

QUARTERLY STATEMENT

PNE AG

3 | 2020

PNE
pure new energy

THE PNE GROUP AT A GLANCE

The PNE Group is a leading developer of renewable energy projects. From this strong position, the PNE Group continues to develop into a Clean Energy Solution Provider.

PNE Group key figures

in million EUR	1.1. – 30.9. 2020	1.1. – 30.9. 2019	1.1. – 30.9. 2018
Total aggregate output	90.7	96.6*	56.0*
Revenues	73.9	72.6	39.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	9.2	17.0*	8.4*
Operating profit (EBIT)	-3.5	7.8*	1.6*
Earnings before taxes (EBT)	-11.0	-2.9*	-4.9*
Result for the period	-9.4	-6.5*	-3.0*
Basic earnings per share (euro)	-0.12	-0.09*	-0.04*
Average number of shares (million)	76.3	74.6	76.6

in million EUR	30.9.2020	31.12.2019	31.12.2018
Equity on the reporting date	189.9	205.1*	202.8*
Equity ratio on the reporting date (%)	34.7	37.3*	46.4*
Balance sheet total on the reporting date	547.4	550.0*	436.8*

* Figures as at September 30, 2018 and 2019 as well as December 31, 2018 and 2019 adjusted. We refer to chapter "4. Retrospective adjustments in accordance with IAS 8.43".

FOREWORD OF THE BOARD OF MANAGEMENT

DEAR SHAREHOLDERS

The course of the first nine months of the 2020 fiscal year was characterised by different developments. On the one hand, we made good progress operationally: we obtained further approvals, won tenders, started building further wind farms, expanded the project pipelines for wind and photovoltaics and positioned ourselves even more strongly in the service sector. On the other hand, the unpredictable general conditions challenged us: both in Germany and internationally, the political and economic course is being set for a further strong expansion of renewable energies, but the continuing COVID-19 pandemic has noticeably negative effects on the developments.

Successful operative development

In spite of the difficult general conditions due to the COVID-19 pandemic, the first nine months of the year were successful in operational terms. In Poland, we completed the construction of a 42 MW project, which had already been sold earlier. We continued the construction of wind farms in Sweden and Poland on behalf of customers. In Germany, we had six wind farm projects with a nominal capacity of 73.8 MW under construction at the end of the reporting period, of which 4.2 MW in the form of a citizens wind park.

At the end of the reporting period, we thus had wind farms with a total capacity of approx. 318.8 MW under construction on our own account and for our customers.

In the first nine months of the fiscal year, we were successful in tenders in Germany with three previously approved wind farms (39.0 MW) and were awarded contracts. In October, a further contract was awarded for a wind farm with 21.6 MW.

Expansion of internally operated wind farms makes progress

In the course of our strategic further development, we decided this year to strengthen our own wind farm operations. In this way, as with the expansion of the service business, we intend to make a further contribution to reducing the volatility of the business and stabilising earnings at a high level. This is a further step in the implementation of our Scale-up programme.

At present, the PNE Group has internally operated wind farms with an installed nominal capacity of 130.1 MW, and further wind farms are under construction. The plans are to expand the portfolio of internally operated projects, primarily in Germany, to up to 500 MW by the end of 2023.

Project pipeline strengthened

The basis for the future development is the “pipeline” of projects, which are processed in various phases of project development. We were able to expand the pipeline of onshore wind energy projects to approx. 5,241 MW. It is noteworthy that we have maintained a very high level with projects of currently approx. 681 MW in the approval phase in Germany and France.

We have also significantly expanded our pipeline for the development of photovoltaic projects. In this field, we are working on projects with a nominal capacity of 476 MWp in Germany, Romania and the USA.

Offshore projects in Germany

Following an examination by the German Financial Reporting Enforcement Panel (FREP), it was necessary to make adjustments, retrospectively as of January 1, 2017, to the balance sheet valuation of offshore projects developed in the North Sea. This will not have any significant impact on the current 2020 fiscal year, although there will be changes in some values carried forward in the balance sheet, such as inventories and equity.

Irrespective of the correction of errors in this context, PNE AG feels validated, in particular by the Senate order of the Federal Constitutional Court of August 20, 2020, in its assessment that parts of the WindSeeG are unconstitutional. With the implementation of the ruling of the Federal Constitutional Court by the legislator, we expect reimbursements for project planning services already provided, which will have a correspondingly positive effect on the Group's figures in the future.

Political and general conditions

The general conditions for the expansion of renewable energies in Germany and Europe are undergoing a change at present. The Renewable Energy Sources Act (EEG) and other regulations are being revised, expansion targets are to be raised, and approval procedures shall become faster and more legally secure. The coal phase-out has been decided and is being implemented. In the European Union, the Commission and the Parliament are working to fill the “Green Deal”, which is intended to accelerate the transition to renewable energies and related solutions such as the use of hydrogen, with content and concrete objectives. For this reason, we are still optimistic about the future.

The ongoing worldwide COVID-19 pandemic also has an impact on business developments. We have adapted to this situation with concepts aligned with the respective markets and continued to develop our business. Projects were further developed, tenders won and the construction of further projects started.

It has paid off for us that we had already developed our internal processes and organisational structure to a high level in recent years.

However, the consequences of the pandemic are being felt. Approval procedures drag on and projects are postponed. At the same time, manufacturers of wind power turbines report longer delivery times. These projects are not cancelled, but are realised later than planned.

Results for the first nine months on target

On the basis of these business developments, the Group generated in the reporting period sales revenues of euro 73.9 million (prior year: euro 72.6 million), total aggregate output of euro 90.7 million (prior year: euro 96.6* million), earnings before interest, taxes, depreciation and amortisation (EBITDA) of euro 9.2 million (prior year: euro 17.0* million), operating profit (EBIT) of euro -3.5 million (prior year: euro 7.8* million) and undiluted earnings per share of euro -0.12 (prior year: euro -0.09*).

The investments in our own projects had a particular impact, as no projects were sold. As a result of these investments in our own projects, pre-tax profits of euro 19.8 million were eliminated at Group level in the first nine months (prior year: euro 4.9 million).

The results for the first nine months are on target in the individual segments and in the Group, taking into account the pre-tax profit eliminations of euro 19.8 million resulting from the development of the project portfolio. 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.

The number of employees in the Group has increased significantly to 465 people as at September 30, 2020 (prior year: 386). This increase reflects the higher personnel requirements resulting from the expansion of our business model.

A look at the individual segments shows the current development.

* Figures as at September 30, 2018 and 2019 as well as December 31, 2018 and 2019 adjusted. We refer to chapter "4. Retrospective adjustments in accordance with IAS 8.43".

In the “project development” segment, the preparations for the realisation of economically larger wind farms intended for our own portfolio showed their effects. Overall, the segment developed very positively with EBITDA of euro 13.3 million (prior year: euro 10.6* million) and EBIT of euro 11.8 million (prior year: euro 9.1* million).

In the “service products” segment, the expansion of the service strategy, the associated build-up of the workforce and the necessary investments in equipment had an impact on the results. The temporary cancellation of training courses due to COVID-19-related restrictions had a slight negative impact on the result of this segment. In the first nine months, the “service products” segment achieved EBITDA of euro 3.4 million (prior year: euro 3.1 million) and EBIT of euro 1.1 million (prior year: euro 1.1 million).

In the “electricity generation” segment, the course of business was as planned with the usual fluctuations in wind conditions. This segment also developed very positively overall. In the first nine months, the “electricity generation” segment achieved EBITDA of euro 13.4 million (prior year: euro 8.1 million) and EBIT of euro 4.5 million (prior year: euro 2.5 million).

The effects of the COVID-19 pandemic are increasingly noticeable in the market environment. Due to the pandemic, the development of international electricity prices is difficult to assess for wind farm investors at present. This can have a negative effect on sales transactions. PNE projects in Sweden, Panama, Romania and the USA are particularly affected. If project sales are not completed as planned, this will have an impact inter alia on the operating result (EBIT). In the USA, the uncertainty in the run-up to the presidential election also had an impact.

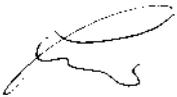
* Figures as at September 30, 2018 and 2019 as well as December 31, 2018 and 2019 adjusted. We refer to chapter “4. Retrospective adjustments in accordance with IAS 8.43”.

In spite of these and other general conditions aggravated by the COVID-19 pandemic and the resulting delays in the project business as well as the investments in the development of wind farms for our own portfolio, we confirm our goals for the entire year: We are expecting EBITDA of euro 15 to 20 million and EBIT of euro 5 to 10 million at the Group level for the 2020 fiscal year. Crucial to achieving these goals are the planned project sales in Germany and abroad.

PNE is well on track. In spite of the current developments triggered by the COVID-19 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.

PNE AG
The Board of Management



Markus Lesser
CEO



Jörg Klowat
CFO

1. OVERVIEW OF BUSINESS ACTIVITY

Summary

The PNE Group develops wind farms and photovoltaic projects in Germany and abroad, operates wind farms itself and offers services relating to the development and operation of projects to generate electricity from renewable energies, at both the national and the international levels.

The operational business of the PNE Group during the first nine months 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 September 30, 2020, wind farms with a total nominal capacity of 318.8 MW were under construction in Germany, Sweden and Poland.

In March 2020, PNE decided to significantly expand its own wind farm operations in the future. 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. Additional projects are under construction. 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 still well-filled project pipeline, since PNE is currently developing national and international onshore wind farms with a volume of 5,241 MW in various phases of project development.

The development of national and international photovoltaic projects was also intensified in the reporting period. In the area of photovoltaics, projects with a capacity of approx. 476 MWp were under development as at September 30, 2020.

The effects of the COVID-19 pandemic have also been felt by companies that, like PNE AG, are working on expanding renewable energies. The effects on the global economy and consequently on supply routes and other things are not yet finally foreseeable, but become increasingly noticeable in the market environment. Due to the pandemic, the development of international electricity prices is difficult to assess for wind farm investors at present. This can have a negative effect on sales transactions. PNE projects

in Sweden, Panama, Romania and the USA are particularly affected. 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 measures to prevent any further spread of the Corona virus. If project sales are not completed as planned, this will have an impact inter alia on the operating result (EBIT). 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. In the reporting period, the Group took advantage of support measures or state aid amounting to about euro 200 thousand only in the USA. The operating activities listed in the remainder of this report and the Group figures still confirm a positive going concern.

Segment reporting

The determination and presentation of segment reporting as at September 30, 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 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 "electricity generation" segment combines all activities of the Group companies that 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 farm projects continued in the first nine months of 2020, both in Germany and in foreign markets, despite the restrictions caused by the spread of the Corona virus and the associated consequences.

Overview of the status of onshore wind energy project activities of the PNE Group as at September 30, 2020 in MW:

Country	Phase I – II	Phase III	Phase IV	Total	Sold/Service Provider
Germany	1,253	420	74	1,747	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	345	0	0	345	0
Poland	132	19	0	151	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
Total	4,038	1,129	74	5,241	245

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 third quarter of 2020, the PNE Group was working on wind farm projects with a nominal output of approx. 1,747 MW in various phases of project development.

At the end of the reporting period, the Company started the construction of a further wind farm with a nominal capacity of 25.1 MW. This means that six wind farms with a nominal capacity of 73.8 MW were under construction.

The necessary permits for the realisation of further wind farms are available.

Wind energy onshore – international

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

Poland

The previously sold "Barwice" 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.

Wind energy offshore sub-division

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

In the reporting period, we made further efforts to start the development of marine wind farms off the US coasts. As in the USA, we are currently examining the possibilities of planning offshore wind farms in Vietnam.

Photovoltaics sub-division

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.

The volume of projects managed at the end of reporting period was increased to 476 MWp.

Overview of the status of photovoltaic project activities of the PNE Group as at September 30, 2020 in MWp:

Country	Phase I – II	Phase III	Phase IV	Total MWp
Germany	154	0	0	154
Romania	112	0	0	112
USA	210	0	0	210
Total	476	0	0	476

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 nine months of 2020. The current COVID-19 pandemic has had an impact on the business activities of the “project development” segment only in the form of minor project postponements. These shifts had only insignificant effects on the results of the “project development” segment in the first nine months. 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 nine months of 2020, the “project development” segment achieved

- » total aggregate output of euro 84.9 million (prior year: euro 80.8* million),
- » EBITDA of euro 13.3 million (prior year: euro 10.6* million) and
- » EBIT of euro 11.8 million (prior year: euro 9.1* 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 planning, electricity marketing management, and similar services.

The international business of operations management was expanded in the first nine months of 2020 by activities in France and Poland. Investments in personnel and equipment were necessary in the “service products” segment, among other things in order to expand into the two markets, which had a negative impact on the results of the first nine months compared with the same period of the previous year.

In the Polish wind farm “Barwice”, developed and sold by PNE, Group companies provided construction management services in the first quarter of 2020 until the start of operation. With this project, PNE once again successfully implemented its strategy of increasing the volume of services, in particular at the international level.

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 construction management services during the ongoing construction phase. In the “Jasna” project, PNE will also take on tasks during the subsequent operating phase.

The current COVID-19 pandemic has had a medium impact on the business activities of the “service products” segment. Although the major part of orders in this segment is based on long-term service orders, in certain service areas, such as training on occupational safety at height, it was temporarily impossible to conduct training courses due to the distance rules and other protective measures. In the “service products” segment, the current course of the COVID-19 pandemic may lead to further cancellations of training courses etc. in the coming months and thus affect the planned results of the segment.

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

- » total aggregate output of euro 14.6 million (prior year: euro 11.6 million),
- » EBITDA of euro 3.4 million (prior year: euro 3.1 million) and
- » EBIT of euro 1.1 million (prior year: euro 1.1 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.

* Prior-year figures adjusted. We refer to chapter “4. Retrospective adjustments in accordance with IAS 8.43”.

The first nine months of 2020 reflected the expected wind trends. While good wind performance was recorded in the first quarter, the second and third quarters were characterised, as usual, by weaker wind performance. The seasonal wind distribution with constant depreciation and costs per quarter results - from quarter to quarter - in the wind farms recording very positive results in quarters with high winds and slightly negative to slightly positive results in low-wind quarters.

To date, the COVID-19 pandemic has had no impact on the business activities of the "electricity generation" segment.

In the first nine months of 2020, the "electricity generation" segment achieved

- » total aggregate output of euro 17.7 million (prior year: euro 12.0 million),
- » EBITDA of euro 13.4 million (prior year: euro 8.1 million) and
- » EBIT of euro 4.5 million (prior year: euro 2.5 million).

2. CORPORATE STRUCTURE

The changes in the Group's structure are shown under segment reporting.

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

3. ORGANISATION AND EMPLOYEES

On September 30, 2020, the PNE AG Group employed 465 people in total (prior year: 386), including the members of the Board of Management.

4. RETROSPECTIVE ADJUSTMENTS IN ACCORDANCE WITH IAS 8.43

In a letter dated October 15, 2020, the German Financial Reporting Enforcement Panel (FREP) identified accounting errors for the 2018 fiscal year. The FREP is of the opinion that, due to the coming into force of the German Act to Develop and Promote Offshore Wind Energy (WindSeeG), five offshore projects should have been written down as early as on January 1, 2017. PNE AG had already written off three of the five offshore wind projects (zone 4) in the 2018 fiscal year; the offshore wind projects of zone 3 had not yet been written off due to the probability of realisation still existing from PNE's perspective. The error was corrected retrospectively in accordance with IAS 8.43 in conjunction with IAS 2.9 and IAS 2.6, starting from January 1, 2017, in such a way that all five offshore projects and related other project inventories capitalised were written off at that date. The value adjustment on the three offshore projects for the 2018 fiscal year was accordingly eliminated. Deferred taxes were also adjusted where recoverable.

The following financial statement items as at December 31, 2018 are affected by the error corrections:

31.12.2018			
in TEUR	Before correction	Changes from correction	After correction
Work in progress	89,993	-15,073	74,920
Deferred taxes	16,549	-721	15,828
Equity	216,273	-13,437	202,836
Other long-term provisions	1,060	-1,060	0
Deferred tax liabilities	3,464	-1,298	2,166
Result before taxes	-2,002	8,807	6,805

These corrections have also resulted in some changes when updating the figures of financial statement items as at December 31, 2019.

31.12.2019			
in TEUR	Before correction	Changes from correction	After correction
Work in progress	77.617	-16.550	61.067
Deferred taxes	20.401	-1.032	19.369
Equity	220.014	-14.894	205.119
Other long-term provisions	1.060	-1.060	0
Deferred tax liabilities	5,966	-1,628	4,338
Result before taxes	7.312	-1.477	5.835

The comparative figures in the text and tables in the following sections have been adjusted and marked accordingly.

5. 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 nine months of the 2020 fiscal year as at September 30, 2020 was based on the same accounting and valuation methods as the consolidated financial statements as at December 31, 2019. The IFRS standards amended since January 1, 2020 are not relevant to the quarterly financial statements.

The figures in the text and in the graphic illustrations were rounded, and small rounding differences are possible.

Values with "*" in text or tables are adjusted previous year's figures as at September 30, 2019 or adjusted figures as at December 31, 2019. We refer to chapter "4. Retrospective adjustments in accordance with IAS 8.43".

a. Results of operations

In the first nine months of 2020, the PNE Group achieved a total aggregate output of euro 90.7 million (prior year: euro 96.6* million). Of this, euro 73.9 million was attributable to revenues (prior year: euro 72.6 million), euro 14.2 million to changes in inventories (prior year: euro 22.1* million), and euro 2.6 million to other operating income (prior year: euro 1.9 million).

In the first nine months of 2020:

- » In the "project development" segment, the Company invoiced internal revenues of euro 35.5 million (prior year: euro 37.0 million), including for general contractor and project development services for the Company's planned own wind farms as well as external revenues of euro 46.1 million (prior year: euro 52.5 million), including due to contractual milestone payments from wind farm projects in Germany and abroad, which were sold in 2018/2019, e.g. in France and the USA, as well as from project development and general contractor services for wind farm projects. A good indication of the segment's performance can be seen by looking at the nominal capacity of the projects that were completed or sold or were under construction. In 2020, this capacity totalled approx. 361 MW (prior year: approx. 404 MW). With an expected investment volume of around euro 1.4 to 1.8 million per MW of installed nominal capacity for wind energy projects, the Company has initiated investments of around euro 505 to 650 million (prior year: euro 565 to 727 million).
- » In the "service products" segment, the Company billed external revenues of euro 14.0 million (prior year: euro 11.1 million). The main revenues were generated from commercial and technical operations management totalling euro 8.4 million (prior year: euro 6.9 million), from services in the area of service, maintenance and inspection of operating equipment as well as training for specialists working at height and installation, maintenance and services for work on fire extinguishing, fire alarm and obstruction lighting systems totalling euro 2.1 million (prior year: euro 1.2 million) and from transformer station services of euro 2.9 million (prior year: euro 3.0 million). It is noteworthy that a significant proportion of these internal services/revenues led to the avoidance of external costs.
- » In the "electricity generation" segment, external revenues of euro 16.2 million (prior year: euro 10.8 million) were generated in the reporting period. These revenues were mainly attributable to the electricity income of internally operated wind farms totalling euro 12.3 million (prior year: euro 6.6 million) and the revenues from the "Silbitz" biomass power plant of euro 2.8 million (prior year: euro 2.8 million). The main reason for the higher revenues compared to the prior-year period is that the number of wind power turbines operated by the Group itself as at January 1, 2020 was higher than in the prior-year period and therefore a larger amount of electricity could be produced in 2020.

As in the previous year's reporting period, the services rendered for the wind farm projects planned for the Company's own portfolio and under construction were shown under changes in inventories, which largely explains the changes in finished goods and work in progress.

The Group's personnel expenses rose year-on-year due to the comparatively higher number of employees (465 people, including members of the Board of Management, as at September 30, 2020 versus 386 people, including members of the Board of Management, as at September 30, 2019) and due to the higher salaries for qualified staff. The increase in the number of employees is part of the organisational adjustment to the new strategy that the Group is pursuing with the "Scale up" programme. Personnel expenses are distributed among the segments "project development" with euro 17.2 million (prior year: euro 16.2 million), "service products" with euro 6.1 million (prior year: euro 4.7 million) and "electricity generation" with euro 0.6 million (prior year: euro 0.7 million).

The write-downs of intangible fixed assets as well as property, plant and equipment increased on a year-on-year basis by euro 3.6 million to euro 12.8 million (prior year: euro 9.2 million). The increase resulted primarily from the higher average number of wind power turbines in the Group ("electricity generation" segment) compared to the prior-year period. The write-downs of intangible fixed assets as well as property, plant and equipment are attributable to the segments "project development" with euro 1.5 million (prior year: euro 1.5 million), "service products" with euro 2.4 million (prior year: euro 2.1 million) and "electricity generation" with euro 8.9 million (prior year: euro 5.6 million).

Other operating expenses totalling euro 12.7 million (prior year: euro 12.6 million) in the Group increased slightly compared to the previous year's level and can be generally divided into expenses resulting from legal and consulting costs, advertising and travel expenses, insurance premiums and contributions, repair and maintenance expenses (predominantly relating to the "Silbitz" biomass power plant and the wind farms in the Company's own portfolio). Other operating expenses, before consolidation effects, are distributed among the segments "project development" with euro 9.7 million (prior year: euro 9.5 million), "service products" with euro 1.6 million (prior year: euro 1.8 million) and "electricity generation" with euro 3.3 million (prior year: euro 2.8 million).

Interest expenses changed from euro 11.0* million in the prior-year period to euro 7.6 million in the reporting period. Interest and similar expenses were incurred mainly in connection with

- » the 2018/2023 bond (euro 1.5 million),
- » the equity and debt financing in connection with wind farm projects (euro 2.6 million) and the valuation of interest swaps concluded as part of the project financing for wind farm projects (euro 2.6 million).

In the period under review, the following results were achieved at the Group level:

- » earnings before interest, taxes, depreciation and amortisation (EBITDA = EBIT plus amortisation and depreciation of intangible assets and property, plant and equipment, rights of use as well as goodwill) of euro 9.2 million (prior year: euro 17.0* million),
- » operating profit (EBIT = corresponds to the value stated in line "Operating result" of the consolidated statement of comprehensive income) of euro -3.5 million (prior year: euro 7.8* million).

The consolidated net result after non-controlling interests amounted to euro -9.4 million (prior year: euro -6.5* million). The undiluted earnings per share for the Group amounted to euro -0.12 (prior year: euro -0.09*) and the diluted earnings per share for the Group amounted to euro -0.12 (prior year: euro -0.08*).

Based on the nine-month result of euro -9.4 million, the dividend payment of euro -3.1 million made in the reporting period and the changes in the course of the increase in the shareholding in Sevivon Sp. z.o.o., Koszalin, Poland (from 80.0 percent to 100 percent, "project development" segment), the Group's retained earnings at the end of the reporting period totalled euro 43.3 million (December 31, 2019: euro 60.3* million).

b. Net assets and financial position

Assets

in million EUR	30.9.2020	31.12.2019
Total long term assets	329.7	299.6*
Intangible assets	64.4	64.7
Property, plant and equipment	179.3	174.1
Rights of use	58.9	39.4
Long term financial assets	2.0	2.0
Deferred taxes	25.1	19.4*
Total short term assets	217.7	250.4*
Inventories	101.5	84.8*
Receivables, other assets and tax receivables	25.3	51.7
Tax receivables	0.9	2.0
Cash and cash equivalents	90.0	111.9
Total assets	547.4	550.0*

* Figures as at December 31, 2019 adjusted.
We refer to chapter "4. Retrospective adjustments in accordance with IAS 8.43".

On the reporting date, the consolidated total assets of PNE AG amounted to euro 547.4 million (December 31, 2019: euro 550.0* million). This is a change of approx. -0.5 percent in comparison with December 31, 2019.

Total long-term assets increased from euro 299.6* million at the end of 2019 to euro 329.7 million on the reporting date. The main reason for this development is the increase in rights of use (euro +19.5 million) in connection with "IFRS 16 Leases". As at September 30, 2020, euro 58.9 million for rights of use (December 31, 2019: euro 39.4 million) were reported under long-term assets. As at September 30, 2020, the rights of use are attributable to the segments "project development" (euro 10.0 million), "service products" (euro 6.1 million) and "electricity generation" (euro 42.8 million).

Intangible assets as at September 30, 2020 totalled euro 64.4 million (of which goodwill of euro 63.3 million), and thus remained approximately at the same level as at December 31, 2019. As at September 30, 2020, the goodwill is attributable to the segments "project development" (euro 52.8 million), "service products" (euro 10.4 million) and "electricity generation" (euro 0.1 million).

For all assets within the scope of IAS 36 (in particular intangible assets (IAS 38), goodwill (IFRS 3), property, plant and equipment (IAS 16) and investment property measured at cost (IAS 40)), the reporting entity must assess at each balance sheet date whether there is any indication (triggering event) for an impairment loss. Although the effects on the economy caused by the COVID-19 pandemic also have certain implications for PNE AG, the Board of Management is of the opinion that there are no indications that the value of the reported goodwill as at September 30, 2020 might be impaired.

In the same period, property, plant and equipment changed by euro 5.2 million to euro 179.3 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 14.5 million),
- » the technical equipment and machinery of the wind farms owned by the Company (euro 137.6 million) and of HKW "Silbitz" (euro 2.8 million, including land and buildings of euro 2.6 million).

Explanation:

As the wind farms owned by the Group were operated and used to generate electricity independently of their current or future shareholder structure, they were reported as fixed assets from the date of their sale within the Group.

Short-term assets changed in the reporting period from euro 250.4* million (December 31, 2019) to euro 217.7 million on September 30, 2020. This change is mainly attributable to the increase in inventories (euro +16.7 million), the decrease in cash and cash equivalents (euro -21.9 million) and the decline in receivables and other assets (euro -26.4 million). Of the short-term assets, euro 11.9 million is attributable to trade receivables (December 31, 2019: euro 34.3 million).

The work in progress shown under the inventories increased from euro 61.1* million (December 31, 2019) to euro 76.9 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 project pipelines in Germany and abroad. The investments made by the Group for the onshore projects under construction and for the further development of

onshore project pipelines in Germany and abroad have resulted in a change in work in progress by approx. euro +15.8 million.

Work in progress is divided as follows:

- » onshore projects/national (euro 46.3 million),
- » onshore projects/international (euro 30.6 million).

In addition, the advance payments made for onshore projects under construction reported under inventories changed by euro +0.9 million from euro 23.4 million (December 31, 2019) to euro 24.3 million.

As at September 30, 2020, cash and cash equivalents amounted to euro 90.0 million (as at December 31, 2019: euro 111.9 million) and were attributable to the segments "project development" (euro 78.9 million), "electricity generation" (euro 10.2 million) and "service products" (euro 0.9 million) as at September 30, 2020.

Liabilities

in million EUR	30.9.2020	31.12.2019
Shareholders' equity	189.9	205.1*
Deferred subsidies from public authorities	0.7	0.8
Provisions	6.8	8.4*
Long term liabilities	248.9	230.5*
Short term liabilities	80.9	84.9
Deferred revenues	20.2	20.3
Total liabilities and shareholders' equity	547.4	550.0*

* Figures as at December 31, 2019 adjusted.
We refer to chapter "4. Retrospective adjustments in accordance with IAS 8.43".

Group equity decreased from euro 205.1* million (December 31, 2019) to euro 189.9 million as at September 30, 2020. The equity ratio of the Group was approx. 35 percent as at September 30, 2020 (December 31, 2019: approx. 37* percent).

On September 30, 2020, the share capital of PNE AG amounted to euro 76,603,334.00 (divided into 76,603,334 shares). The share capital has not changed versus December 31, 2019.

The long-term liabilities changed from euro 230.5* million (December 31, 2019) to euro 248.9 million. This item consists mainly of long-term financial liabilities totalling euro 245.0 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 49.1 million (as at December 31, 2019: euro 48.9 million),
- » long-term liabilities to banks of euro 132.8 million (as at December 31, 2019: euro 135.6 million) and
- » liabilities from leases of euro 56.2 million (as at December 31, 2019: euro 37.2 million).

The major part of long-term liabilities to banks relate to the "non-recourse" project financing of the wind farm projects held in the Company's own portfolio.

The liabilities to banks are attributable to the following segments as at September 30, 2020:

- » "project development" segment, euro 4.0 million (of which long-term, euro 3.7 million),
- » "electricity generation" segment, euro 177.9 million (of which long-term, euro 129.1 million),
- » "service products" segment, euro 0.0 million (of which long-term, euro 0.0 million).

Due to "IFRS 16 Leases", approx. euro 56.2 million (as at December 31, 2019: euro 37.2 million) for lease liabilities is reported under long-term liabilities, and approx. euro 4.3 million (as at December 31, 2019: euro 3.1 million) under short-term liabilities as at September 30, 2020.

The liabilities from leases are attributable to the following segments as at September 30, 2020:

- » "project development" segment, euro 10.7 million (of which long-term, euro 9.6 million),
- » "service products" segment, euro 6.3 million (of which long-term, euro 5.6 million),
- » "electricity generation" segment, euro 43.5 million (of which long-term, euro 41.0 million).

In the first nine months of the 2020 fiscal year, the short-term liabilities changed from euro 84.9 million (December 31, 2019) to euro 80.9 million. The short-term liabilities to banks, included in this item, increased from euro 10.3 million (December 31, 2019) to euro 49.1 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 13.8 million.

The Company raised “non-recourse” funds of approx. euro 40.6 million and approx. euro 1.1 million from the available project equity interim financing line in the first nine months of 2020, which contributed to the above-mentioned changes in short-term and long-term liabilities to banks.

Taking the liquid funds into account, the net debt (cash and cash equivalents less the short-term and long-term financial liabilities) as at September 30, 2020 amounted to approx. euro -209.9 million (December 31, 2019: euro -129.0 million).

The statement of cash flow provides information on the liquidity situation and the financial position of the Group. As at September 30, 2020, the group companies had liquidity and credit facilities for interim project financing in the total amount of euro 124.7 million, of which euro 2.4 million is pledged to banks (as at December 31, 2019: euro 139.3 million, of which euro 6.5 million pledged).

Cash and cash equivalents amounted to euro 90.0 million as at September 30, 2020, of which euro 2.4 million is pledged to banks (as at December 31, 2019: euro 111.9 million, of which euro 6.5 million pledged).

In addition, the group companies had available liquidity from unused

- » working capital lines of euro 1.1 million,
- » project equity interim financing lines of euro 1.5 million, and
- » external project interim financing of euro 32.1 million,

as at September 30, 2020.

As at September 30, 2020, PNE AG and WKN GmbH had credit lines for guarantee and contract fulfilment totalling euro 23.2 million (as at December 31, 2019: euro 14.3 million). The Group had used euro 5.1 million of the credit lines for guarantee and contract fulfilment as at September 30, 2020 (as at December 31, 2019: euro 1.9 million).

The cash flow from ordinary activities shown in the statement of cash flows of euro -37.5 million (prior year: euro -17.6 million) was characterised mainly by

- » the Group result of the reporting period,
- » the expenses for the implementation of the portfolio projects, the further development of the project pipeline and the realisation of the wind farm projects, which are reflected in the inventories and were primarily financed by project financing (see Cash flow from financing activities).

The cash flow from investing activities in the reporting period includes incoming and outgoing payments for investments in property, plant and equipment of the Group totalling euro -14.4 million (prior year: euro -27.3 million). The investments in property, plant and equipment were characterised mainly by investments in transformer stations for the wind farm projects being constructed as well as in the wind farm projects themselves.

During the reporting period, the cash flow from financing activities of euro 30.1 million (prior year: euro 58.9 million) was influenced primarily by

- » the use of bank loans of euro 41.7 million, which were mainly used for the funding of wind farm projects,
- » the repayment of credit liabilities of euro -6.1 million,
- » lease payments totalling euro -2.5 million, and
- » the payment of the dividend of euro -3.1 million.

6. 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.

7. 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.

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.

The risk "offshore project planning in Germany" relating to the projects Atlantis II and Atlantis III has changed compared to December 31, 2019, because the German Financial Reporting Enforcement Panel identified accounting errors for the 2018 fiscal year as notified in a letter dated October 15, 2020. The FREP is of the opinion that, due to the coming into force of the German Act to Develop and Promote Offshore Wind Energy (WindSeeG), five offshore projects should have been written down as early as on January 1, 2017. PNE AG had already written off three of the five offshore wind projects in the 2018 fiscal year; two offshore wind projects had not yet been written off due to the probability of realisation still existing from PNE's perspective. The effects on the net assets, financial position and results of operations are presented in chapter "4. Retrospective adjustments in accordance with IAS 8.43". Irrespective of the correction of errors, PNE AG feels validated, in particular by the Senate order of the Federal Constitutional Court of August 20, 2020, in its assessment that parts of the WindSeeG are unconstitutional. With the implementation of the ruling of the Federal Constitutional Court by the legislator, PNE expects reimbursements for project planning services already provided, which will have a correspondingly positive effect on the Group's figures in the future.

During the first nine 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.

Cuxhaven, November 11, 2020

PNE AG

Board of Management

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

in TEUR (differences due to rounding possible)	3rd Quarter 1.7.2020 – 30.9.2020	3rd Quarter 1.7.2019 – 30.9.2019	Period 1.1.2020 – 30.9.2020	Period 1.1.2019 – 30.9.2019
1. Revenues	11,502	6,940	73,856	72,576
2. Changes in inventories of finished goods and work in progress	1,743	3,254*	14,211	22,081*
3. Other operating income	449	750	2,637	1,916
4. Total aggregate output	13,694	10,944*	90,704	96,573*
5. Cost of materials and purchased services	-1,692	-928	-44,866	-45,462
6. Personnel expenses	-8,244	-7,170	-23,915	-21,577
7. Amortisation of intangible fixed assets and depreciation of property, plant and equipment	-4,335	-3,609	-12,758	-9,206
8. Other operating expenses	-3,561	-4,349	-12,678	-12,560
9. Operating result	-4,138	-5,112*	-3,513	7,768*
10. Income from participations and associated companies	16	20	43	38
11. Other interest and similar income	5	126	130	256
12. Expenses from assumption of losses of associated companies	-1	-2	-29	-15
13. Interest and similar expenses	-1,070	-4,179*	-7,612	-10,955*
14. Result before taxes	-5,188	-9,147*	-10,981	-2,908*
15. Taxes on income	1,035	-654*	844	-2,418*
16. Other taxes	-65	-145	-167	-322
17. Result before non-controlling interests	-4,218	-9,946*	-10,304	-5,648*
18. Share of non-controlling interests in the result	-188	-129	-943	818
19. Consolidated net income	-4,030	-9,817*	-9,361	-6,466*
Undiluted earnings per share in EUR	-0.05	-0.13*	-0.12	-0.09*
Diluted earnings per share in EUR	-0.05	-0.13*	-0.12	-0.08*
Weighted average of shares in circulation (undiluted), in million	76.3	74.6	76.3	74.6
Weighted average of shares in circulation (diluted), in million	76.3	75.8	76.3	75.8
19. Consolidated net income	-4,030	-9,817*	-9,361	-6,466*
Other comprehensive income/items that may be reclassified in the future in the profit and loss account				
20. Currency translation differences	-1,009	1,183	-1,809	932
21. Others	0	0	0	0
22. Other comprehensive income for the period (after tax)	-1,009	1,183	-1,809	932
23. Total comprehensive income for the period	-5,227	-8,763*	-12,113	-4,716*
Consolidated profit/loss for the period attributable to				
Owners of the parent company	-4,030	-9,817*	-9,361	-6,466*
Non-controlling interests	-188	-129	-943	818
	-4,218	-9,946*	-10,304	-5,648*
Total comprehensive income for the period attributable to				
Owners of the parent company	-5,039	-8,634*	-11,170	-5,534*
Non-controlling interests	-188	-129	-943	818
	-5,227	-8,763*	-12,113	-4,716*

* Prior-year figures adjusted. We refer to chapter "4. Retrospective adjustments in accordance with IAS 8.43".

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

Assets

in TEUR (differences due to rounding possible)	as per 30.9.2020	as per 31.12.2019
Intangible assets	64,446	64,720
Property, plant and equipment	179,260	174,081
Rights of use	58,929	39,376
Long-term financial assets	2,040	2,026
Deferred taxes	25,063	19,369*
Total long-term assets	329,738	299,572*
Inventories	101,511	84,807*
Receivables, other assets and tax receivables	26,207	53,702
Cash and cash equivalents	89,961	111,935
Total short-term assets	217,679	250,444*
Total assets	547,417	550,016*

Liabilities

in TEUR (differences due to rounding possible)	as per 30.9.2020	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	-2,629	-819
Consolidated profit	43,254	60,322*
Non-controlling interests	-9,668	-13,283
Total equity	189,857	205,120*
Other provisions	0	0*
Deferred subsidies from public authorities	726	761
Long-term financial liabilities	244,976	226,160
Deferred tax liabilities	3,955	4,338*
Total long-term liabilities	249,657	231,259*
Provisions for taxes	2,796	4,604
Other provisions	3,977	3,777
Short-term financial liabilities	54,843	14,762
Trade liabilities	13,804	35,276
Other liabilities and tax liabilities	32,483	55,217
Total short-term liabilities	107,903	113,636
Total liabilities	547,417	550,016*

* Figures as at December 31, 2019 adjusted. We refer to chapter "4. Retrospective adjustments in accordance with IAS 8.43".

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30

in TEUR	2020	2019
Consolidated net result	-10,304	-5,648*
-/+ Income tax benefit/expense	-844	2,418*
-/+ Income tax paid/received	-5,906	-6,119
-/+ Interest income and expense	7,482	10,700*
- Interest paid	-4,017	-5,119
+ Interest received	130	256
+/- Write-downs/write-ups of intangible fixed assets, property, plant and equipment, rights of use and long-term financial assets	12,758	9,206
+/- Increase/decrease in provisions	-1,609	-2,195
+/- Non-cash effective expenses and income	-1,786	923
-/+ Profit/loss from the disposal of fixed assets and from final consolidation	0	350
+/- Decrease/increase in inventories and other assets	-17,228	-11,836*
+/- Decrease/increase in trade receivables and stage of completion accounting	29,082	-7,261*
+/- Increase/decrease in trade liabilities and other liabilities	-45,300	-3,243*
Cash flow from operating activities	-37,543	-17,569
+ Inflow of funds from disposal of items of property, plant and equipment	65	211
- Outflow of funds for investments in property, plant and equipment and intangible assets	-14,471	-27,509
+ Inflow of funds from disposal of financial assets	0	4
- Outflow of funds for investments in financial assets	-25	-1
- Outflow of funds for investments in consolidated units	-95	0
Cash flow from investing activities	-14,526	-27,295
+ Inflow of funds from financial loans	41,685	65,897
- Outflow of funds for the redemption of financial loans	-6,074	-1,742
- Outflow of funds for the redemption of lease liabilities	-2,462	-2,279
- Outflow of funds for dividend	-3,053	-2,975
Cash flow from financing activities	30,096	58,901
Cash-effective change in liquid funds	-21,973	14,037
+ Change in liquid funds due to changes in scope of consolidation	0	2
+ Liquid funds at the beginning of the period	111,934	129,071
Liquid funds at the end of the period*	89,961	143,110
* of which are pledged to a bank as security	2,353	9,562

Supplementary information: The value of liquid funds on June 30 corresponds to the "Cash and cash equivalents" item in the balance sheet.
* Prior-year figures adjusted. We refer to chapter "4. Retrospective adjustments in accordance with IAS 8.43".

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
Balance on 1.1.2019	76,558	82,292	-5,803	51	-385	64,062*	216,775*	-13,938	202,837*
Result for the period	0	0	0	0	0	-6,466*	-6,466*	818	-5,648*
Other result	0	0	0	0	932	0	932	0	932
Total result for the period 01-09/2019	0	0	0	0	932	-6,466*	-5,534*	818	-4,716*
Dividend	0	0	0	0	0	-2,975	-2,975	0	-2,975
Conversion of convertible bond 2014/2019	46	388	2,667	0	0	0	3,101	0	3,101
Other changes	0	0	0	0	0	0	0	0	0
Balance on 30.9.2019	76,604	82,680	-3,136	51	547	54,621*	211,367*	-13,120	198,247*
Balance on 1.1.2020	76,603	82,953	-707	51	-819	60,322*	218,403*	-13,283	205,120*
Result for the period	0	0	0	0	0	-9,361	-9,361	-943	-10,304
Other result	0	0	0	0	-1,809	0	-1,809	0	-1,809
Total result for the period 01-09/2020	0	0	0	0	-1,809	-9,361	-11,170	-943	-12,113
Dividend	0	0	0	0	0	-3,053	-3,053	0	-3,053
Other changes	0	0	0	0	0	-4,654	-4,654	4,559	-95
Balance on 30.9.2020	76,603	82,953	-707	51	-2,629	43,254	199,526	-9,668	189,858

* Figures as at January 1, 2019, September 30, 2019 and January 1, 2020 adjusted. We refer to chapter "4. Retrospective adjustments in accordance with IAS 8.43".

CONSOLIDATED SEGMENT REPORTING (IFRS)

in TEUR (differences due to rounding possible)	Project development		Services	
	2020	2019	2020	2019
External sales	46,137	52,547	11,559	9,244
Inter-segment sales	35,539	36,975	2,425	1,903
Changes in inventories	2,677	-9,036*	0	0
Other operating income	623	309	643	437
Total aggregate output	84,976	80,795*	14,627	11,584
Depreciation and amortisation	-1,540	-1,525	-2,365	-2,072
Operating result	11,822	9,090*	1,058	1,072
Interest and similar income	3,790	3,893	336	350
Interest and similar expenses	-4,805	-5,104*	-443	-350
Tax expense and income	-7,081	-4,530*	-84	-65
Investments	10,301	610	3,099	172
Segment assets	445,752	539,385*	49,180	50,703
Segment liabilities	256,220	336,688*	34,239	38,242
Segment equity	189,532	202,697*	14,940	12,461

* Figures as at September 30, 2019 and December 31, 2019 adjusted. We refer to chapter "4. Retrospective adjustments in accordance with IAS 8.43".

The figures as at September 30, 2020 are compared with the figures as at September 30, 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"),
- » WKN WERTEWIND Kleinbüllesheim GmbH & Co. KG, Husum (100 percent), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),
- » PNE WIND Park XVII GmbH & Co. KG, Cuxhaven (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, (reclassified from "non-consolidated companies due to minor significance"),
- » WKN Wertewind Verwaltungs GmbH, Husum (100 percent), "project development" segment, (reclassified from "non-consolidated companies due to minor significance"),
- » WKN Wertewind Bürgerbeteiligungsgesellschaft mbH, Husum (100 percent), "project development" segment, (established),
- » WKN Wertewind Bürgerprojekt GmbH, Husum (100 percent), "project development" segment, (established),
- » PNE Sverige AG, Malmö, Sweden, (100 percent), "project development" segment,
- » Forthewind Sp.z.o.o., Katowice, Poland, (100 percent), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),

Electricity generation		Consolidation		PNE AG Group	
2020	2019	2020	2019	2020	2019
16,161	10,786	0	0	73,856	72,576
205	0	-38,170	-38,878	0	0
0	0	11,535	31,117	14,211	22,081*
1,371	1,171	0	0	2,637	1,916
17,736	11,957	-26,635	-7,761	90,704	96,574*
-8,854	-5,609	0	0	-12,758	-9,206
4,530	2,464	-20,922	-4,857	-3,512	7,769*
54	11	-4,050	-3,997	130	256
-6,414	-9,499	4,050	3,997	-7,612	-10,956*
282	1,190	7,727	1,457	844	-1,948*
1,191	166	0	0	14,591	948
307,431	222,531	-254,946	-262,603	547,416	550,016*
272,397	193,415	-205,299	-223,449	357,558	344,896*
35,034	29,116	-49,647	-39,154	189,859	205,120*

- » SEVIVON WINDPARK 2 Sp.z o.o., Katowice, Poland, (100 percent), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),
- » PARC EOLIEN D'ERMENONVILLE LA GRANDE S.A.S.U., Nantes, France, (100 percent), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance").

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.

During the reporting period, the shareholdings in the following Group companies, which are or were included in the scope of consolidation in the previous year, have changed:

Sevion Sp. z.o.o., Koszalin, Poland (from 80.0 percent to 100 percent, "project development" segment)

The change in the shareholding has not resulted in a change in the consolidation method, but only in a change in non-controlling interests of approx. euro 4.6 million. The amount paid for the acquisition of the shares amounted to approx. euro 0.1 million. The difference was recorded directly in equity.

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,
- » NH North Hungarian Windfarm Kft., Budapest, Hungary, (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, November 11, 2020

PNE AG
Board of Management

IMPRINT

PNE AG

Peter-Henlein-Straße 2–4
27472 Cuxhaven
Germany

Telephone: + 49 (0) 47 21 – 718 – 06

Telefax: + 49 (0) 47 21 – 718 – 444

E-mail: info@pne-ag.com

www.pne-ag.com

Design

Kirchhoff Consult AG
Borselstraße 20
22765 Hamburg, Germany

Board of Management

Markus Lesser (CEO),

Jörg Klowat

Registergericht: Tostedt

Registernummer: HRB 110360

As per: November 2020

The report on the third quarter of 2020 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 in the section "Investor Relations/Financial reports".

This report 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