b>-5,803</b>	<b>51</b>	<b>-76</b>	<b>79,106</b>	<b>232,128</b>	<b>-13,888</b>	<b>218,240</b>
<b>Balance on 1.1.2020</b>	<b>76,603</b>	<b>82,953</b>	<b>-707</b>	<b>51</b>	<b>-819</b>	<b>75,216</b>	<b>233,297</b>	<b>-13,283</b>	<b>220,014</b>
Result for the period	0	0	0	0	0	215	215	-764	-549
Other result	0	0	0	0	417	0	417	0	417
<b>Total result for the period 1.-3.2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>417</b>	<b>215</b>	<b>632</b>	<b>-764</b>	<b>-132</b>
Other changes	0	0	0	0	0	0	0	0	0
<b>Balance on 31.3.2020</b>	<b>76,603</b>	<b>82,953</b>	<b>-707</b>	<b>51</b>	<b>-403</b>	<b>75,432</b>	<b>233,929</b>	<b>-14,047</b>	<b>219,882</b>

## CONSOLIDATED SEGMENT REPORTING (IFRS)

in TEUR (differences due to rounding possible)	Project development		Services	
	2020	2019	2020	2019
External sales	5,032	19,965	3,028	3,289
Inter-segment sales	11,094	20,455	1,020	104
Changes in inventories	2,918	-1,083	0	0
Other operating income	1,724	819	337	109
<b>Total aggregate output</b>	<b>20,768</b>	<b>40,156</b>	<b>4,384</b>	<b>3,501</b>
Depreciation and amortisation	-548	-561	-760	-651
<b>Operating result</b>	<b>4,294</b>	<b>4,638</b>	<b>331</b>	<b>465</b>
Interest and similar income	1,215	1,290	118	118
Interest and similar expenses	-2,201	-2,381	-148	-121
Tax expense and income	-1,092	-1,622	-16	-20
Investments	414	370	2,337	61
Segment assets	550,315	556,966	49,486	50,703
Segment liabilities	338,780	339,375	36,308	38,242
Segment equity	211,535	217,591	13,179	12,461

The figures as at March 31, 2020 are compared with the figures as at March 31, 2019 or, in the case of segment assets/segment liabilities, with the figures as at December 31, 2019.

During the reporting period, the following companies were included for the first time in the scope of consolidation:

- » WKN WERTEWIND Windpark Langstedt GmbH & Co. KG, Husum (100 percent), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),
- » WKN WERTEWIND Windpark Lentförden GmbH & Co. KG, Husum (100 percent), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),
- » PNE WIND Park XVIII GmbH & Co. KG, Cuxhaven (100 percent), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),

- » PNE WIND Park XXVI GmbH & Co. KG, Cuxhaven (100 percent), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),
- » WKN Wertewind Betriebsgesellschaft mbH, Husum (100 percent), "project development" segment,
- » WKN Wertewind Verwaltungs GmbH, Husum (100 percent), "project development" segment.

The reclassification of subsidiaries from "non-consolidated companies due to minor significance" to full consolidation is generally made as soon as it is clear that the business activity or the project planning/implementation phase will begin in the near future.

The reclassifications had no significant impact on the consolidated financial statements.

Electricity generation		Consolidation		PNE AG Group	
2020	2019	2020	2019	2020	2019
7,685	4,714	0	0	15,745	27,967
85	257	-12,199	-20,817	0	0
0	0	3,692	16,142	6,610	15,059
698	442	0	0	2,759	1,370
<b>8,468</b>	<b>5,413</b>	<b>-8,507</b>	<b>-4,675</b>	<b>25,114</b>	<b>44,395</b>
-2,792	-1,387	0	0	-4,100	-2,599
<b>4,300</b>	<b>2,754</b>	<b>-6,624</b>	<b>-3,595</b>	<b>2,301</b>	<b>4,261</b>
7	4	-1,309	-1,340	31	71
-2,686	-807	1,309	1,340	-3,726	-1,969
48	-6	1,984	1,079	923	-570
110	237	0	0	2,861	668
248,036	222,531	-269,871	-262,603	577,966	567,598
210,518	193,415	-227,521	-223,449	358,084	347,584
37,518	29,116	-42,350	-39,154	219,882	220,013

In the reporting period, the following companies included in the Group were merged into consolidated companies:

- » PNE WIND Middle East GmbH, (100 percent), previously "project development" segment,
- » PNE WIND Middle East Verwaltungs GmbH, (100 percent), previously "project development" segment,
- » Wind Kapital Invest Verwaltungs GmbH, (100 percent), previously "project development" segment,
- » Wind Kapital Invest GmbH & Co. KG, (100 percent), previously "project development" segment.

The mergers had no significant impact on the consolidated financial statements.

Cuxhaven, May 13, 2020

PNE AG, Board of Management

## FINANCIAL CALENDAR

20.5.2020	Annual General Meeting (online)
12.8.2020	Publication of Financial Report Q2
11.11.2020	Publication of Financial Report Q3
November 2020	Analyst Conference/Frankfurt

## IMPRINT

### PNE AG

Peter-Henlein-Straße 2 – 4  
27472 Cuxhaven  
Germany

### Design

Kirchhoff Consult AG  
Borselstraße 20  
22765 Hamburg, Germany

Telephone: + 49 (0) 47 21 – 718 – 06

Telefax: + 49 (0) 47 21 – 718 – 444

E-Mail: [info@pne-ag.com](mailto:info@pne-ag.com)

[www.pne-ag.com](http://www.pne-ag.com)

### Board of Management

Markus Lesser (CEO),

Jörg Klowat

Registergericht: Tostedt

Registernummer: HRB 110360

As per: March 2020

The quarterly statement is also available in German. In case of discrepancies the German version is decisive. The digital version of the annual report and the quarterly statements of PNE AG are available online at [www.pne-ag.com](http://www.pne-ag.com) in the section "Investor Relations/Financial reports".

This quarterly statement includes statements concerning the future, which are subject to risks and uncertainties. They are estimations of the Board of Management of PNE AG and reflect their current views with regard to future events. Such expressions concerning forecasts can be recognised with terms such as "expect", "estimate", "intend", "can", "will" and similar terms relating to the Company. Factors, which can have an effect or influence are, for example (without all being included): the development of the wind power market, competitive influences including price changes, regulatory measures and risks with the integration of newly acquired companies and participations. Should these or other risks and uncertainty factors take effect or should the assumptions underlying the forecasts prove to be incorrect, the results of PNE AG could vary from those, which are expressed or implied in these forecasts. The Company assumes no obligation to update such expressions or forecasts.

**PNE AG**

Peter-Henlein-Straße 2-4  
27472 Cuxhaven  
Germany

**[pne-ag.com](http://pne-ag.com)**