

# ENCAVIS

Interim Release Q3

2018

## Dear Shareholders, Ladies and Gentlemen,

The 2018 financial year is progressing extremely positively for us: during the first nine months of the year, we were able to further expand our position as one of the leading exchange-listed independent power producers (IPPs). Our solar park portfolio alone comprises 173 parks with a total generation capacity of nearly 1.2 gigawatts (GW) and is one of the largest portfolios in Europe. On top of that come our 67 wind parks, which have a generation capacity of more than 700 MW.

The acquisition of the Talayuella solar park, located in Spain not far from the city of the same name, was of great importance to the expansion of our portfolio and represents a milestone in our company history. The acquisition of this solar park, which – with its nominal capacity of some 300 MW – is among the largest ground-mounted solar parks in Europe, is also our largest transaction since our company was founded. Through this acquisition, we have not only extended our regional diversification to now ten different European countries, but we have also successfully introduced Encavis to the growth market for private power purchase agreements (PPAs), which enable the generation of very attractive yields.

Today, solar energy is already the most economical and efficient form of electricity production in many parts of the world. More and more companies are securing access and prices for green power over the long term. While the proportion of power purchased via PPAs in 2017 was still within the range of approximately 5.4 gigawatts (GW), this had already increased to 7.2 GW in the first half of 2018, which represents growth of more than 30 %.

With our Talayuella solar park, we have successfully positioned Encavis as a reliable expert partner in this pioneering market. The Talayuella solar park is one of the first Encavis parks to be entirely independent of guaranteed government feed-in tariffs. From the commencement of operations for the park, which is scheduled for the end of the first quarter of 2020, the green power produced by the installation will be sold to a European company with a strong financial foundation over a period of initially ten years. From its first full year of operation, the park will make revenue contributions of some EUR 25 million.

Additionally, the acquisition of our “mega park” in Talayuella once again proves that we follow through with our announced intentions: like the 44-MW solar park in Eindhoven, Netherlands, which we acquired in March 2018, the Talayuella park in Spain also arose from the pipeline of our strategic partnership with Solarcentury. We agreed this strategic partnership in December 2017 with the internationally active project development company based in the United Kingdom. This partnership provides us with exclusive access to an asset pipeline with a total generation capacity of 1.1 GW over a period of three years. Today – after less than a year – we have already successfully realised a third of this partnership. Our partnership with Irish sovereign development fund Ireland Strategic Investment Fund (ISIF) and Irish project development company Power Capital (PC) regarding a solar-energy asset pipeline of some 200 MW in Ireland is also undergoing very positive development.

Our operating figures for the first nine months of the 2018 financial year are also fully within budget. In addition to the continued expansion of our existing portfolio, in particular with regard to solar energy, the extraordinarily warm, sunny summer in 2018 in Germany also contributed to these figures. Despite the already positive previous year in terms of weather, power production for our solar parks in Germany exceeded previous-year figures for the same period by more than 13 %, for instance. As a result, our revenues increased compared to the same period in the previous year by nearly 12 % to some EUR 200.9 million (first nine months of 2017: EUR 179.8 million). Operating earnings before interest, tax, depreciation and amortisation (EBITDA) came to some EUR 155.3 million. This equates to an increase of more than 9 % on the previous-year value of EUR 142.1 million. Operating earnings before interest and taxes (EBIT) increased by a good 8 % from EUR 93.3 million to now EUR 100.8 million. Cash flow from operating activities also rose sharply year-on-year, coming in at EUR 128.7 million as of the end of the reporting period (first nine months of 2017: EUR 118.8 million), thus bringing operating earnings per share to EUR 0.38.

In addition, we were able to further expand our business for institutional investors during the reporting period via our subsidiary Encavis Asset Management AG. Two fund-based investment offerings are currently being placed with institutional investors via renowned German banks. As part of this process, our experts handle the selection of suitable renewable energy installations as well as fund advisory over the investment term. What is more, additional mandates with institutional investors were agreed for investments in installations for the production of renewable energy over the next three years with a total volume of more than EUR 150 million in equity.

Our revenue and earnings figures for the first nine months show that we are clearly in line with our guidance for the 2018 financial year. We are extremely optimistic that we will be able to achieve our revenue target for the current financial year of more than EUR 240 million, and the same applies to our expectations with regard to operating earnings. We still expect operating earnings (EBITDA) of more than EUR 175 million and operating earnings before interest and taxes (EBIT) of over EUR 105 million. Cash flow from operating activities could climb to over EUR 163 million, thus increasing operating earnings per share to EUR 0.30.

Over the last few years, for the financing of our qualitative growth course, we already successfully set in motion a series of innovative alternative financing solutions. In the previous year, these included the complete placement of a hybrid convertible bond with a volume of nearly EUR 100 million, for example. Pursuant to the International Financial Reporting Standards (IFRS), the inflows from this placement can be accounted for entirely in equity. We also took advantage of alternative financing opportunities in the current reporting period as well. In September 2018, we successfully placed a "Green Schuldschein" with a volume of EUR 50 million for the first time. We had announced the issue of such a Green Schuldschein – which we have now successfully realised as planned – at the time of the announcement of our strategic partnership with Solarcentury in December 2017. In doing so, we were able to place all maturity tranches of five, seven and ten years at the lower end of the interest range, thereby ensuring an attractive average interest rate of 2 %. The Climate Bond Standard Executive Board confirmed to us that the funds used to classify our debenture bond as "green" would only be used for purposes that have a positive impact on climate and environmental protection. Thanks to the classification as a "Green Schuldschein", ESG (environmental, social and governance) investors – who adhere to binding environmental and social standards – were also able to subscribe.

Our own environment, social and governance services were also evaluated again by ISS-oekom – one of the leading ESG research and rating agencies – and were once again awarded the ISS-oekom status of "Prime". The sustainability of our business as a producer of electricity from renewable energies was thus also once again confirmed by an independent source: with our solar and wind parks, we not only generate attractive yields, but we also actively contribute to the sustainable, climate-neutral and safe energy production of the future. Today, the electricity we produce in a year is approximately enough to provide power to nearly a million homes for a year and to reduce environmentally harmful CO<sub>2</sub> emissions by some 1.5 million tonnes. At the same time, thanks to the active technical management of our installations, we ensure that efficiency is increased in each of our solar and wind parks and that the availability of the installations exceeds 95 %.

In doing so, we demonstrate in an impressive manner that sustainability and profitability can indeed go hand in hand. We will continue to work intensely on expanding our portfolio of economically attractive solar and wind parks and, at the same time, contribute to clean and sustainable energy production.

We will continue to enable you, our shareholders, to participate in the successful development of our company in the future as well. In line with our dividend strategy, you can expect the dividend to continue to increase, with it reaching a level 50 % higher nominally than the comparative year 2016 at EUR 0.30 by the year 2021.

We would be pleased if you continue to accompany us on our course for growth in future.

Hamburg, November 2018



Dr Dierk Paskert  
CEO (Chief Executive Officer)



Dr Christoph Husmann  
CFO (Chief Financial Officer)

## Group operating KPIs\*

in EUR million	01.01.–30.09.2018	01.01.–30.09.2017**
Revenue	200.9	179.8
EBITDA	155.3	142.1
EBIT	100.8	93.3
EBT	61.3	54.1
EAT	54.5	46.8
Operating cash flow	128.7	118.8
Earnings per share (undiluted, in EUR)	0.38	0.36

	30.09.2018	31.12.2017
Equity	720	699
Liabilities	1,954	1,821
Total assets	2,674	2,520
Equity ratio in %	26.9	27.7

\* The Group operating KPIs are based solely on the company's operating profitability and do not take any IFRS-related valuation effects into account.

\*\* Due to an adjustment of the composition of the operating financial earnings, the previous year's figures have been adjusted and cannot be reconciled with the figures published in the report for the third quarter of 2017 (see notes in the management report).

### Note on the quarterly figures

The publication of the results was prepared pursuant to the amended exchange rules for the Frankfurt Stock Exchange from 12 November 2015. This interim statement does not contain a complete interim financial report in accordance with IAS 34 and should therefore only be read in conjunction with the consolidated financial statements as of 31 December 2017 and subsequent publications.

The quarterly figures on the asset, financial and earnings position have been prepared in conformity with International Financial Reporting Standards (IFRS) as applicable within the European Union.

The accounting policies applied are the same as those used for the last year-end consolidated financial statements. We published a detailed description of the methods applied in the notes to the consolidated financial statements for 2017. Furthermore, since 1 January 2018, the Group has applied both IFRS 9 "Financial Instruments" as well as IFRS 15 "Revenue from Contracts with Customers". The use of these new standards did not result in any significant effects on the Group's assets, financial and earnings position.

## Business activities

### Business model

Encavis AG is listed in the SDAX segment of Deutsche Börse and makes use of the various opportunities offered by the generation of power from renewable energy sources. As an independent operator of environmentally friendly and emission-free power plant capacities, Encavis has continued to expand its generation portfolio since 2009 and is one of Europe's largest independent power producers (IPPs) in the renewable energy sector. The Group's core business is the acquisition and operation of solar parks and onshore wind parks. When acquiring new installations, the Group generally focuses on turnkey projects or existing installations with guaranteed feed-in tariffs or long-term power purchase agreements and which are built in geographical regions that stand out due to a stable economic environment and reliable investment and operating conditions. Solar parks and wind parks can therefore generate reliable returns and predictable cash flows.

Moreover, Encavis – through its subsidiary Encavis Asset Management AG – offers attractive opportunities for institutional investors to invest in facilities for the production of renewable energies. Asset Management includes all services in this business segment – that is, the initiation of funds and/or the individual design and structuring of other investments for professional investors within the renewable energies sector as well as the operation of the facilities owned by these investors.

Encavis currently operates a total of 173 solar parks and 67 wind parks with a capacity of more than 1.9 GW in Germany, Italy, France, the United Kingdom, Austria, Finland, Sweden, Denmark, the Netherlands and Spain. Of those, the Group operates eight solar parks and 34 wind parks as part of their third-party Asset Management segment.

## Industry-specific underlying conditions

### Renewable energy continues to grow

During the reporting period, the structural changes to the energy sector as well as climate politics continued unencumbered and remain one of the megatrends of our time. The global expansion of renewable energies therefore also continued in the first nine months of the current financial year.

On 13 November 2018, the European Parliament determined the binding objective that, by the year 2030, renewable energies would make up at least 32 % of gross final energy consumption, which is intended to contribute to the achievement of the climate objectives set out by the European Union.

According to new estimates, energy production from renewable energies will grow by 13.3 % to 154.6 GW worldwide in 2018. According to the 2018 Global Status Report of the Renewable Energy Policy Network for the 21st Century (REN21), one-fifth of the world's energy needs is already covered by renewable energies. The estimates assume that this proportion will increase to one-third by 2023. The photovoltaic and wind sectors are experiencing particularly strong growth.

Not only do the numerous international and supranational political agreements and targets for achieving climate policy goals contribute to the worldwide growth and expansion of renewable energies, but many companies are also increasingly relying on renewable energies. For example, 154 international companies have already joined the RE100 initiative and thus committed themselves to covering 100 % of their electricity needs with renewable energies in the future. The capacity of power purchase agreements (PPAs) concluded around the world is growing accordingly. According to Bloomberg New Energy Finance, PPAs with a capacity of 2.2 GW were concluded in 2014, and this increased to 5.4 GW in 2017. In July of this year, the total of PPAs signed globally came to 7.2 GW.

### Developments in core markets

During the reporting period, there were no material changes to the legislative framework for renewable energies that could adversely affect the business model of Encavis AG.

The draft of the German energy collective law (*Energiesammelgesetz* – EnSaG) passed by the Federal Ministry for Economic Affairs and Energy on 5 November 2018 also has no impact on Encavis AG. The draft does provide for a change to the Renewable Energy Sources Act (EEG), including a reduction in future subsidies for roof-mounted photovoltaic installations; however, Encavis AG operates solar parks which are exclusively ground-mounted and is therefore not affected by the EnSaG.

Encavis invests in turnkey or existing (onshore) solar and wind parks as well as in installations currently under construction and which have guaranteed feed-in tariffs or long-term power purchase agreements (PPA). Encavis never subjects itself to project planning risks. Any changes to the future structuring of subsidy systems and mechanisms for renewable energies are accounted for within the return calculations for new investments and have no influence on the company's existing portfolio. Furthermore, as part of its Asset Management segment, Encavis offers institutional investors – both via various investment vehicles as well as direct investments – the opportunity to invest in attractive renewable energy installations. Encavis Asset Management AG, a wholly owned subsidiary of Encavis AG, is responsible for business with institutional investors within the Encavis Group.

## Course of business

### **Encavis and Irish sovereign development fund ISIF conclude partnership in order to make joint investments in the Irish solar market via projects of Irish project developer Power Capital**

On 18 January 2018, Encavis AG concluded a partnership with Irish sovereign development fund Ireland Strategic Investment Fund (ISIF) in order to make joint investments in a solar park portfolio belonging to Irish project developer Power Capital comprising more than 20 parks with a total generation capacity in excess of 140 MW. By virtue of the partnership, the Irish sovereign development fund will be investing in the solar energy sector in Ireland for the first time, thus developing the country's solar market in conjunction with Encavis. The partnership envisages that ISIF, as a silent partner, will acquire 25 % of the equity for each of the projects in which Encavis AG invests in Ireland.

It is planned to build solar parks on the east and south-west coasts of Ireland, from the region of Louth to the region of West Cork. The individual parks will measure between 5 MW and 25 MW in scale. All necessary permits were obtained at the end of 2017 for parks with a generation capacity totalling 110 MW.

The Irish government has set a target of meeting some 40 % of Irish electricity demand with renewable energies by 2020. In order to meet this target, it is expected that Ireland will introduce a new system of government subsidies for renewable energies. A study published by consultancy firm KPMG estimates that generation capacity of more than 3,750 MW would have to be installed by 2030 in order to meet the demand and potential within the Irish solar market.

### **Renaming to “Encavis”**

On 27 February 2018, the company announced its new name of “Encavis AG”. Following the merger of Capital Stage AG (as was) and CHORUS Clean Energy AG in 2016, both companies are now publicly pooling their strength and expertise in the renewable energy sector under a new name. Our new brand, “Encavis”, symbolises the three pillars on which our company is built. It stands for “energy” and thus the product that is the focus of our investments and operating activities. It also stands for “capital” and thus for the financial part of our business model. And finally it stands for “vision” – after all, we are committed to the energy system of the future and we make renewable energies economically viable. The name change also affects the companies Encavis Asset Management AG (formerly: CHORUS Clean Energy AG) and Encavis Technical Services GmbH (formerly: Capital Stage Solar Service GmbH).

### **Encavis AG acquires solar park with capacity of 43.9 MW in the Netherlands, thus implementing first project with Solarcentury**

On 12 March 2018, Encavis announced the acquisition of a ready-to-build solar park with a total generation capacity of 43.9 MW close to the Dutch city of Eindhoven, in the province of North Brabant. The project developer for the park is British company Solarcentury, with whom Encavis AG entered into a strategic partnership in December 2017. This partnership concerns access to solar parks with a total generation capacity of some 1.1 GW over the next three years. Grid connection is planned for the fourth quarter of 2018. The total investment volume, including project-related debt financing, is around EUR 44 million. Solarcentury will provide almost 20 % of the equity share of the investment. A guaranteed feed-in tariff of EUR 0.104 per kilowatt-hour has been secured for the first 15 years following grid connection as part of an auction process. The company expects the solar park to generate annual revenue of almost EUR 4.5 million from the first year of full operation onwards. Commercial and technical operation will be handled by Solarcentury.

### **Changes in the Management Board of Encavis AG**

On 27 April 2018, Encavis AG announced that Holger Götze had, by mutual and amicable agreement, stepped down from the Management Board as of 26 April 2018.

Due to the acquisition of CHORUS Clean Energy AG, Holger Götze had served on the Management Board of Encavis AG since October 2016. During this period, he played, for example, a crucial role in the successful integration of CHORUS, now Encavis Asset Management AG, within Encavis AG. In this regard, he was particularly influential in developing the asset management business for institutional investors and establishing it as an independent business segment within the Encavis Group.

Once CHORUS had been integrated within Encavis AG, Holger Götze and the Supervisory Board agreed that he would terminate his Management Board contract early. Dr Dierk Paskert, CEO of Encavis AG since 1 September 2017, and Dr Christoph Husmann, CFO of Encavis AG since 1 October 2014, take over the duties of Holger Götze.

### **Encavis AG successfully issues first “Green Schuldschein” with a volume of EUR 50 million for further growth financing**

On 6 September 2018, Encavis announced the successful placement of a debenture bond with a volume of EUR 50 million with international and national institutional investors. As part of the process, Encavis AG issued its debenture bond as a “Green Schuldschein” for the first time. The Climate Bond Standard Executive Board confirmed that the funds would only be used for purposes that have a positive impact on climate and environmental protection. With the classification as a “Green Schuldschein”, Encavis AG is expanding its range of instruments for financing growth. Thanks to this classification, the debenture bond was also able to be subscribed by ESG (environmental, social and governance) investors, who adhere to binding environmental and social standards. The Green Schuldschein is available with maturities of five, seven and ten years, each of which was placed at the lower end of the marketing range. The transaction was accompanied by DZ BANK AG as the sole arranger and book-runner.

The funds raised through the hybrid convertible bond issued in September 2017 along with the now successfully placed Green Schuldschein will be used in particular for financing the acquisition pipeline of solar parks from the two strategic partnerships with Solarcentury as well as Power Capital and Ireland Strategic Investment Fund. The total generation capacity of this pipeline amounts to some 1.3 GW.

### **Encavis AG continues growth course and acquires additional solar and wind parks with output of 23 MW**

On 12 September 2018, Encavis AG announced the acquisition of an additional solar park in Germany as well as the purchase of five other wind parks in Denmark with a generation capacity of 23.1 MW in total. The solar park was connected to the grid in 2012 and benefits from a guaranteed feed-in tariff in the amount of some EUR 0.18 per kilowatt-hour through 2032. The five wind installations in Denmark have been connected to the grid since 2014 and also benefit from government-guaranteed subsidies.

The solar park acquired in Germany has a generation capacity of 6.6 MW and is located in the town of Boizenburg in Mecklenburg, around 70 kilometres from Hamburg. From the first full year of operation onward, Encavis expects the installation to make annual revenue contributions of some EUR 1.2 million. The total investment volume, including project-related debt financing, amounts to some EUR 9.7 million. The sale of the installation was structured and organised by Irish project development company Power Capital. Together with the Irish sovereign fund Ireland Strategic Investment Fund, Power Capital and Encavis had entered into a strategic partnership in January 2018 for investments in the Irish solar energy market.

The total generation capacity of the five wind installations in Denmark, which are equipped with Vestas V 112 turbines, is approximately 16.5 MW. Three of the installations acquired are a part of the Norhede III wind park, and two others belong to the Norhede II wind park on Denmark’s North Sea coast. The total investment volume for all five wind installations, including project-related debt financing, amounts to some EUR 18.0 million.

In Denmark, wind parks benefit from a government feed-in subsidy which is granted for the first 22,000 full-load hours. Encavis expects the five installations to generate revenue contributions of about EUR 2.5 million per year.

### **Segment development**

The business activities of the Group are subject to seasonal influences, leading to fluctuations in revenue and results throughout the course of the year. In terms of the PV Parks segment, the months from April to September generate more revenue than the autumn and winter months.

Actual power fed into the grid by the PV Parks segment in the first nine months of 2018 came to 742,099 megawatt-hours (MWh) (previous year: 634,549 MWh). The solar parks in Germany accounted for around 35 % of the feed-in power (previous year: 36 %), those in France for 27 % (previous year: 24 %), those in Italy for 23 % (previous year: 29 %) and

those in the United Kingdom for 15 % (previous year: 11 %). In total, due to an above-average number of hours of sunshine in Germany, the solar park portfolio outperformed expectations in the first nine months of 2018.

Actual power fed into the grid by the Wind Parks segment in the first nine months of 2018 came to 436,050 MWh (previous year: 348,901 MWh). Of this figure, some 67 % (previous year: 74 %) is attributable to wind parks in Germany, 13 % (previous year: 15 %) to wind parks in France, 11 % (previous year: 9 %) to wind parks in Austria, 7 % (previous year: 0 %) to wind parks in Denmark and 2 % (previous year: 2 %) to the wind park in Italy. Wind speeds were significantly below the long-term average, so on a cumulative basis the wind park portfolio was below plan as of 30 September 2018.

## Operating earnings (non-IFRS)

### Adjustment to the previous year's figures

In the 2017 consolidated financial statements, Encavis adjusted the composition of its operating financial earnings to also include an appropriate consideration of non-controlling interests in private companies in its operating key financial figures. This adjustment had not yet been taken into account in the report for the third quarter of 2017. As a result, this adjustment has now also been applied to the comparative figures for the previous year, which is why there has been a change in some key figures for the previous year compared with the figures published in the report for the third quarter of 2017, although each figure is below EUR 1 million. In the following, all information that deviates from the figures published in the report for the third quarter of 2017 due to this adjustment have been marked with a superscript 1 (<sup>1</sup>). In tables, the superscript 1 has been placed next to the year (column heading); in text blocks, the superscript 1 has been placed directly behind the corresponding figure.

Encavis has also adjusted the composition of individual items in the cash flow statement. Please refer to the notes to the interim consolidated financial statements as at 30 June 2018 further details. On an aggregated level, this resulted in an adjustment of TEUR 19 in cash flow from operating activities. In the following, all information that deviates from the figures published in the report for the third quarter of 2017 due to this adjustment have been marked with a superscript 2 (<sup>2</sup>). In tables, the superscript 2 has been placed next to the year (column heading); in text blocks, the superscript 2 has been placed directly behind the corresponding figure.

### Explanation of the earnings

#### Revenue and other income

During the first nine months of 2018, the Group generated revenues of TEUR 200,911 (previous year: TEUR 179,789). This corresponds to an increase of some 12 % and was driven both by the expansion of the solar park portfolio as well as by the expansion of the wind park portfolio, and was achieved in comparison to a meteorologically strong comparative period in 2017. The increased sunshine in Germany since mid April up to the reporting date ensured that revenue losses due to meteorological factors from the first quarter of the 2018 financial year could be made up for.

Sales revenues are made up of revenue from feeding electricity into the grid, from the operation of parks owned by third parties and from additional revenue from Asset Management.

The Group generated other operating income of TEUR 6,140 (previous year: TEUR 4,067). This includes income from other periods in the amount of TEUR 1,799 (previous year: TEUR 1,921).

#### Personnel expenses and other expenses

Operating personnel expenses came to TEUR 9,850 (previous year: TEUR 7,056). On the one hand, the increase is due to the expansion of the team at Encavis AG. On the other hand, the number of members of the Management Board of Encavis AG has increased to three since 1 September 2017 with the addition of Dr Dierk Paskert as CEO of Encavis AG. With the departure of Holger Götze on 26 April 2018, one-time personnel expenses were incurred in this context in the reporting period.

Other operating expenses of TEUR 40,580 were incurred (previous year: TEUR 33,566). This mainly consists of costs of TEUR 29,450 for operating solar parks and wind parks (previous year: TEUR 26,149). Other expenses also include TEUR 10,869 in costs of current operations (previous year: TEUR 7,718). The increase in costs is based in particular on the growth of the existing portfolio and the associated increase in expenses as well as various consulting costs.

#### EBITDA

Operating earnings before interest, taxes, depreciation and amortisation (EBITDA) were TEUR 155,319 in the first nine months of 2018 (previous year: TEUR 142,139). The EBITDA margin was around 77 % (previous year: 79 %). The



depreciation and amortisation of TEUR 54,510 (previous year: TEUR 48,883) chiefly comprises scheduled depreciation of the photovoltaic and wind power installations.

**EBIT**

Operating earnings before interest and tax (EBIT) totalled TEUR 100,810 (previous year: TEUR 93,256). The EBIT margin was around 50 % (previous year: 52 %).

**Financial result**

Operating financial earnings totalled TEUR -39,548 (previous year: TEUR -39,115)<sup>1</sup>. This includes in particular the interest expenses for the non-recourse loans to finance installations in the park companies and interest expenses in connection with the mezzanine capital of Gothaer Versicherungen.

**EBT**

Operating earnings before taxes (EBT) therefore came to TEUR 61,262 (previous year: TEUR 54,142)<sup>1</sup>. At around 30 %, the EBT margin is at the level of the previous year (30 %)<sup>1</sup>.

**Taxes**

The consolidated statement of comprehensive income shows operating tax expenses totalling TEUR 6,717 (previous year: TEUR 7,315), mainly for effective tax payments in connection with solar and wind parks.

**Consolidated earnings**

Altogether, this resulted in consolidated operating earnings of TEUR 54,544 (previous year: TEUR 46,827)<sup>1</sup>.

**Determining the operating KPIs (adjusted for IFRS effects)**

As outlined in the “Internal management system at Encavis” section of the 2017 annual report, Group IFRS accounting is influenced by non-cash measurement effects and the resulting depreciation and amortisation. In addition, non-cash interest effects and deferred taxes impair a transparent view of the operating earnings situation as per IFRS.

in TEUR	01.01.–30.09.2018	01.01.–30.09.2017 <sup>4</sup>
Revenue	200,911	179,789
Other income	17,260	27,275
Cost of materials	-1,300	-1,096
Personnel expenses, of which TEUR –336 (previous year: TEUR –100) in share-based remuneration	-9,943	-7,156
Other expenses	-40,883	-33,987
<b>Adjusted for the following effects:</b>		
Income from the disposal of financial investments and other non-operating income	-29	-18
Other non-cash income (primarily profit from business combinations [badwill] and the reversal of interest rate advantages from subsidised loans [government grants] as well as non-cash non-period income)	-11,092	-23,191
Other non-operating expenses	303	421
Share-based remuneration (non-cash)	93	100
<b>Adjusted operating EBITDA</b>	<b>155,319</b>	<b>142,139</b>
Depreciation and amortisation	-82,918	-75,711
<b>Adjusted for the following effects:</b>		
Amortisation of intangible assets (electricity feed-in contracts) acquired as part of business combinations	33,538	32,177
Subsequent measurement of uncovered hidden reserves and liabilities on step-ups for property, plant and equipment acquired as part of business combinations	-5,130	-5,349
<b>Adjusted operating EBIT</b>	<b>100,810</b>	<b>93,256</b>
Financial result	-35,344	-35,584
<b>Adjusted for the following effects:</b>		
Other non-cash interest and similar expenses and income (primarily arising from effects of currency translation, effective interest rate calculation, swap valuation and interest cost from subsidised loans [government grants])	-4,204	-3,531
<b>Adjusted operating EBT</b>	<b>61,262</b>	<b>54,142</b>
Tax expenses	-5,637	-18,498
<b>Adjusted for the following effects:</b>		
Deferred taxes (non-cash items)	-1,080	11,183
<b>Adjusted consolidated operating earnings</b>	<b>54,544</b>	<b>46,827</b>

## Net assets and financial position

### Financial position and cash flow

The change in cash and cash equivalents in the reporting period came to TEUR 58,100 (previous year: TEUR 67,359)<sup>2</sup>. This broke down as follows:

Cash flow from operating activities amounts to TEUR 128,729 (previous year: TEUR 118,759)<sup>2</sup>. This consists largely of cash inflows from the operating business of the solar and wind parks and the resulting proceeds. Also included here are changes in assets and liabilities not attributable to investing or financing activities.

Cash flow from investing activities of TEUR -88,368 (previous year: TEUR -114,217)<sup>2</sup> was mainly for payments for the acquisition of solar parks in the Netherlands and Germany and wind parks in Denmark and Germany, as well as payments related to investments in property, plant and equipment for the construction of solar and wind parks in France, the Netherlands and Austria.

Cash flow from financing activities of TEUR 17,739 (previous year: TEUR 62,817)<sup>2</sup> results primarily from the regular loan repayments and interest paid less the loans for newly acquired solar and wind parks paid out after the dates of initial consolidation. Also included are the payment of the dividend for the 2017 financial year in the amount of TEUR 20,838, the dividend payment to hybrid bondholders in the amount of TEUR 2,554, inflows from the issue of the Green Schuldschein in the amount of TEUR 50,000 and the taking out of a money market loan in the amount of TEUR 28,000.

### Assets position

As at 30 September 2018, equity amounted to TEUR 720,135 (31 December 2017: TEUR 698,594). The change in the amount of TEUR 21,541, or 3.08 %, is primarily the result of the earnings for the period as well as the issue of new shares. The payment of dividends had the opposite effect. The equity ratio is 26.90 % (31 December 2017: 27.73 %). Total assets increased from TEUR 2,519,698 as of 31 December 2017 to TEUR 2,674,268 as of 30 September 2018.

### Liabilities

As of 30 September 2018, the Group has bank and leasing liabilities amounting to TEUR 1,607,979 (31 December 2017: TEUR 1,487,365). These loans and leases relate to funding for solar parks and wind parks and the mezzanine capital provided by Gothaer Versicherungen in November 2014. This also includes liabilities from listed notes for the Grid Essence portfolio including accrued interest in the amount of TEUR 38,895 as well as liabilities from debenture bonds in the amount of TEUR 73,000. This does not include amounts recognised under other liabilities totalling TEUR 10,292 (31 December 2017: TEUR 10,678), which comprises interest advantages from low-interest government loans (KfW) and is to be accounted for in accordance with IAS 20 and shown separately. Non-current liabilities from the mezzanine capital amounted to TEUR 150,000 as of 30 September 2018 and as of 31 December 2017. Liability for almost all debt related to the parks is limited (non-recourse financing).

As of 30 September 2018, liabilities to non-controlling interests amounted to TEUR 24,270 (31 December 2017: TEUR 20,496).

The value of provisions as of 30 September 2018 amounts to TEUR 44,965 (31 December 2017: TEUR 32,621). This comprises provisions for restoration obligations (TEUR 37,799) and other provisions (TEUR 7,167).

Trade liabilities decreased from TEUR 20,261 as of 31 December 2017 to TEUR 15,597 as of 30 September 2018.

## Events after the balance sheet date

### Encavis AG acquires the largest solar park in the company's history with a capacity of 300 MW

On 9 October 2018, Encavis announced the acquisition of the largest solar park in the company's history. The park is located near the Spanish city of Talayuela. With a generation capacity of some 300 MW, the installation is also one of the largest solar parks in Europe. Encavis has thus realised a further step in its growth process stemming from the strategic partnership – comprising 1.1 GW – with British project development company and operator Solarcentury.

This solar park will enable Encavis AG to realise a solar project entirely without any government-guaranteed feed-in tariffs. For the first time in the company's history, Encavis is carrying over the already-successful practice from the wind market of direct power purchase agreements with industrial customers to the high-growth solar market. The price of the electricity produced by the photovoltaic installation near Talayuela is secured for ten years by a European company with a strong financial foundation. The project is financed by a renowned bank consortium.

The investment volume, including project-related debt financing, is approximately EUR 225 million. Solarcentury will participate with 20 % in the investment and will also be responsible for the commercial and technical management of the park. The installation is expected to be connected to the grid at the end of the first quarter of 2020. Encavis expects the solar park to generate annual revenue of approximately EUR 25 million from the full first year of operation onwards. The investment will significantly increase the average yield of the Encavis portfolio as a whole.

The engineering firms Kompa Solaire SASU and Genia Global Energy Solutions, S.L., which develop and fund new technologies to increase the profitability of renewable energies, were also involved in the development of the project.

The transaction is subject to standard conditions precedent.

There were no other significant events after the conclusion of the balance sheet date.

## Opportunities and risks

There were no material changes in the reporting period to the opportunities and risks outlined in the annual report for the 2017 financial year and in the 2018 semi-annual report.

Furthermore, the Management Board of Encavis AG is, at the time of preparing this quarterly report, not aware of any risks that would jeopardise the continued existence of the company or the Group.

## Forecast

The following statements include forecasts and assumptions that are not certain to materialise. If one or more of these forecasts or assumptions do not materialise, actual results and developments may differ substantially from those outlined.

### Underlying conditions for renewable energies

#### Renewable energies: a megatrend

The expansion of renewable energies continues to go from strength to strength around the world – the aim being to achieve a secure, sustainable and climate-friendly energy supply. Emerging and developing countries in particular are currently leading the way for this global dynamic of capacity expansion.

Solar Power Europe (SPE), the association of Europe's solar industry, has published its most recent expectations of capacity expansion in the photovoltaic sector under the title "Global Market Outlook 2017–2021". In the optimistic scenario in its report, SPE expects that global photovoltaic generation capacity will climb to more than 900 GW by 2021; in its pessimistic scenario, it predicts that this figure will rise to more than 600 GW.

The wind power sector will also witness significant expansion over the next few years. According to the forecasts of the Global Wind Energy Council ("Market Forecast for 2018–2022"), generation capacities in the wind energy sector could rise to nearly 840 GW by the year 2022.

### Overview of expected development

Encavis invests in turnkey or existing (onshore) solar and wind parks, as well as installations under construction, and also generally takes over the commercial and technical management of the parks. In doing so, the business development of the company benefits both from the continued expansion of renewable energies as well as from a growing secondary market. Furthermore, there continues to be great demand for investment opportunities – in particular amongst pension funds and insurance companies. With their long-term and stable cash flows and attractive returns on investment, renewable energy installations are a suitable investment class in this case. As part of the Asset Management segment, Encavis offers institutional investors a wide variety of opportunities to invest in renewable energies or renewable energy installations.

Both the existing and future expectations surrounding the underlying industry-specific conditions as well as the consistently low interest rates provide Encavis with the ideal environment for further qualitative growth. Encavis is also focusing increasingly on the conclusion of strategic partnerships with leading project developers. At the end of 2017, for example, the company announced a strategic partnership with British project developer Solarcentury in respect of an asset pipeline of some 1.1 GW over the next three years. With the successful investment in a solar park in the Netherlands and a solar park in Spain, Encavis – together with its partner – has managed to realise more than one-third of this pipeline in the current year. Moreover, in January of this year, Encavis agreed an additional partnership with Irish sovereign development fund Ireland Strategic Investment Fund (ISIF) and Irish project development company Power Capital (PC) regarding a solar-energy asset pipeline of some 200 MW in Ireland.

In addition to a comprehensive pipeline of existing assets from the strategic partnerships with Solarcentury and the Irish sovereign fund, Encavis AG reviews additional partnerships and opportunities in the existing core markets and beyond on an ongoing basis.

The Management Board of Encavis AG reaffirmed its guidance for the current financial year published in March 2018 on the basis of the earnings from the first nine months of the 2018 financial year. The earnings forecast issued by Encavis AG for the 2018 financial year is based solely on the portfolio of solar and wind parks as of 16 March 2018, as well as the assumption of average meteorological conditions. According to the forecast, the company expects to generate the following operating earnings:

in EUR million	2018
Revenue	>240
Operating EBITDA*	>175
Operating EBIT*	>105
Cash flow from operating activities*	>163
Operating earnings per share in EUR*	>0.30

\* Operating; contains no IFRS-related, non-cash valuation effects.

## Other information

### Employees

The Group had an average of 119 employees in the period from 1 January to 30 September 2018 (previous year: 99). The average figures were determined using the number of employees at the end of each quarter. On 30 September 2018, apart from the Management Board members, the Group had 73 employees (previous year: 52) at Encavis AG, 39 (previous year: 37) at Encavis Asset Management AG, ten (previous year: ten) at Encavis Technical Services GmbH and two (previous year: five) at TC Wind Management GmbH (formerly: TC Asset Management GmbH). The increase in the number of employees is primarily due to the expansion of the team of Encavis AG brought on by growth.

### Dividends

The Management and Supervisory Boards of Encavis AG want the shareholders to share in the success of the company to an appropriate extent. At the annual shareholders' meeting on 8 May 2018, they therefore proposed the payment of a dividend in the amount of EUR 0.22 for each dividend-entitled share. The Annual General Meeting approved the recommendation of the company by a large majority. The dividend was also once again offered as an optional dividend which provides the shareholders with the greatest possible freedom to choose. A portion of the balance sheet profit of EUR 34,388,583.44 for the 2017 financial year was used to pay out the cash dividend – which was carried out on 11 June 2018 – in accordance with the resolution passed at the Annual General Meeting of Encavis AG. With an acceptance rate of nearly 40 %, the optional dividend was once again well received. In total, 1,185,126 new bearer shares were issued.

### Related-party disclosures (IAS 24)

As of the reporting date, rental contracts at arm's-length terms exist with B&L Holzhafen West GmbH & Co. KG, a company allocated to Supervisory Board members Albert Büll and Dr Cornelius Liedtke, for office space for Encavis AG.

For the company Encavis Asset Management AG, there is a rental agreement for the offices of the Asset Management segment in Neubiberg with PELABA Vermögensverwaltungs GmbH & Co. KG, a company that is allocated to Supervisory Board member Peter Heidecker. The rental agreement has a fixed term to 2019 and, after expiration of this term, will automatically extend for a period of one year each year unless terminated by either party with a notice period of six months. The monthly rent is based on arm's-length terms.

### Notification requirements

Notifications in accordance with section 21, paragraph 1, or paragraph 1a, of the Securities Trading Act (WpHG) are shown on the website of Encavis AG at <https://www.encavis.com/investor-relations/corporate-governance/>.

## Condensed consolidated statement of comprehensive income (IFRS)

in TEUR	01.01.-30.09.2018	01.01.-30.09.2017	Q3/2018	Q3/2017
Revenue	200,911	179,789	78,154	66,014
Other income	17,260	27,275	6,591	9,967
Cost of materials	-1,300	-1,096	-430	-392
Personnel expenses	-9,943	-7,156	-3,431	-2,547
<i>of which in share-based remuneration</i>	-336	-100	-90	-33
Other expenses	-40,883	-33,987	-14,470	-9,976
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>166,044</b>	<b>164,826</b>	<b>66,414</b>	<b>63,066</b>
Depreciation and amortisation	-82,918	-75,711	-27,969	-25,936
<b>Earnings before interest and taxes (EBIT)</b>	<b>83,126</b>	<b>89,115</b>	<b>38,445</b>	<b>37,130</b>
Financial income	10,776	10,494	3,044	5,290
Financial expenses	-46,120	-46,077	-14,228	-17,510
<b>Earnings before taxes on income (EBT)</b>	<b>47,782</b>	<b>53,531</b>	<b>27,262</b>	<b>24,910</b>
Taxes on income	-5,637	-18,498	-3,311	-10,103
<b>Consolidated earnings</b>	<b>42,144</b>	<b>35,033</b>	<b>23,950</b>	<b>14,808</b>
<b>Items which can be reclassified to profit or loss</b>				
Currency translation differences	145	164	-3	11
Hedging of cash flows – effective part of the change in fair value	3,419	3,069	1,725	41
Cost of hedging measures	-33	0	8	0
Change in the market value of available-for-sale financial assets	0	-248	0	-72
Income taxes on items which can be reclassified to profit or loss	-811	-847	-407	-18
<b>Consolidated comprehensive income</b>	<b>44,865</b>	<b>37,171</b>	<b>25,273</b>	<b>14,770</b>
<b>Earnings for the period attributable to</b>				
Shareholders of Encavis AG	37,192	33,520	21,983	13,969
Non-controlling interests	1,132	1,261	686	587
Hybrid capital investors	3,821	252	1,281	252
<b>Consolidated comprehensive income for the period attributable to</b>				
Shareholders of Encavis AG	39,912	35,658	23,306	13,931
Non-controlling interests	1,132	1,261	686	587
Hybrid capital investors	3,821	252	1,281	252
<b>Earnings per share</b>				
Average number of shares in circulation in the reporting period				
<i>Undiluted</i>	128,889,735	127,358,629	129,461,253	128,252,214
<i>Diluted</i>	128,944,771	127,378,951	129,471,416	128,272,454
Earnings per share (undiluted, in EUR)	0.29	0.26	0.17	0.11
Earnings per share (diluted, in EUR)	0.29	0.26	0.17	0.11

## Condensed consolidated financial statements (IFRS)

Assets in TEUR	30.09.2018	31.12.2017
Intangible assets	589,006	609,482
Goodwill	32,404	32,405
Property, plant and equipment	1,551,051	1,455,168
Financial investments recognised using the equity method	302	690
Financial investments	6,400	11,071
Other accounts receivable	14,579	14,558
Deferred tax assets	114,159	118,896
<b>Total non-current assets</b>	<b>2,307,902</b>	<b>2,242,271</b>
Inventories	353	339
Trade receivables	60,883	40,146
Non-financial assets	6,844	8,585
Receivables from income taxes	19,609	21,471
Other current receivables	16,753	11,311
Liquid assets	261,924	195,577
<i>Cash and cash equivalents</i>	182,748	124,388
<i>Restricted liquid assets</i>	79,176	71,188
<b>Total current assets</b>	<b>366,365</b>	<b>277,428</b>
<b>Total assets</b>	<b>2,674,268</b>	<b>2,519,698</b>

Equity and liabilities in TEUR	30.09.2018	31.12.2017
Subscribed capital	129,487	128,252
Capital reserve	413,104	406,834
Reserve for equity-settled employee remuneration	515	458
Other reserves	266	-2,753
Distributable profit	72,257	63,737
<b>Equity attributable to Encavis AG shareholders</b>	<b>615,629</b>	<b>596,528</b>
Equity attributable to non-controlling interests	10,337	6,582
Equity attributable to hybrid capital investors	94,169	95,484
<b>Total equity</b>	<b>720,135</b>	<b>698,594</b>
Non-current liabilities to non-controlling interests	6,000	2,791
Non-current financial liabilities	1,380,914	1,284,199
Non-current leasing liabilities	75,532	80,578
Non-current provisions	38,008	26,089
Other non-current liabilities	10,647	11,078
Deferred tax liabilities	233,357	233,548
<b>Total non-current liabilities</b>	<b>1,744,458</b>	<b>1,638,283</b>
Current liabilities to non-controlling interests	18,270	17,705
Liabilities from income taxes	5,065	7,027
Current financial liabilities	146,998	117,996
Current leasing liabilities	6,705	6,612
Trade payables	15,597	20,261
Other current debt	9,874	6,689
Current provisions	7,167	6,532
<b>Total current liabilities</b>	<b>209,675</b>	<b>182,821</b>
<b>Total equity and liabilities</b>	<b>2,674,268</b>	<b>2,519,698</b>



## Condensed consolidated cash flow statement (IFRS)

in TEUR	01.01.-30.09.2018	01.01.-30.09.2017 <sup>2)</sup>
Net profit/loss for the period	42,144	35,033
<b>Cash flow from operating activities</b>	<b>128,729</b>	<b>118,759</b>
<b>Cash flow from investing activities</b>	<b>-88,368</b>	<b>-114,217</b>
<b>Cash flow from financing activities</b>	<b>17,739</b>	<b>62,817</b>
<b>Change in cash and cash equivalents</b>	<b>58,100</b>	<b>67,359</b>
Changes in cash due to exchange rate changes	10	-216
Cash and cash equivalents		
As at 01.01.2018 (01.01.2017)	119,984	125,698
As at 30.09.2018 (30.09.2017)	178,094	192,841

<sup>2)</sup> Some of the previous-year figures have been adjusted.

## Condensed consolidated statement of changes in equity (IFRS)

in TEUR	Subscribed capital	Capital reserve	Other reserves			
			Currency translation reserve	Hedge reserve	Cost of hedging measures	Reserve from changes in fair value
<b>As at 01.01.2017</b>	<b>126,432</b>	<b>399,559</b>	<b>1,062</b>	<b>-4,887</b>		<b>-142</b>
Consolidated earnings						
Other comprehensive income			164	2,159		-185
<b>Consolidated comprehensive income for the period</b>			<b>164</b>	<b>2,159</b>		<b>-185</b>
Dividend						
Income and expenses recognised directly in equity						
Changes from capitalisation measures	1,820	8,973				
Issue of hybrid bonds						
Transactions with shareholders recognised directly in equity		-1,604				
Issuance costs		-92				
Acquisition of shares from non-controlling interests						
<b>As at 30.09.2017</b>	<b>128,252</b>	<b>406,836</b>	<b>1,226</b>	<b>-2,728</b>		<b>-327</b>
<b>As at 01.01.2018</b>	<b>128,252</b>	<b>406,834</b>	<b>1,176</b>	<b>-3,630</b>		<b>-298</b>
Effect from the first-time application of IFRS 9						298
<b>As at 01.01.2018 (adjusted for IFRS 9)</b>	<b>128,252</b>	<b>406,834</b>	<b>1,176</b>	<b>-3,630</b>		
Consolidated earnings						
Other comprehensive income			145	2,604	-29	
<b>Consolidated comprehensive income for the period</b>			<b>145</b>	<b>2,604</b>	<b>-29</b>	
Dividend						
Income and expenses recognised directly in equity						
Changes from capitalisation measures	1,235	6,329				
Transactions with shareholders recognised directly in equity		22				
Issuance costs		-117				
Exercise of stock options		35				
Acquisition of shares from non-controlling interests						
<b>As at 30.09.2018</b>	<b>129,487</b>	<b>413,104</b>	<b>1,321</b>	<b>-1,026</b>	<b>-29</b>	

in TEUR	Reserve for equity-based employee remuneration	Net retained profit	Equity attributable to Encavis AG shareholders	Equity attributable to non-controlling interests	Equity attributable to hybrid capital investors	Total
<b>As at 01.01.2017</b>	<b>344</b>	<b>63,342</b>	<b>585,710</b>	<b>22,846</b>		<b>608,556</b>
Consolidated earnings		33,520	33,520	1,261	252	35,033
Other comprehensive income			2,138			2,138
<b>Consolidated comprehensive income for the period</b>		<b>33,520</b>	<b>35,658</b>	<b>1,261</b>	<b>252</b>	<b>37,172</b>
Dividend		-25,286	-25,286			-25,286
Income and expenses recognised directly in equity	100		100			100
Changes from capitalisation measures			10,793			10,793
Issue of hybrid bonds					97,300	97,300
Transactions with shareholders recognised directly in equity			-1,604			-1,604
Issuance costs			-92		-3,239	-3,331
Acquisition of shares from non-controlling interests				-16,110		-16,110
<b>As at 30.09.2017</b>	<b>444</b>	<b>71,576</b>	<b>605,279</b>	<b>7,997</b>	<b>94,313</b>	<b>707,587</b>
<b>As at 01.01.2018</b>	<b>458</b>	<b>63,737</b>	<b>596,528</b>	<b>6,582</b>	<b>95,484</b>	<b>698,594</b>
Effect from the first-time application of IFRS 9		-456	-158			-158
<b>As at 01.01.2018 (adjusted for IFRS 9)</b>	<b>458</b>	<b>63,281</b>	<b>596,370</b>	<b>6,582</b>	<b>95,484</b>	<b>698,436</b>
Consolidated earnings		37,192	37,192	1,132	3,821	42,144
Other comprehensive income			2,720			2,720
<b>Consolidated comprehensive income for the period</b>		<b>37,192</b>	<b>39,912</b>	<b>1,132</b>	<b>3,821</b>	<b>44,865</b>
Dividend		-28,215	-28,215	-93	-5,108	-33,416
Income and expenses recognised directly in equity	93		93			93
Changes from capitalisation measures			7,564	73		7,637
Transactions with shareholders recognised directly in equity			22	-22		
Issuance costs			-117		-28	-145
Exercise of stock options	-35					
Acquisition of shares from non-controlling interests				2,665		2,665
<b>As at 30.09.2018</b>	<b>515</b>	<b>72,257</b>	<b>615,629</b>	<b>10,337</b>	<b>94,169</b>	<b>720,135</b>

## Condensed Group segment reporting (IFRS)

in TEUR	Administration	PV Parks	PV Service	Asset Management
<b>Revenue</b>	<b>0</b>	<b>160,371</b>	<b>3,146</b>	<b>2,128</b>
(Previous year's figures) <sup>3</sup>	(0)	(146,752)	(2,611)	(2,035)
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>-6,219</b>	<b>136,127</b>	<b>1,164</b>	<b>-1,409</b>
(Previous year's figures) <sup>3</sup>	(-4,764)	(137,382)	(1,070)	(444)
<b>Earnings before interest and taxes (EBIT)</b>	<b>-6,320</b>	<b>75,415</b>	<b>1,124</b>	<b>-2,125</b>
(Previous year's figures) <sup>3</sup>	(-4,669)	(80,092)	(1,027)	(-193)
<b>Financial result</b>	<b>-725</b>	<b>-29,944</b>	<b>0</b>	<b>165</b>
(Previous year's figures) <sup>3</sup>	(-877)	(-29,923)	(0)	(-823)
<b>Earnings before taxes on income (EBT)</b>	<b>-7,045</b>	<b>45,471</b>	<b>1,124</b>	<b>-1,960</b>
(Previous year's figures) <sup>3</sup>	(-5,546)	(50,169)	(1,027)	(-1,016)
<b>Consolidated profit/loss for the period (EAT)</b>	<b>-9,210</b>	<b>42,317</b>	<b>1,150</b>	<b>-2,067</b>
(Previous year's figures) <sup>3</sup>	(-5,362)	(34,283)	(807)	(-1,663)
<b>Earnings per share, undiluted</b>	<b>-0.10</b>	<b>0.32</b>	<b>0.01</b>	<b>-0.02</b>
(Previous year's figures) <sup>3</sup>	(-0.04)	(0.26)	(0.01)	(-0.01)
<b>Assets including investments</b>	<b>543,547</b>	<b>2,162,279</b>	<b>3,592</b>	<b>38,827</b>
(as at 31.12.2017)	(630,416)	(2,015,637)	(6,732)	(39,266)
<b>Cash flow from investing activities</b>	<b>-4,295</b>	<b>-28,896</b>	<b>1,234</b>	<b>1,040</b>
(Previous year's figures) <sup>2,3</sup>	(1,705)	(-42,369)	(995)	(-697)
<b>Debt</b>	<b>144,044</b>	<b>1,668,536</b>	<b>151</b>	<b>3,509</b>
(as at 31.12.2017)	(70,679)	(1,636,933)	(1,464)	(6,844)

In TEUR	Wind Parks	Reconciliation	Total
<b>Revenue</b>	<b>38,181</b>	<b>-2,917</b>	<b>200,911</b>
(Previous year's figures) <sup>3</sup>	(30,770)	(-2,379)	(179,789)
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>35,971</b>	<b>411</b>	<b>166,044</b>
(Previous year's figures) <sup>3</sup>	(30,709)	(-14)	(164,826)
<b>Earnings before interest and taxes (EBIT)</b>	<b>14,609</b>	<b>422</b>	<b>83,126</b>
(Previous year's figures) <sup>3</sup>	(12,861)	(-3)	(89,115)
<b>Financial result</b>	<b>-4,854</b>	<b>15</b>	<b>-35,344</b>
(Previous year's figures) <sup>3</sup>	(-3,960)	(-1)	(-35,584)
<b>Earnings before taxes on income (EBT)</b>	<b>9,755</b>	<b>437</b>	<b>47,782</b>
(Previous year's figures) <sup>3</sup>	(8,902)	(-4)	(53,531)
<b>Consolidated profit/loss for the period (EAT)</b>	<b>9,508</b>	<b>446</b>	<b>42,144</b>
(Previous year's figures) <sup>3</sup>	(6,465)	(503)	(35,033)
<b>Earnings per share, undiluted</b>	<b>0.07</b>	<b>0.00</b>	<b>0.29</b>
(Previous year's figures) <sup>3</sup>	(0.05)	(0.00)	(0.26)
<b>Assets including investments</b>	<b>879,333</b>	<b>-953,310</b>	<b>2,674,268</b>
(as at 31.12.2017)	(775,835)	(-948,188)	(2,519,698)
<b>Cash flow from investing activities</b>	<b>-36,740</b>	<b>-20,711</b>	<b>-88,368</b>
(Previous year's figures) <sup>2,3</sup>	(-46,505)	(-27,346)	(-114,217)
<b>Liabilities</b>	<b>625,032</b>	<b>-487,138</b>	<b>1,954,133</b>
(as at 31.12.2017)	(578,973)	(-473,788)	(1,821,105)

<sup>3)</sup> The previous-year figures have been adjusted (see explanation in the notes to the consolidated semi-annual report).

## Declaration by the legal representatives

We declare that, to the best of our knowledge and according to the applicable accounting standards, the interim report as of 30 September 2018, in connection with the annual report for 2017, gives a true and fair view of the net assets and financial and earnings positions of the Group, and that the situation of the Group is presented in a true and fair way as to suitably describe the principal opportunities and risks associated with the expected development of the Group.

Hamburg, November 2018

Encavis AG

Management Board



Dr Dierk Paskert

CEO



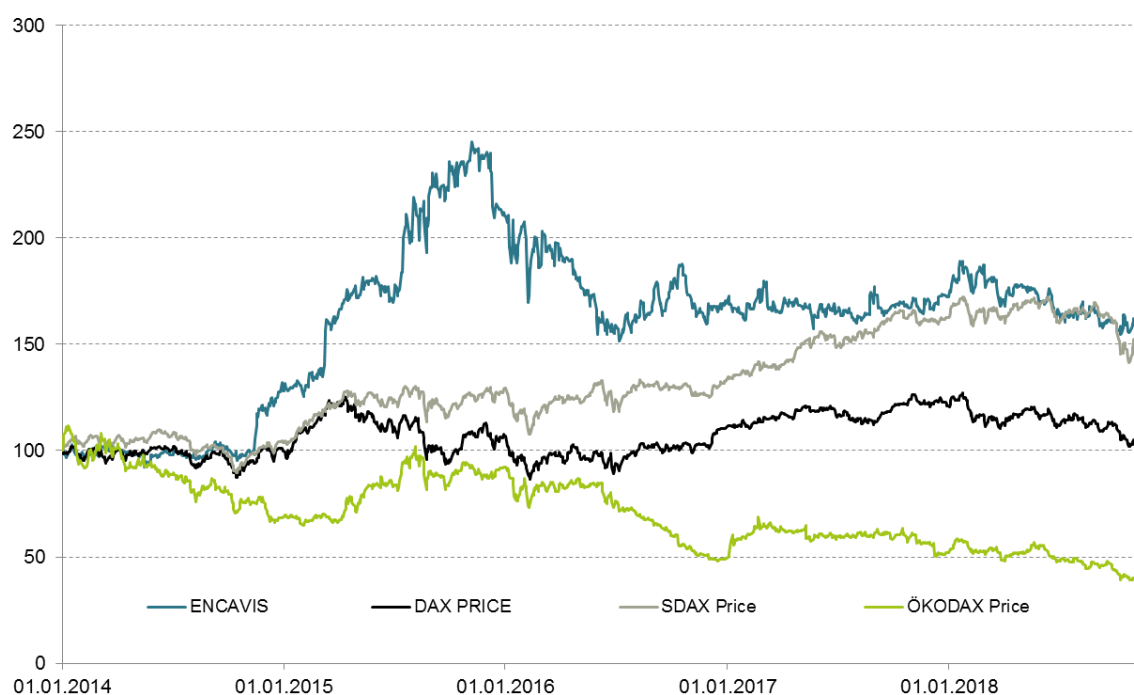
Dr Christoph Husmann

CFO

## The Encavis share

### Key financial figures

Listed since	28.07.1998
Subscribed capital	129,487,340 EUR
Number of shares	129.49 Mio.
Stock market segment	Prime Standard
Dividend 2016 per share	0.20 EUR
Dividend 2017 per share	0.22 EUR
52-week high	7.18 EUR
52-week low	5.71 EUR
Share price (27 November 2018)	5.97 EUR
Market capitalisation (27 November 2018)	773 Mio. EUR
Indexes	SDAX, HASPAX, PPVX, Solar Energy Stock Index
Trading centres	Xetra, Frankfurt am Main, Hamburg
ISIN	DE 0006095003
Designated sponsor	Odco Seydler Bank AG, HSBC Trinkhaus & Burkhardt AG



### Encavis AG financial calendar 2018/2019

Date	Financial event
5 December 2018	Berenberg European Conference, London (Pennyhill Park)
10 to 11 January 2019	ODDO BHF Forum, Lyons
17 January 2019	Paretos Power and Renewable Energy Conference 2019, Oslo
21 to 23 January 2019	UniCredit/Kepler Cheuvreux German Corporate Conference 2019, Frankfurt
5 to 6 February 2019	14th HSBC ESG Conference "Responsible Growth – Investments for the Future", Frankfurt
4 April 2019	Crédit Mutuel-CIC Conference, Paris
5 April 2019	Bankhaus Lampe Deutschlandkonferenz 2019, Baden-Baden

## Forward-looking statements and forecasts

This report includes forward-looking statements based on current expectations, assumptions and forecasts by the Management Board and the information available to it. Known or unknown risks, uncertainties and influences may mean that the actual results, the financial position or the company's development differ from the estimates provided here. We assume no obligation to update the forward-looking statements made in this report.

Differences may arise in percentages and figures quoted in this report due to rounding.

## Contact

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