

Interim status report of Energiekontor AG for the third quarter of 2017

Majority of projects planned for 2017 already realised

Bremen, 15 November 2017. Upon publication of the interim status report for the third quarter of 2017, Energiekontor AG has already realised the majority of the projects planned for the current financial year. Overall, almost 60 MW have already been put into operation since the beginning of the year. Two additional projects as well as another single turbine with total capacity of around 18 MW are still under construction. The output of Company-owned wind farms, which had been considerably below expectations in the first half of 2017, gained some ground because of the early onset of autumn storms, yet still remains slightly below the long-term average overall.

The following section describes the development in the individual segments:

a) Project Development and Sales (Wind, Solar)

In the key region of **Lower Saxony**, two out of three turbines at the Hammelwarder Moor wind farm with an overall output of 10.2 MW went on stream. The wind farm near the city of Brake comprises three wind turbines in total with rated power of 3.4 MW each and a hub height of 119 metres. Because of a motion put forward to the local district, the construction of the third turbine is currently delayed. Expectations are, however, that the remaining turbine can still be constructed in the last quarter of the current financial year. The wind farm has been earmarked for inclusion in the Group's own portfolio.

A structurally identical wind farm is currently being built in Odisheim, near the Elbe river estuary in the Cuxhaven district. A purchase agreement for this project was signed in October 2017 with Capital Stage, an SDAX-listed solar and wind farm operator. Construction of this wind farm is to be completed before the end of the current financial year.

A financial close was achieved at the beginning of November 2017 for adding a single turbine to the Debstedt repowering wind farm, which had already been sold and commissioned with three turbines in 2016. The turbine is set to be constructed in 2018.

In the key region of **North Rhine-Westphalia**, Energiekontor Group implemented several wind farms this year. The single turbine Wachtendonk-Wankum (2.5 MW) sold to a public utility already went into operation at the end of June 2017. This was followed at the end of August and at the end of September by the Kreuzau-Steinkaul project (5.5 MW) and Niederzier-Steinstraß (8.3 MW), both included in Energiekontor's own portfolio. Shortly before the publication of this report, the Heinsberg-Waldenrath wind farm with a total rated power of 7.2 MW was completed and commenced operations. In line with the Company's growth strategy, this wind farm is also to be included in Energiekontor AG's own portfolio.

Due to the close season under environmental law, construction of another project with a capacity of 5.0 MW was only started in late summer 2017. This project, which is currently in a sales process, is also expected to be finished by the end of the year.

In the key region of **Brandenburg**, Energiekontor realised the largest wind power capacity this year. The Klein Woltersdorf project (2.4 MW), which had been started in the previous year, was completed and delivered to the buyer already in the first quarter of 2017. The two single turbines Briest III (3.2 MW) and Luckow-Petershagen (2.75 MW) went into operation at the end of May and at the end of June, respectively. Both projects were sold to an investor. Moreover, the Hohengüstow II wind farm in the Uckermark district with total capacity of 19.2 MW was commissioned at the end of the third quarter 2017. Except for one, the old turbines at this location had been dismantled beforehand. Out of the six new turbines with a rated power of 3.2 MW each, three were transferred to the operator of the old wind farm. The other three were sold to an investor in August.

In the **UK**, permission for a new project bought from external sources with a total capacity of about 8 MW was obtained. In addition, Energiekontor managed to contractually secure further locations in Scotland.

In the first auctioning round of the year, in February 2017, Energiekontor's **Solar** division was awarded its third photovoltaic project since the introduction of the auctioning procedure in 2015 with a capacity of 5.5 MWp. The construction of a project with about 10 MWp, which had already been awarded in 2016 and since then gained approval, is currently experiencing delays due to supply bottlenecks at the module producer. The project is currently under construction and is expected to be completed in the first quarter of 2018.

In the **new markets**, and especially in the **US**, Energiekontor made good progress in negotiations with landowners concerning land use rights for several 100 MW. Two external experts are now working for Energiekontor in the relevant regions. Talks with landowners in **France** about land use rights are also progressing well with the support of freelancers. For the time being, Energiekontor is focusing on the development of solar projects in both countries.

b & c) Power Generation in Group-owned Wind Farms & Operation Development, Innovation and Others

Overall, the 2017 wind year has been below average, and this continued in the third quarter. While the output of British wind farms was generally in line with expectations, Portugal and in particular Germany failed to reach their long-term averages. However, a reliable overall statement can only be made at the end of the year, once data from the autumn and winter months of the last quarter with their seasonally strong winds becomes available.

The operational management business was in line with expectations.

Outlook

The outlook for the full year has basically not changed compared to the 2017 half-year report. From our present vantage point, consolidated EBT could reach the level of the two previous years, if the projects still under construction can be completed as planned and were to be sold by the end of the year. However, about 50 percent of the projects realised in the current financial year will not be sold by the end of the year, but kept in Energiekontor's ownership in order to strengthen the Group's own portfolio and reinforce further company growth in line with the organic growth model. The reported Group EBT for 2017 will therefore be considerably below the level of the two previous years, even though the economic output is comparable. In the consolidated balance sheet, the projects kept in Energiekontor's ownership are not recognised at their fair values but merely included in external production costs, which leads to a significant increase in the hidden reserves included in the balance sheet, as development and project development margins at Energiekontor AG and its subsidiaries are not shown in the Group P&L for these projects and are instead eliminated in the scope of Group consolidation.

Construction of the solar park already approved and planned for the current year will be postponed to 2018, owed to supply bottlenecks at the module producer. Implementation of the first British projects is also expected for 2018. Their profitability will be exclusively based on Power Purchase Agreements (PPAs) with large industrial companies. Energiekontor AG thus underlines its pioneering claim to implement the first renewable energy projects at pure market prices and without any state subsidies.

The financial reports of Energiekontor AG are available online at <https://www.energiekontor.de/en/investor-relations/financial-reports.html>.

About Energiekontor AG:

For the last 25 years, Energiekontor has stood for a sound approach to business and a wealth of experience in wind power. Formed in Bremerhaven in 1990, the Company was one of the pioneers in the industry and is now one of the leading German project developers. Its core business covers the planning, construction and operational management of wind farms in Germany and abroad, and was expanded to include solar power in 2010. Energiekontor also currently owns and operates 33 wind farms with a total rated power of around 250 megawatts.

In addition to its headquarters in Bremen, Energiekontor also maintains offices in Bremerhaven, Hagen im Bremischen, Aachen, Bernau (near Berlin) and Dortmund. The Company also has branch offices in England (Leeds), Scotland (Glasgow), Portugal (Lisbon) and the Netherlands (Nijmegen). The formation of additional branch offices in the US and France is currently in the pipeline. Our track record speaks for itself: 114 wind farms completed with around 600 turbines and a total rated power of more than 900 megawatts. This corresponds to an investment volume of more than EUR 1.4 billion.

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

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