



Report on the third quarter of 2019

Short Portrait of Energiekontor AG

A solid business policy and a lot of experience in wind and solar power: Energiekontor has stood for this for almost 30 years. Founded in 1990 in Bremerhaven, the company is one of the pioneers in the industry and is today one of the leading German project developers. The core business ranges from planning and construction to the management of wind farms in Germany and abroad and was expanded in 2010 to include solar energy. In addition, Energiekontor operates wind and solar parks with a rated output of almost 287 megawatts in its own portfolio. Energiekontor AG also wants to take on a pioneering role in economic terms and implement the first wind and solar parks at market prices in all target markets as quickly as possible, independent of government subsidies.

In addition to its headquarters in Bremen, Energiekontor has offices in Bremerhaven, Hagen im Bremischen, Aachen, Bernau near Berlin and Potsdam. It also has offices in England (Leeds), Scotland (Edinburgh, Glasgow), Portugal (Lisbon), USA (Austin/Texas and Rapid City/South Dakota) and France (Toulouse, Rouen).

The proud balance since the Company was founded: 122 wind parks and seven solar parks with a total output of almost 1 gigawatt. This corresponds to an investment volume of more than € 1.6 billion.

The company went public on May 25, 2000. The shares of Energiekontor AG (WKN 531350 / ISIN DE0005313506) are listed in the General Standard of Deutsche Börse in Frankfurt and can be traded on all German stock exchanges.

Investor Information

Listing on the stock exchange:	Deutsche Börse, Frankfurt (tradable on the Frankfurt Stock Exchange, XETRA and all other German trading venues)
Market segment:	General Standard
Class of shares:	bearer shares
Industry:	Renewable Energies
Initial listing (IPO):	May 25, 2000.
WKN:	531350
ISIN:	DE0005313506
Shareholding structure:	51.18% Executive bodies; 47.18% free float; 1.64% Energiekontor AG
Designated Sponsor:	Oddo Seydler Bank AG
Research:	Dr. Karsten von Blumenthal, First Berlin Guido Hoymann, Metzler Capital Markets Jan Bauer, Warburg Research
Financial Calendar:	25-27 November 2019: German Equity Forum, Frankfurt a. M. 31.03.2020: Publication of Annual Report 2019 15.05.2020: Publication of 1st Quarter 2020 Report 20.05.2020: Annual General Meeting of Energiekontor AG
Investor Relations:	Peter Alex Phone: 0421-3304-126 E-mail: IR@energiekontor.de Internet: www.energiekontor.de

Realized wind and solar parks

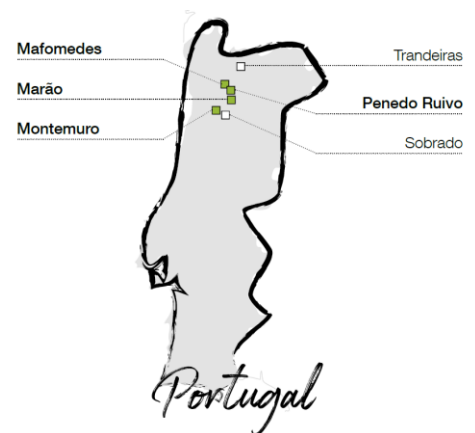
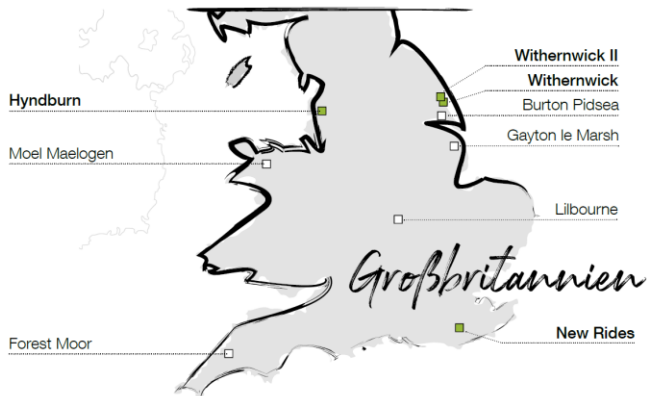
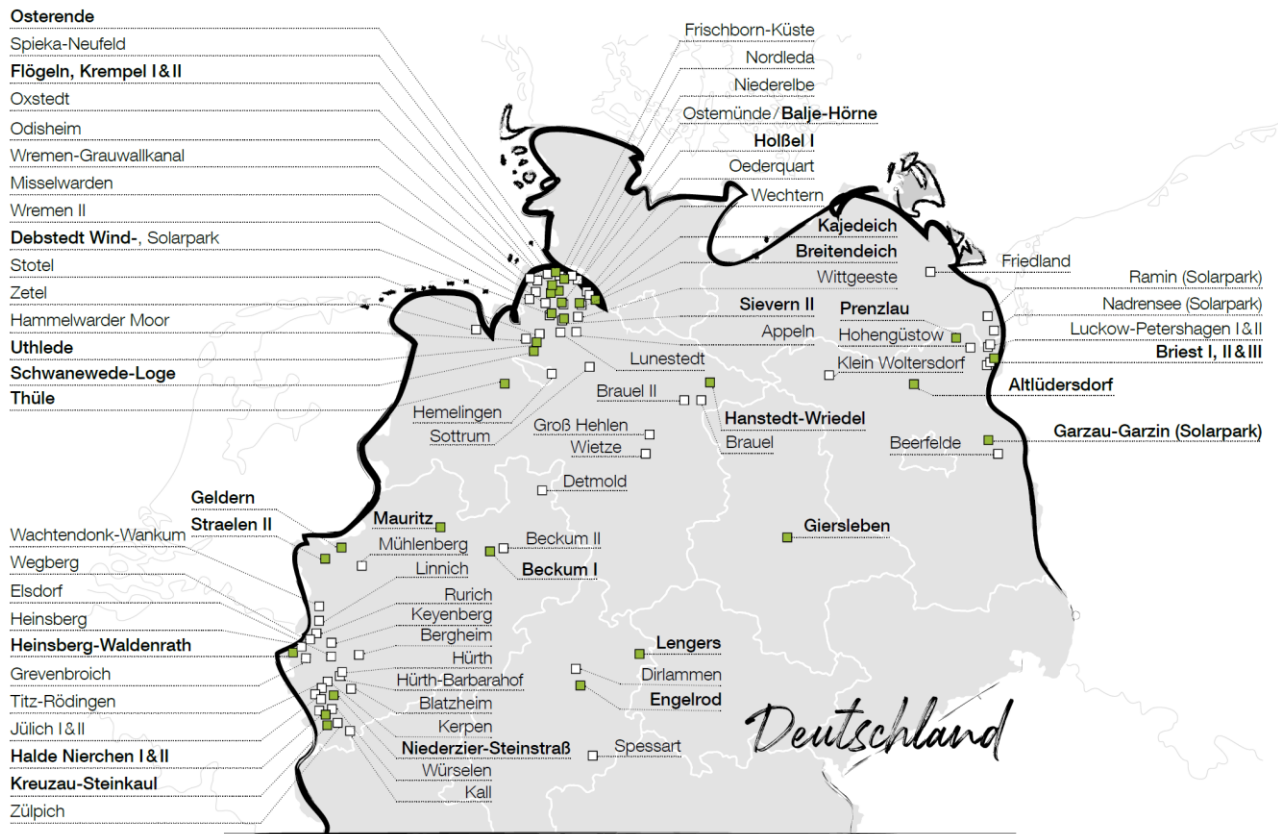
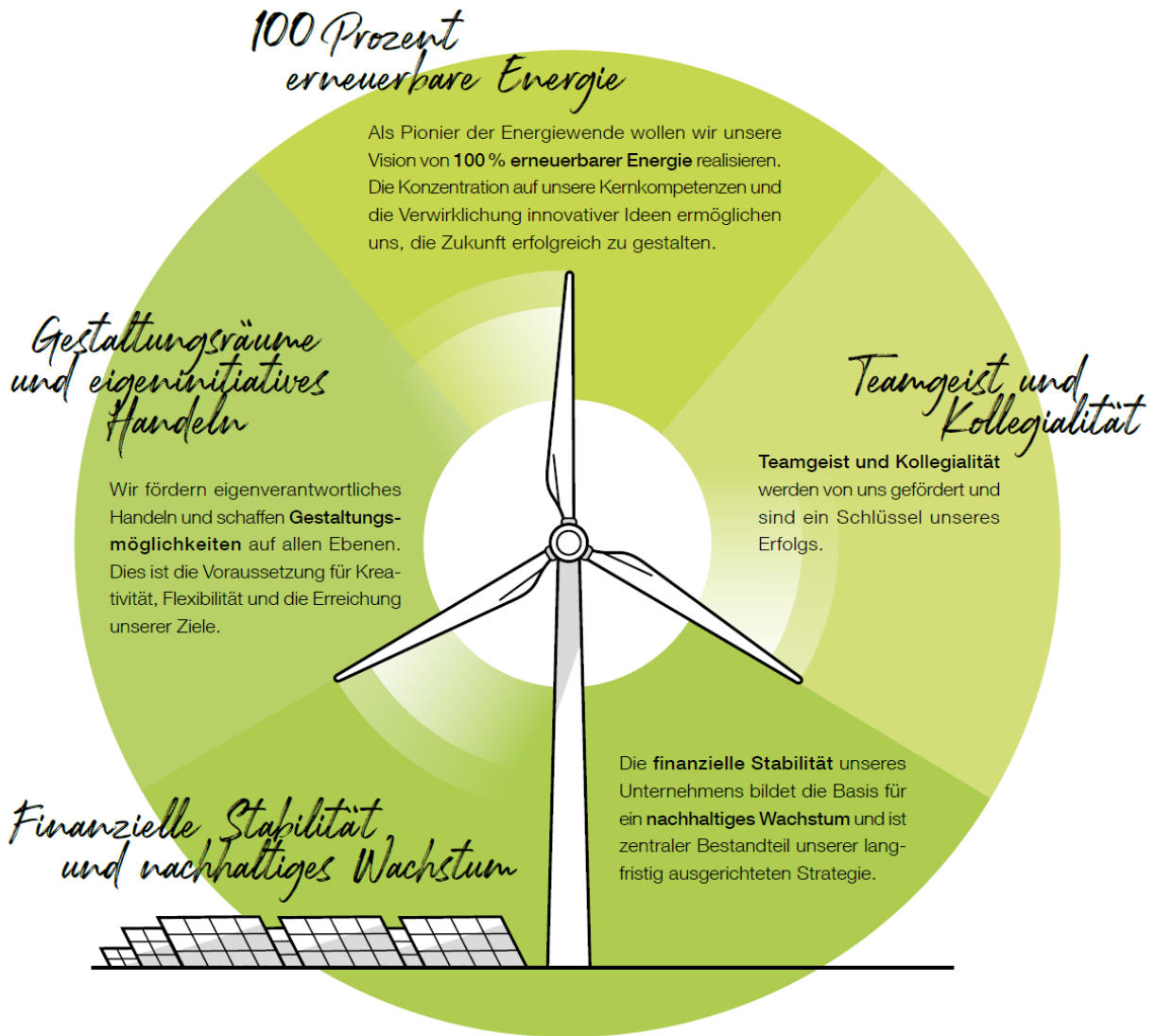


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Our mission statement



The Energiekontor share

Capital stock

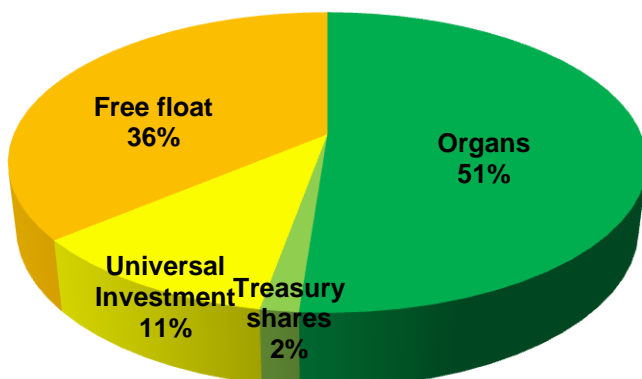
As of September 30, 2019, the Company's subscribed capital (share capital), which is entered in the commercial register, amounts to € 14,678,160 and is divided into 14,678,160 no-par value bearer shares.

Shareholder structure

The Management Board is aware of the following direct or indirect holdings in capital (§ 315 (4) No. 3 HGB) exceeding 10 percent:

Dr. Bodo Wilkens (Chairman of the Supervisory Board)	25,62%	3.759.835 shares
Günter Lammers (Deputy Chairman of the Supervisory Board)	25,57%	3.752.474 shares
Universal Investment Gesellschaft mbH	11,06%	1.623.538 shares

As of September 30, 2019, Energiekontor AG thus had the following shareholder structure:



Share buyback programme

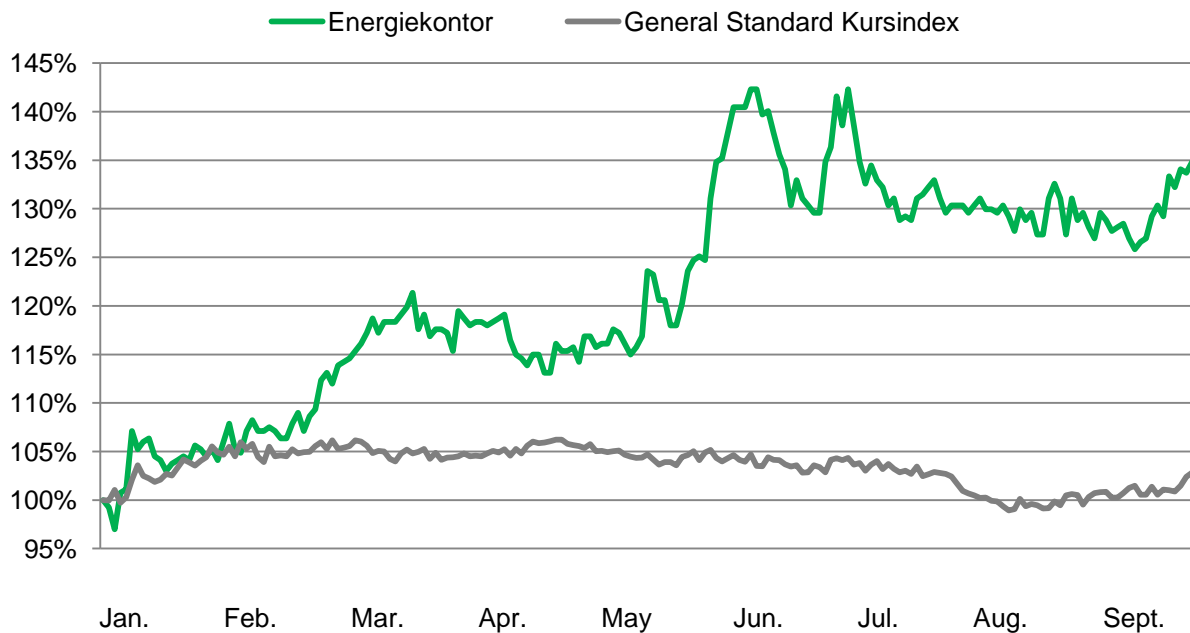
By resolution of the Annual General Meeting of Energiekontor AG on May 21, 2015, the Board of Management was authorised pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act (AktG) to acquire own shares of the Company up to a total of 10 percent of the current share capital.

As part of the current share buyback programme, 240,990 shares were acquired for a total amount of € 3,934,794.40 by September 30, 2019. This corresponds to an average price of € 16.33 per share.

Research coverage

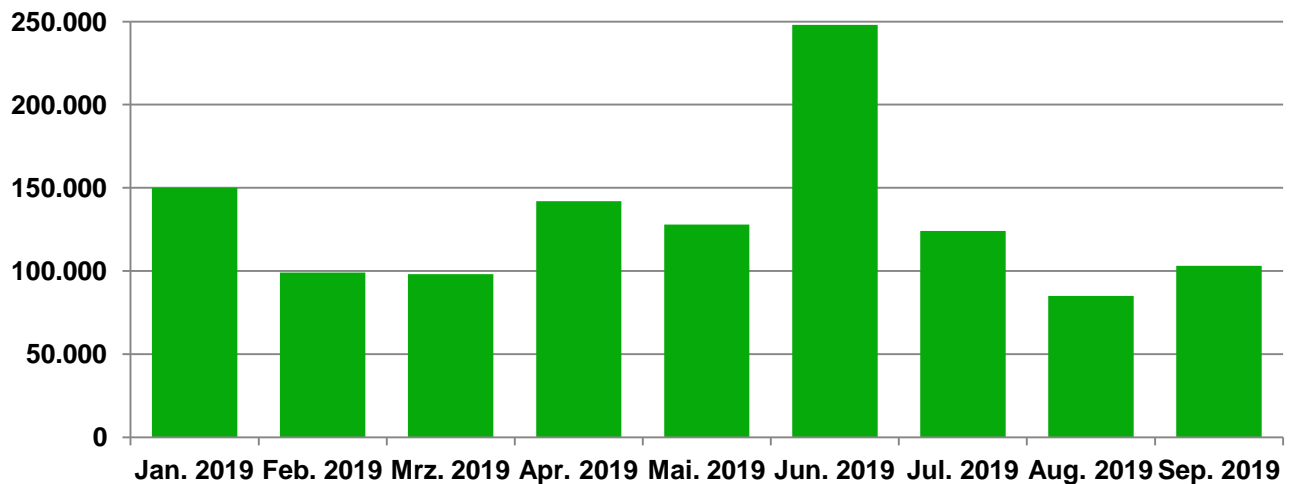
The Energiekontor share is currently being monitored by three analyst firms (First Berlin, Bankhaus Metzler, Warburg Research), all of which have awarded a buy rating and calculated an average price target of € 23.66. The analysts are currently looking at the shares of Energiekontor. The research reports can be requested from Investor Relations.

Development of the Energiekontor share* from January 1, 2019 to September 30, 2019 compared with the General Standard price index



The Energiekontor share started the new year with a price of € 13.25. Right at the beginning of the year, the share fell to a low of € 12.70 (January 3, 2019). Subsequently, the Energiekontor share performed significantly better than the German indices. The positive development of the share price was driven both by some positive corporate news and by the positive public mood in the sector, which contrasts with the adverse market conditions in Germany. The share thus continued to rise in the second quarter and was able to defend its increased level in the third quarter. While the Energiekontor share rose by just under 35 % by September 30, the General Standard share price index rose by just under 3 %.

The monthly trading volume on XETRA oscillated between 85,000 and 250,000 shares in the last nine months.



Industry and market development

Growth in the renewable energy sector in both wind power and solar energy continues to be led by China, followed by the USA. Together, the two countries each cover well over half of the annual increase in wind and solar power. On the other hand, cuts in the promotion of renewable energies and discussions about the continued existence of subsidy conditions in some European industrialized countries and above all in Germany led to declines in the number of new installations and uncertainties regarding investments.

Despite the recent clear signs of a slowdown, almost all experts assume that growth in the sector will continue. The main drivers here are the international goals on climate protection and sustainable energy supply. The countries within the EU have committed themselves to binding expansion targets. The international agreement resulting from the UN climate conference in Paris at the end of 2015 has also shown that there is now an almost worldwide consensus on climate protection and the necessary reduction of carbon dioxide emissions. Even though the USA submitted the denunciation of the Paris Climate Agreement only a few days ago, there are a large number of federal states, above all California, which advocate strict emission targets. Moreover, the final exit is only possible after the next US presidential election.

With the expansion of renewable energies, their electricity production costs are also falling. In Europe, the price of electricity from renewable energies is increasingly being regulated through tenders. In 2017, this led to a significant decline in the remuneration for electricity from wind and solar parks in Germany. The price level stabilised again in the course of 2018. In general, renewable energies should be brought into line with free market conditions. In many regions, the leading renewable technologies, wind energy and photovoltaics, now compete directly with electricity from conventional energy sources.

The volatile competitive conditions repeatedly lead to changes in the composition of the industry. In addition to a large number of smaller project planners, Senvion, a leading manufacturer of wind turbines, had to file an application for the opening of insolvency proceedings in its own administration in April of this year. In the meantime, it has become known that Siemens Gamesa is taking over substantial parts of the company. With the takeover, a large German wind turbine manufacturer disappears and around 40% of the employees lose their jobs. Just a few days ago, one of the leading wind turbines manufacturers reported that it would slash another 3,000 job.

The consequences for Energiekontor from the insolvency of Senvion are manageable. At a site where a Senvion wind turbine was planned, new planning is currently being carried out. Instead of being built in 2019 as planned, this plant is now to be erected in 2020. The use of Senvion systems is no longer planned for other new projects.

Since the framework conditions in the international markets in which Energiekontor operates have changed only insignificantly in comparison to the explanations in the 2018 Annual Report and 2019 Half-Year Report, we refer here above all to the comments made there.

Germany (German)

Wind

In Germany, 40 to 45 percent of the electricity required is to be generated from renewable energies by 2025 as part of the energy turnaround, and by 2050 the share of electricity generated from renewable energies in gross electricity consumption is to be increased to at least 80 percent. In the coalition agreement of the federal government, the interim target for 2030 was increased to 65 percent at the beginning of the year.

The Renewable Energy Sources Act (EEG) provides the framework for the expansion of renewable

energies in Germany. Since the introduction of the EEG, the share of renewable energies in gross electricity consumption has risen from 6 percent in 2000 to almost 40 percent in the current year.

The new EEG 2017 has been in force in Germany since the beginning of 2017. Among other things, it stipulates how the promotion of wind energy is to be regulated via a tender model. This has led to considerable distortions in the market, which continue to this day.

The difficult situation with regard to approvals for the construction of wind turbines by the responsible state authorities continues to have a significant impact on the tendering procedure and -result. In the tender for the bid deadline of 1 February 2019, only 67 bids with a volume of 476 megawatts were awarded for a tendered quantity of 700 MW. The result for the May tender was even worse. The level of competition for the second round of tenders in 2019 reached a new worrying dimension with a signature of 55 percent. For a tendered quantity of 650 MW, all 35 accepted bids with a total volume of 270 MW were awarded a contract. The following tender dates for onshore wind energy on 1 August 2019, 2 September 2019 and 1 October 2019 were again drastically signed. Of the total 1,825 MW put out to tender, only 588 MW could be awarded to admissible bids, i.e. less than one third of the quantity put out to tender was awarded. The average surcharge value due to this extreme signature therefore corresponds to the maximum value of 6.20 ct / kWh applicable for these rounds. For the first time this year, a significant increase in the number of submitted projects can be expected for the upcoming bidding date of December 2, which will result in an oversubscription of the tendered quantity of 500 MW.

Solar

In contrast to the wind tenders, the competition among project developers in the solar tenders worked throughout the year, as the size of the projects submitted significantly exceeded the quantities awarded.

In the first solar tender of 2019 in February, 80 bids with a capacity of 465 megawatts were submitted; the tendered quantity of 175 MW was thus approximately two and a half times oversubscribed. In the second solar tender in March, 163 bids with a capacity of 869 MW were submitted for a tendered quantity of 500 MW. In the third solar tender in June, 105 bids with a capacity of 556 MW were submitted (for a tendered quantity of 150 MW) and in the fourth solar tender on 1 October, the quantity offered was also significantly higher than the tendered quantity (150 MW).

In the cross-technology tenders of 1 April, where only solar projects were awarded; the tender was also significantly oversubscribed.

Following significant volatility in the tenders at the beginning of the year, the most recent tender price was just under 5 euro cents per kWh.

The Company

Business model of Energiekontor AG

Energiekontor AG specialises in the project planning and operation of wind and solar parks in Germany and abroad. As one of the pioneers in this field, the company can draw on almost 30 years of experience and covers the entire value chain in onshore wind farms and solar parks, from acquisition and project development through financing and construction of the plants to operational management.

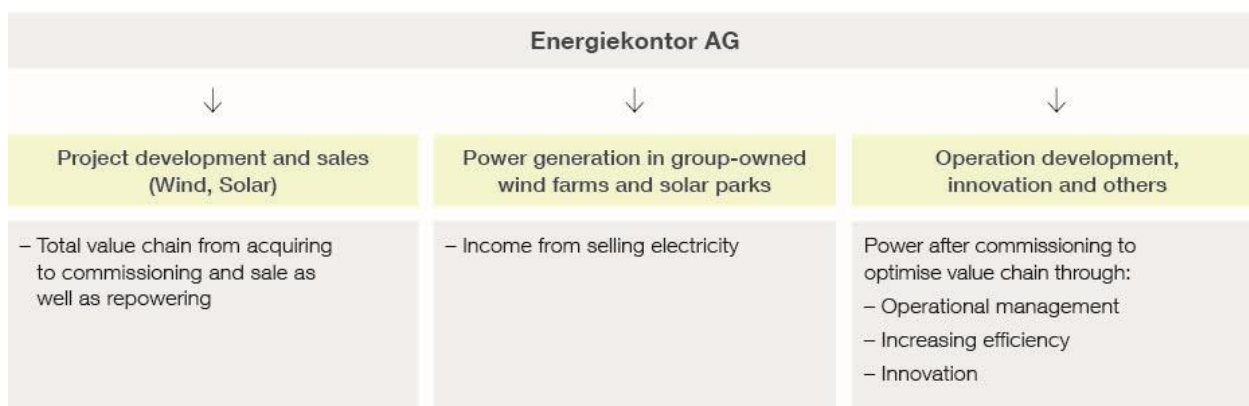
At the time of this report, the Energiekontor Group had planned and installed 630 wind turbines with a total capacity of around 973 MW in 122 wind farms in Germany, Great Britain and Portugal as well as seven PV free-field turbines with a capacity of around 50 MW in Germany. The total investment volume of these projects amounts to approximately € 1.6 billion.

In addition to the sale of turnkey projects, the Energiekontor Group operates a portfolio of the Group's own wind and solar parks as an independent electricity producer. At present, 286.5 MW of operating capacity is held in the company's own portfolio.

The company is active in the national markets of Germany, Great Britain, Portugal, the USA and France.

In organisational terms, the Energiekontor Group is divided into three business segments, which are also used for segment reporting:

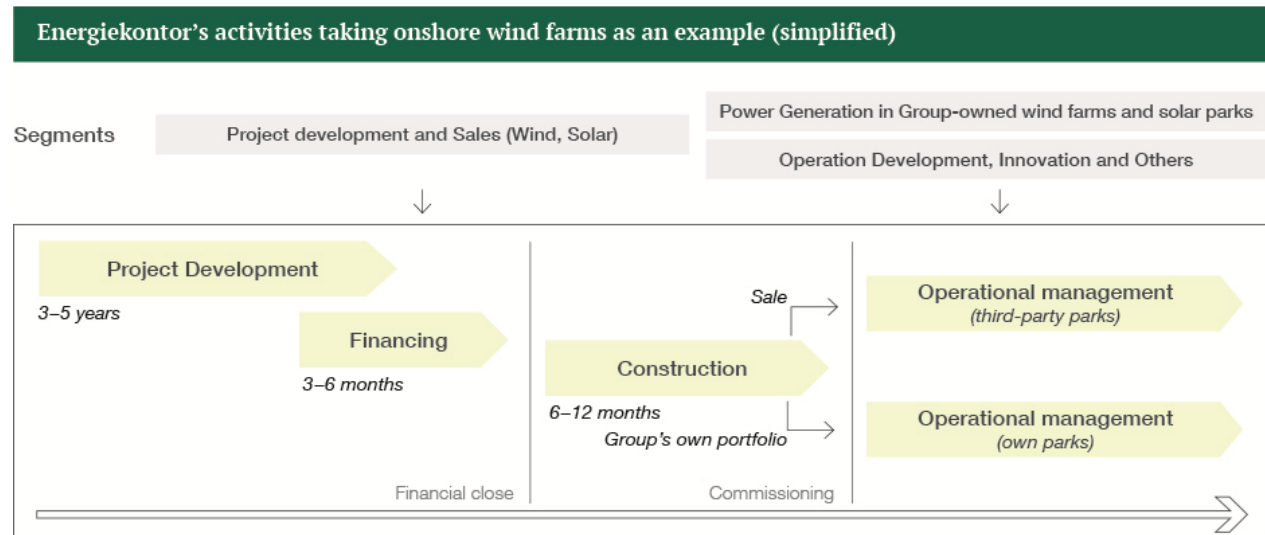
- a) Project planning and sale (wind, solar)
- b) Power generation in the Group's own wind and solar parks
- c) Business development, innovation and others



a) Project planning and sale (wind, solar)

The project planning and sales segment (wind, solar) comprises the project planning of onshore wind farms and solar parks, which are either included in the company's own portfolio or sold to third parties. This division covers the entire value chain, from acquisition, planning, financing, construction and repowering to the sale of plants. The wind and solar parks are sold at home and abroad to institutional investors, complete private customers or local citizens. An independent project company is founded for each wind/solar park.

The repowering of wind farms, i.e. the replacement of old turbines by new, more powerful ones, offers enormous potential for Energiekontor, as from 2020 several gigawatts of generation capacity will fall annually from the EEG tariff.



b) Power generation in the Group's own wind and solar parks

This segment comprises the generation of electricity in the Group's own wind farms. The expansion of the Group's own wind farm portfolio is the core component for the organic growth of the company. In addition, the operation of Energiekontor's own wind and solar parks allows the company to cover its ongoing costs, e.g. in the event of delays in project implementation, as well as increased independence from political conditions and interest and raw material price developments. In addition, hidden reserves are created by the investments in the company's own portfolio. If necessary, these plants could be sold and the funds tied up in them plus the hidden reserves released. Additional potential lies in the possibility of upgrading the company's own wind farms, for example through repowering or efficiency-enhancing measures such as the rotor blade extension allocated to the third segment and described under c).

The first wind farm was taken over by the Energiekontor Group in 2002. Since then, the portfolio has been continuously expanded. At present, this is mainly done by incorporating projects developed in-house into our own portfolio. Thus about half of all projects developed by the company itself each year are to be transferred to the company's own portfolio. In the past, economically interesting operative wind farms were also purchased. These were projects developed and sold by Energiekontor itself in previous years as well as projects by other developers and operators. The total output of the wind farms operated by Energiekontor in Germany, Great Britain and Portugal amounted to 286.5 MW at the time of publication of this report.

Group-owned wind farms/solar parks as of September 30, 2019:

Name Wind- or solar park	Total output MW	Name Wind- or solar park	Total output MW
Altlüdersdorf	13.5	Mafomedes	4.2
Balje-Hörne	3.9	Marão	10.4
Beckum	1.3	Montemuro	10.4
Breitendeich	6.0	Penedo Ruivo	13
Briest (Tandem II)	7.5	Wind farms in Portugal	38.0
Briest II	1.5		
Debstedt	3.0	Hyndburn	24.6
Engelrod	5.2	New Rides	9.0
Flögeln	9.0	Withernwick	18.5
Geldern	3.0	Withernwick II	8.3
Giersleben	11.3	Wind farms in Great Britain	60.4
Halde Nierchen I	5.0		
Halde Nierchen II	4.0	Garzau-Garzin	10.0
Hanstedt-Wriedel	16.5	Solar parks in Germany	10.0
Heinsberg-Waldenrath	7.2		
Kajedeich	4.1		
Krempel	14.3		
Krempel II	6.5		
Kreuzau-Steinkaul	5.5		
Lengers	4.5		
Mauritz-Wegberg (Energiekontor holds 88.52 %)	7.5		
Niederzier-Steinstraß	8.3		
Nordleda (Energiekontor holds 51 %)	6.0		
Osterende	3.0		
Prenzlau	1.5		
Schwanewede	3.0		
Sievern (Tandem II)	2.0		
Thüle	14.0		
Wind farms in Germany	178.1		
Total	286.5		

c) Business development, innovation and others

All services aimed at optimising operating value added after the wind and solar parks have been commissioned are grouped together in the Business Development, Innovation and Other segment. This includes in particular the technical and commercial management of wind farms including the direct marketing of the generated electricity as well as all measures to reduce costs, extend service life and increase yield in order to optimise the yield of wind turbines, e.g. by means of

- Rotor blade extension and improvement of blade aerodynamics
- Updates in the system control or exchange of the old for new, modern controls
- More precise wind tracking and increase in generator output
- Reduction of failure rates through preventive maintenance
- Reduction of downtimes by converting all wind farms to permanent live data monitoring with automated fault clearance workflow
- Consistent reduction of electricity generation costs for existing parks

Irrespective of whether the planned plants are sold or incorporated into the company's own portfolio, Energiekontor usually provides the commercial and technical management and thus generates an ongoing cash flow for the Company.

In the commercial area, the core tasks include forward-looking liquidity management, billing with the energy supplier, the service and maintenance companies and the lessors, and long-term optimisation of profitability. It also includes communication with banks, insurance companies, tax advisors and investors. In addition, the bills for the feed-in management, variable, either via the flat-rate or peak load procedure, are carried out.

In the technical area, in addition to monitoring the wind turbines and evaluating and evaluating data, the main tasks include coordinating repair and maintenance operations and planning and implementing preventive maintenance measures. This process can significantly extend the service life of the individual plant and the overall project. At the same time, the costs for repairing the main components can be significantly reduced. The primary goal is to maximize the availability and yield of the systems and to guarantee safe operation over the entire service life. The system data is monitored around the clock using live data and automated workflows. In addition, we guarantee the legally compliant operation of the wind farm by complying with all legal requirements and also assume responsibility for the wind farm.

Technical innovations, such as rotor blade extension, are also part of the performance, yield and cost optimisation measures. This is a process patented by Energiekontor for enlarging the rotor diameter, which has been successfully tested and used in practice for several years. The assembly is carried out on the hanging blade, i.e. without dismantling the blade. This means that crane costs and downtimes can be significantly minimised. The production of rotor blade extensions for series production is currently being prepared. In the last three years, the improvement measures at the company's own wind farms have already had a positive impact on the operating result.

Goals and strategy

In the almost three decades since the company was founded, the market for renewable energies has continuously changed and developed. In 1990, when the first Electricity Feed Act was introduced, wind and solar energy were still absolute exotics and only hydropower provided a modest share of the total energy supply. It was not until the turn of the millennium that the triumphant advance of renewables slowly began, and renewables grew out of their sometimes smiled at niche. It is well known that the large electricity companies, which now also play an important role in the renewable energy sector, were initially extremely critical of the new technologies. Today, however, renewable energies have developed into a mature, established and recognised technology that already makes a significant contribution to energy supply in many industrial nations. In Germany alone, renewable energies currently account for more than one third of total energy generation. The higher the share of renewable energies in meeting demand, the more sustainable and environmentally friendly the entire energy supply will be.

New self-image of the pioneering role

Energiekontor has always had a clear vision of the future: a world in which the entire energy requirement is covered 100 percent by renewable energy. The company has put this vision first in its mission statement. It is the highest guiding principle of Energiekontor's entrepreneurial activities and the strongest motivation for the employees in their efforts to come a step closer to this goal every day with creative ideas and the joy of joint success.

A sustainable penetration of the energy market with 100 percent renewable energies will only be possible if the production costs for electricity from renewable energies are lower than those from fossil and nuclear energy sources. In order to push ahead with the expansion of renewable energies, Energiekontor is striving to play a pioneering role in the addressed markets and will be one of the first wind and solar parks to realise electricity production costs that are lower than those of the conventional energy industry.

As soon as this has been achieved, many barriers will disappear, such as economic barriers: users will always opt for the less expensive supplier, provided there are no further disadvantages, especially if the latter provides the electricity in an environmentally friendly way. But also a social one: support in politics and society will increase significantly, especially if wind and solar energy are no longer dependent on public subsidies. This will give a strong boost to the spread of renewable energies.

As a pioneer in the realisation of wind and solar parks at pure market prices, Energiekontor not only makes an important contribution to helping renewable energies to break through on their way to 100 percent full supply. At the same time, Energiekontor's pioneering role secures it an advantage over other competitors and thus a strong position in the industry. The efficiency measures to reduce costs along the entire Energiekontor value chain, which have been prepared for a long time and developed further and further, were intended to create decisive competitive advantages in order to advance the expansion of renewable energies as an innovative pioneer and independent of government support measures.

Sustainable growth on solid foundations

The growth model of Energiekontor AG is based on the company's mission statement. By strengthening the regional approach and opening up new foreign markets, organic corporate growth is to be consolidated in order to further actively accelerate the expansion of renewable energies, even in an intensified competitive environment. The management relies heavily on the cooperation and development of the employees and creates the organisational framework necessary for this. The basis and foundation of the growth strategy is the financial stability of Energiekontor, which is essentially based on the stable

cash surpluses from electricity generation in the Group's own wind and solar parks and from commercial and technical management activities.

Strengthening the regional approach

Energiekontor has always attached importance to a regional approach. This allows close cooperation with the municipalities and regions as well as tailor-made regional approaches with high local acceptance. At the same time, this generates a competitive advantage in the respective region and accelerates project development. Organizationally, this approach is implemented with our own teams on site and largely independent decision-making competencies. This principle is to be further strengthened by expanding the number of regions in which Energiekontor has a local presence, both in Germany and abroad.

Development of new foreign markets

A key element of the Energiekontor growth strategy is increased internationalisation through successive expansion of the existing country portfolio (Germany, Great Britain, Portugal) in order to tap additional growth potential for the coming years. In the course of this, the solar sector is currently also being further expanded, especially in countries with favourable irradiation conditions and corresponding electricity production costs. Currently, Energiekontor is opening up new foreign markets in France and the USA. On the other hand, we will soon end our involvement in the Netherlands. We have come to the conclusion that the existing markets and the two newly addressed markets USA and France offer greater potential and that a concentration on these markets is therefore appropriate.

The focus in France and the USA will initially be primarily on the solar sector. Following initial acquisition successes, Energiekontor has already made significant progress in project development in the USA. Thus, areas were secured there and separate offices were opened for the solar sector in Austin (Texas) and for the wind sector in Rapid City (South Dakota), from where newly hired native speakers coordinate and advance the development of the projects in their own local companies.

Offices were also opened in France and the first staff were recruited. The Toulouse office is responsible for developing solar activities and the Rouen office for wind activities.

The countries selected can also be extended or reduced in the course of further exploratory processes if the management comes to the conclusion that a deeper involvement in one or more of the countries is not promising. Energiekontor always proceeds according to the same principle. For each new country market, no direct market entry and cost-intensive development of the project development is initially planned, but the implementation of a systematic exploratory, analysis and selection process in which the specific conditions in the individual countries (legal, political, support system, grid connection regulations, approval practice, etc.) for wind and solar projects are analysed and evaluated. In addition, the first partners for land acquisition and further market development are identified and, if necessary, contractually bound in order to create the structural prerequisites for a possible market entry at an early stage. The aim of this successive and cost-saving exploratory process - which can essentially be carried out with existing personnel - is to identify the most suitable foreign markets for further market entry. Only when the final market entry decision has been made will the establishment of the company's own branches, personnel and project development begin on site. This approach is intended to improve the chances of success in opening up new markets and reduce the risks of misallocating resources.

Innovation and efficiency measures

As a pioneer, Energiekontor wants to make a contribution to the vision of a 100% supply of renewable energy for the electricity demand and be one of the first companies to realise wind and solar parks at pure market prices in direct competition with the conventional energy industry. At the same time, this ensures the competitiveness of the company in an increasingly market-oriented environment.

In recent years, Energiekontor has developed a series of measures to increase economic efficiency in the planning, construction and operation of wind and solar parks and optimize processes along the entire value chain. Examples of this are technical innovations such as rotor blade extension and the optimization of the supply chain, running time and financing as well as the improvement of internal company processes and structures.

There are three directions of attack here:

- increasing the profitability of projects planned by Energiekontor
- the increase in earnings from wind farms in the Group's own portfolio
- the accelerated solution finding in project development

These measures are closely interlinked with the deepening of the decentralized organization and an employee-led project organization.

Design areas and organisational decentralisation

Innovation and efficiency are not necessarily limited to technical innovation. For Energiekontor, increasing the company's efficiency involves deepening the decentralized organization. For example, the management consciously focuses on a strong decentralisation of work and decision-making processes with flat hierarchies in order to avoid unnecessary bureaucratisation and to guarantee flexibility and fast decisions even with a growing number of employees. At the same time, the company creates scope for creative and flexible solutions and motivates each individual employee to act independently.

Own park portfolio as a reliable growth generator

The engine and core element of the growth model is the expansion of power generation from the Group's own wind farms. The sale of the electricity generated in the wind farms generates continuous income. A further guarantee for continuous income is the assumption of the operational management of the completed and running wind farms and in future possibly also the solar parks by specialized teams of the Energiekontor Group. This applies both to the wind farms in our own portfolio and to the turnkey plants that are sold to energy suppliers, strategic investors or financial investors. By taking over the operational management, the majority of the purchasers of Energiekontor AG remain connected as customers and thus secure the company ongoing income from the wind farms beyond the completion date.

Together with the steady income from the management of own and third-party parks, the income from the sale of electricity provides financial stability and forms the basis for the sustainable growth of the company. With the cash surpluses generated, Energiekontor essentially covers the costs of project development including Group-wide personnel and overhead costs. The income from the sale of the wind and solar parks developed in-house generates the annual result and is used to pay taxes and dividends as well as to form liquidity reserves.

Electricity generation in the group's own wind and solar parks is to be expanded through:

- Takeover of self-developed and erected projects
- Repowering of own stock
- Optimization and efficiency increase

About half of the self-developed projects are to be transferred to the company's own portfolio, the other half is intended for distribution. The management reserves the right to adjust this ratio according to the business situation.

Different growth dynamics

The growth of the company takes place in different ways in the individual segments. In the area of project development, Energiekontor is driving growth by strengthening the acquisition of locations and the regional approach as well as expanding into new markets. By contrast, the area of power generation in the Group's own wind and solar parks is growing because the company is taking over projects from project development into its own portfolio. The more wind farms that are transferred to our own portfolio, the greater the increase in cash surpluses from electricity sales and operating activities. This in turn means that more funds are available for project development in order to accelerate growth. Further growth will thus mainly be determined by the further expansion of the company's own portfolio and the increase in cash surpluses from the operation of its own wind farms and from operational management. This organic growth process will be reinforced by accompanying innovation and efficiency measures, which will lead to further increases in earnings and further increase the cash surplus from electricity generation in the Group's own wind and solar parks.

A positive side effect of this growth strategy is that it reduces dependency on project sales and income from project sales. Even if no income could be generated from project sales, the liquidity of the Group and the financing of project development (including Group-wide personnel and overhead costs) is ensured by the cash surpluses generated from electricity generation in the Group's own wind and solar parks and from operational management. The risk of financial distress is thus minimised as far as possible. The Energiekontor growth model also differs in this respect from the business models of many competitors in the industry who do not have a comparable portfolio of their own wind and solar parks.

Economic objective

With this strategy, Energiekontor plans in the medium term to increase the EBT from the project development stable and sustainable to approx. € 30 million p.a.. This already takes into account the fact that approximately half of the projects realised are to be transferred to the Group's own portfolio each year, whereby the construction profits from these own portfolios are eliminated as part of Group consolidation and therefore have no effect on Group profit.

The expansion of the portfolio of Group-owned wind farms is intended to establish Energiekontor as a medium-sized regenerative electricity producer and to guarantee a high degree of independence from general market developments. It is planned to further expand the own park portfolio and to generate a sustainable EBT of € 25-30 million p.a. with the income from the own park portfolio and the company development.

The expansion of the own park portfolio is to take place from the company's own project development, the repowering of existing parks and, if necessary, the purchase of third-party parks. These new investments are to be financed through project financing loans, project-related bonds, own contribution and current

liquidity surpluses from the operation of the own park portfolio.

In the medium term, the EBT generated by the Group is expected to rise to € 55 to 60 million p.a..

In recent years, Energiekontor has laid the foundations for stable and sustainable growth and is well equipped to meet the challenges of the future in a competitive market environment.

Course of business

In Germany, two wind farms with a total capacity of approx. 17 MW are under construction at the time of publication of this report. These include the Waldfeucht wind farm and the Bultensee single wind farm project, which is due to be completed in 2020 instead of 2019 due to new planning.

The three solar parks with a cumulative capacity of 15 MW, which were awarded a contract in 2018 and the first quarter of 2019 respectively, are in the implementation phase and are scheduled to go into operation shortly.

After Energiekontor had been awarded the contract for a wind farm project (13.5 MW) and a solar project (6.3 MW) in February 2019, the company was also successful in the following tenders in March and May. In March, the contract for a solar park in the municipality of Karstädt, district of Prignitz (Brandenburg) with an output of 6.3 MW was secured and in May, the contract for a repowering project (wind) in the municipality of Beckum (NRW) of 9 MW was awarded. Following the dramatic decline in onshore wind hammer prices in 2017, the price level recovered significantly due to the low supply. For the first time this year, a significant increase in the number of submitted projects can be expected for the upcoming bidding date of December 2, which will result in an oversubscription of the tendered quantity of 500 MW.

We were able to announce a milestone in the company's history in the 1st quarter of 2019: The conclusion of a long-term PPA (power purchase agreement) with EnBW Energie Baden-Württemberg AG for a solar park planned by Energiekontor. The solar park planned east of Rostock, which Energiekontor will build and operate, will have an installed capacity of around 85 MW and will produce around 88 GWh of electricity per year. This is sufficient to cover the annual electricity needs of around 25,000 households. Energiekontor will implement the project on 120 hectares of agricultural land in the city of Marlow and the municipality of Dettmannsdorf.

In mid-May we were able to announce the renewed conclusion of a PPA; this time with innogy SE. The PV plant planned in Absberg in the Franconian district of Weißenburg-Gunzenhausen is to produce around 5 million kWh of electricity per year on an area of approx. 5.5 hectares - equivalent to around eight football pitches. This is sufficient to cover the annual electricity needs of around 1,400 households. Even if this solar park is considerably smaller than the planned solar park in the community of Dettmannsdorf, this new conclusion shows that we have gained a competitive advantage in our industry.

The scope of the project pipeline is being continuously expanded. In particular, the expansion of projects in Scotland, the USA and France, which are in various stages of development, will make foreign markets increasingly important in the medium term. Overall, the project pipeline has now been expanded to around 4,100 MW.

With the commissioning of the Withernwick II wind farm (8.3 MW), the total output of the Group's own portfolio increased to just under 287 MW at the beginning of the year.

After wind yields in Germany in the first half of 2019 were still slightly above the long-term average overall, a very poor third quarter led us to expect an overall deviation of -4 % in Germany for the first three quarters compared with a 100% wind year. As was already apparent at the end of the first half of the year, earnings from wind farms in Great Britain and Portugal are also below expectations. While the UK

recorded a 3 % drop in revenue, Portugal recorded a 6 % drop.

Due to the still low in-house capacities in the solar segment, the good solar radiation in the first three quarters did not lead to any significant increases in earnings.

The operating remuneration depends largely on the energy generated in the wind and solar parks managed. In the first 9 months, this largely developed according to plan.

Outlook

The forecast for the current financial year is based on the growth plans of Energiekontor AG on the basis of a solid business model and against the background of the various systems for the remuneration of electricity generated from renewable sources.

Under the premise of a 100 percent supply of the energy demand with renewable energies, Energiekontor has set itself the goal of realizing the first wind and solar parks whose electricity production costs are lower than those of the conventional energy industry in order to help renewable energies achieve a higher market penetration overall. The various departments of the company have been preparing for this for years with various efficiency measures along the entire value chain. At the same time, these cost reduction measures represent a competitive advantage and help the company to achieve a good position within the industry in a tightening market environment with increased cost pressure.

In addition to participating in future tenders, Energiekontor concentrates primarily on concluding power purchase agreements with major industrial partners (PPAs). With these PPAs, the company has already been able to successfully gain experience and trust among its industrial partners in Great Britain for many years.

Currently, the focus for the development of further projects is on Scotland, where large-scale wind farms are to be economically realised without subsidies under excellent wind conditions. Building permits are currently available for six major projects in Scotland, construction of which is scheduled to begin at the earliest in 2020.

In the "Project Planning and Sales (Wind, Solar)" segment, segment EBT is expected to roughly match the previous year's level.

In the "Power generation in Group-owned wind and solar parks" segment, assuming an almost normal wind year and further economic optimisation measures, a slightly higher segment EBT is expected compared to the previous year, especially as the wind and solar parks included in the Group's own portfolio in 2018 should also contribute to an improvement in earnings.

From today's perspective, a slight increase in sales and EBT is expected in the "Business Development, Innovation and Other" segment. The reasons for this are further efficiency measures and the higher volume of wind and solar park management compared with the previous year. However, since the management remuneration for all wind and solar parks is linked to the electricity revenues generated, positive earnings effects from the planned portfolio strengthening could be offset by countervailing effects from a below-average wind year.

Overall, the Management Board anticipates that consolidated EBT in fiscal 2019 will be moderately higher than EBT in 2018 (EUR 9.6 million). As every year, this presupposes that there are no significant weather-related construction delays and/or supply bottlenecks on the supplier side and that all wind and solar projects still under construction can be completed and commissioned on schedule before the end of the year.

From 2020, we expect significantly better results again and average earnings growth of 20% p.a..

Other

Risk management

The statements described in the Opportunities and Risk Report of the Annual Financial Report 2018 continue to apply with regard to current developments. The annual financial report and other financial reports of Energiekontor AG are published on our homepage www.energiekontor.de under "Investor Relations - Financial Reports".

Corporate Governance Statement

The declaration on corporate governance in accordance with the German Accounting Law Modernization Act (BilMoG) can be found on the website www.energiekontor.de under the heading "Investor Relations/Corporate Governance".

Imprint

Publisher

Energiekontor AG
Mary-Somerville-Straße 5
28359 Bremen

Telephone +49 421 3304 – 0

Fax : +49 421 3304 – 444

info@energiekontor.de

www.energiekontor.de

Picture credits

Thomas Kleiner, gfg, Bremen

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This report contains forward-looking statements. These are statements that are not historical facts, including statements about expectations and opinions of the management of Energiekontor AG. These statements are based on current plans, estimates and projections of the Company's management. Investors should not fully rely on these statements. Forward-looking statements stand in the context of their time of origin and their environment. The Company assumes no obligation to update any forward-looking statements contained in this report as a result of new information or future events. This does not affect the Company's obligation to comply with its statutory information and reporting obligations. Forward-looking statements always involve risks and uncertainties. Many factors could cause actual and future events to differ materially from those described in the forward-looking statements contained in this report.

ENERGYKONTOR AG

Investor Relations Peter
Alex

Mary-Somerville-Straße 528359
Bremen, Germany

Phone: +49 421 3304 - 126 Fax
: +49 421 3304 - 444

ir@energiekontor.de

www.energiekontor.de