ENCAVIS

Interim Release Q3

2019

Foreword from the Management Board

Dear Shareholders,
Ladies and Gentlemen,

Over the course of the first nine months of 2019, we have taken decisive steps towards further growth: all of the groundwork for construction of our largest solar park to begin in the Spanish town of Talayuela has been laid. By the end of 2020, solar installations with a total generation capacity of 300 megawatts (MW) will be built on an area covering approximately 790 hectares, thus making Talayuela one of Europe’s largest solar parks. From the first full year of operation, the installation will thus provide a revenue contribution of more than EUR 25 million annually. A private power purchase agreement (PPA) forms the basis of this contribution. In mid September 2019, we were able to conclude a PPA with an internationally active energy supplier with a good credit rating.

Additionally, at the beginning of September 2019, we were able to increase our hybrid convertible bond – which was issued by our subsidiary Encavis Finance B.V. in 2017 – through the issue of new bonds with a total nominal value of EUR 53 million. These funds, which were generated within a few hours, are recognised as equity under the International Financial Reporting Standards (IFRS). We have therefore increased our free liquidity by another EUR 60 million to some EUR 170 million, including the paid-in surplus. We intend to use these funds to finance the construction of Talayuela and additional major projects with power purchase agreements. At the same time, increasing our equity base strengthens our ability to negotiate with banks when taking out loans for the acquisition of further solar and wind parks.

In the first nine months of this year, we once again exceeded the targets set for the Encavis Group with regard to operating KPIs. We increased revenue once again compared to the previous-year period, generating EUR 223.4 million. The increase of 11.2 % is due to both the favourable meteorological conditions as well as the expansion of our portfolio during the reporting period. As of 30 September 2019, our portfolio comprised 177 solar parks and 71 wind parks in ten European countries and has a generation capacity of some 2 gigawatts (GW).

The remaining operating KPIs also improved during the reporting period: Operating earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 19.6 % to EUR 185.8 million. Operating earnings before interest and taxes (EBIT) came to EUR 121.8 million – an increase of 20.8 % compared to the same period in the previous year. Cash flow from operations rose by some four million euros to EUR 132.8 million.

When going about our daily business, we always have the goal in mind of making “our Encavis AG” a little bit better each and every day. We are making very good progress in this regard. Due to the continued positive meteorological conditions in the first nine months of 2019, we are reaffirming the guidance which we adjusted upward in August 2019. We therefore expect revenue for the current financial year to rise to more than EUR 270 million and operating EBITDA to exceed EUR 218 million. At the Group level, we anticipate growth in operating EBIT to more than EUR 132 million. Operating cash flow is expected to reach levels exceeding EUR 198 million, thus resulting in the forecast for the operating earnings per share (EPS) for 2019 as a whole of EUR 0.42.

At the end of October 2019, we gladly accepted the recommendation of the Supervisory Board to extend our contracts until late summer 2025. We would like to return the trust placed in us by continuing to lead Encavis AG towards a successful future.

Dear Shareholders, we are thrilled, as you must be as well, that the positive development of your company has now been reflected in the share price. Since the beginning of the year, it has climbed relatively steadily by around 67 % from EUR 5.49 on 2 January 2019 to a high point of EUR 9.19 on 19 November 2019, a level it last achieved about four years ago on 8 November 2015. We hope you continue to accompany us on our continuous path towards the growth of the Group.

Hamburg, November 2019

Dr Dierk Paskert

CEO

Dr Christoph Husmann

CFO

Dr Dierk Paskert

Chief Executive Officer (CEO)

Dr Christoph Husmann

Chief Financial Officer (CFO)

Group operating KPIs*

in EUR million

	01.01.–30.09.2019	01.01.–30.09.2018
Revenue	223.4	200.9
EBITDA	185.8	155.3
EBIT	121.8	100.8
EBT	80.7	61.3
EAT	70.0	54.5
Operating cash flow	132.8	128.7
Earnings per share (undiluted, in EUR)	0.49	0.38
	30.09.2019	**31/12/2018**
Equity	728	687
Liabilities	2,115	1,962
Total assets	2,843	2,649
Equity ratio in %	25.6	25.9

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

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 2018 and subsequent publications.

The quarterly figures on the financial position, financial performance and net assets 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 2018. Additionally, the Group has applied IFRS 16 – Leases since 1 January 2019. This conversion led to a significant increase in total assets due to the capitalisation of rights of use as well as the recognition of lease liabilities as liabilities. At the time of initial application, the equity ratio decreased accordingly by around one percentage point. Depreciation and amortisation as well as interest expenses are recognised for the 2019 financial year, rather than ongoing lease expenses as before. This results in a reduction in other expenses and a burden on depreciation and amortisation as well as the financial result. There is also a positive effect on the operating cash flow, while the cash flow from financing activities is reduced due to the recognised interest and principal payments. Further detailed information on the effect determined at the time of the first-time application of IFRS 16 can be found in the 2019 half-yearly financial report.

Business activities

Business model

Encavis AG, which is listed on the SDAX of the German stock exchange, makes use of the various opportunities to generate power using renewable energy. As an independent operator of environmentally friendly, emission-free power plants, Encavis has continuously developed its generation portfolio since 2009 and is one of the largest independent power producers (IPP) of renewable energy in Europe. The company's core business is the acquisition and operation of solar parks and onshore wind parks. In the acquisition of new installations, the company generally focuses on turnkey projects or existing installations that have guaranteed feed-in tariffs or long-term power purchase agreements and that are in geographic regions that offer a stable economic environment and reliable framework and investment conditions. The solar and wind parks can therefore generate reliable, attractive returns and predictable cash flows.

Encavis also offers attractive opportunities to institutional investors through its subsidiary Encavis Asset Management AG to invest in installations that generate renewable energy. The Asset Management field covers all services in this area, i.e. the launching of funds, the individual design and structuring of other investments for professional investors in the field of renewable energy and the management of the investments held by these investors.

The Encavis portfolio is currently comprised of a total of 177 solar parks and 71 wind parks with a capacity of more than 2 GW in Germany, Italy, France, the United Kingdom, Austria, Finland, Sweden, Denmark, the Netherlands and Spain. Of these, the Group operates 12 solar parks and 38 wind parks for third parties in the Asset Management segment.

Underlying conditions for renewable energies

The global energy revolution continues – wind power and photovoltaics are playing a pivotal role

The global expansion of renewable energies has to continue in order to achieve the targets set out in the world climate agreement concluded in 2015. Nearly 200 countries declared their intention of limiting global warming to well under 2 °C, or 1.5 °C if possible, compared to the pre-industrial level.

The International Energy Agency (IEA) expects that the speed of expansion of renewable energies in 2019 to increase compared to the previous year in 2018 by 12 %, to a newly installed generation capacity of 200,000 MW. That would mark the highest level of expansion since 2015. Photovoltaics has once again proven itself to be a driver of growth, increasing by 17 % over the previous year to nearly 115,000 MW and thus exceeding 100,000 MW for the first time – and bringing together more than half of global expansion for the third consecutive year.

In Europe, the course set by the European Parliament around a year ago on 13 November 2018 is still binding: by the year 2030, renewable energies must make up at least 32 % of gross final energy consumption, which is intended to contribute to the achievement of the long-term climate objectives of the European Union.

PPA models still on the rise

The increasing profitability of renewable energies as opposed to conventional forms of energy production and the clear commitment of companies to achieving a climate-friendly energy balance – for example, as expressed in the RE100 initiative – are providing increasing momentum in the market for PPAs. According to information from Bloomberg New Energy Finance, the total generation capacity concluded via PPAs has more than doubled, from around 6.1 GW in 2017 to some 13.4 GW in 2018. The trend continues: between the beginning of January and the end of May 2019, companies concluded PPA contracts for generation capacities of 2.8 GW each for solar and wind parks.

Encavis AG has opened up this market as well with its business model and, as a whole, positioned itself to take advantage of the existing framework conditions.

Developments in core markets

During the reporting period, there were no significant changes to the underlying legal conditions for renewable energies in most European core markets. For this reason, only the underlying conditions in Germany and Austria are addressed at this time.

Germany

On 9 October 2019, the German Federal Cabinet substantiated its plans for the expansion of solar energy. The government plans to double the proportion of solar energy in electricity sales from the current 49 GW to 98 GW, or 17 % of the total. The expansion target for onshore wind energy was lowered from the original 80 GW as set out in the 2030 climate protection programme to a level between 67 and 71 GW. This step is due to lower electricity demand in the year 2030.

Industry representatives criticise these plans, making mention of the – in their assessment – looming shortage of green electricity until 2030. Additionally, it must be ensured that the tendering volumes from the EEG 2017 and the German Energy Collective Law (*Energiesammelgesetz* – EnSaG) are met.

Austria

The Austrian government plans to fundamentally change the subsidy system for green electricity from 2020, with the aim of easing the market integration of renewable energy. Furthermore, administrative barriers are to be eliminated and a legally secure and predictable investment climate is to be ensured. Altogether, 15 GW of installed photovoltaic capacity are needed to achieve the goal of covering 100 % of energy needs with renewable sources by 2030. To date, Austria has achieved fewer than 2 GW of installed photovoltaic capacity.

Recently an emergency package of more than 100 million euros (originally 50 million) was increased, which is intended to fund investments in new PV installations in the next three years. The planned Renewables Expansion Act (*Erneuerbare-Ausbau-Gesetz*) has broad support in the various political parties and is to be adopted as quickly as possible.

Course of business

Encavis AG acquires additional solar park in the Netherlands and expands the generation capacity on the Dutch market to more than 100 MW

On 14 January 2019, Encavis AG announced that it had acquired an additional solar park in the Netherlands with a generation capacity of more than 14 MW. The Zierikzee solar park in the Zeeland province, which was acquired in January 2019, was connected to the grid at the end of 2018 and has a generation capacity of 14.1 MW. Over the first 15 years, the solar park will receive a feed-in tariff of nearly EUR 0.11 per kilowatt-hour (kWh); the park will then receive the market price. From the first full year of operation onward, Encavis expects the Zierikzee solar park to make annual revenue contributions of some EUR 1.4 million. The investment volume, including project-related debt financing costs, amounts to EUR 10.6 million. The sellers retain a total participating interest of 10 % in the solar park. With this newly acquired solar park, the active generation capacity of Encavis AG in the Netherlands increases to some 106 MW. Encavis is therefore contributing to a sustainable supply of green electricity in the Netherlands.

Encavis AG receives investment-grade rating from Scope Ratings

On 19 March 2019, Encavis was rated for the first time by the rating agency Scope and received an issuer rating in the investment-grade range (BBB–); the outlook for the rating is stable.

Scope’s rating assessment takes into account, among other things, the risk-averse business model from the operation of solar and wind installations with long-term and government-guaranteed feed-in tariffs. In addition, the consistently expanded regional diversification of the portfolio and the high share of non-recourse financing in Encavis’s growth financing contribute to this good valuation. The rating agency Scope thus attests Encavis a very good and sustainable credit rating, as expected.

With the issuer rating, Scope provides market participants on the international financial markets with a clear orientation and independent assessment of the company’s current and medium-term creditworthiness, thus ensuring greater security and transparency. The investment-grade rating by a recognised rating agency should not only broaden Encavis’s range of options for future growth financing, but also reduce the cost of raising these funds.

Encavis Asset Management AG acquires wind park for institutional investors

With the acquisition of the Gussenstadt wind park, the Encavis infrastructure fund SICAV-RAIF Renewables Europe II (Renewables Europe II) has further expanded its fund portfolio. The wind park, with a total generation capacity of 14.4 MW, is comprised of four N117 turbines from the manufacturer Nordex. The turbines each have a nominal output of 3.6 MW and a hub height of 140.6 metres.

Additionally, the solar park in Friedmannsdorf, in the Bavarian administrative district of Hof, was completely connected to the grid in mid May 2019. This solar park was acquired during the construction phase at the end of February 2019 by the above-mentioned fund.

Encavis Group releases cash reserves through sale of minority interest in wind parks

On behalf of Encavis AG, Encavis Asset Management AG sold 49 % of the shares in each of the four German wind parks Briest, Breitendeich, Debstedt and Lunestedt to an institutional client’s special fund managed in Luxembourg. This fund made the most impressive offer compared to the two other interested parties. As a result of the transaction, the Group received cash and cash equivalents of around EUR 24 million. The strategic decision of the Encavis Group to sell minority interests of up to 49 % in selected wind and solar parks to institutional investors in the future releases existing cash reserves for investment in further projects, confirms the portfolio asset valuations recognised in the balance sheet (according to IFRS) and results in accounting profits in the separate financial statements (according to the HGB).

Encavis Asset Management AG further expands portfolio of wind and solar parks in Germany and France

Encavis Asset Management AG has advised two Luxembourg special funds on investments in renewable energies. The total generation capacity of the installations is around 36 MW.

In cooperation with Bayerische Landesbank, the company served as investment adviser to Encavis Infrastructure Fund II S.A. (SICAV-RAIF), a special fund established for banks, insurance companies and pension funds, for the purchase of a wind park in southern Germany. The Gussenstadt wind park in the Baden-Württemberg district of Heidenheim commenced operations in April of last year. Four Nordex turbines at a hub height of over 140 metres provide a total generation capacity of around 14 MW. This special fund is managed by HANSAINVEST LUX.

CHORUS Infrastructure Fund S.A. (SICAV-SIF), a special fund managed by Hauck & Aufhäuser, was established in 2014 and has since financed solar and wind installations in Germany and Finland. Recently, an institutional investor significantly increased its exposure. Those funds have now been used to purchase two ground-mounted photovoltaic installations in sunny regions of southern France. Together, the two solar parks have a nominal output of around 22 MW and benefit from long-term feed-in tariffs.

Encavis Asset Management AG: Banks and building societies subscribe to special funds and facilitate investments of over EUR 100 million

Encavis Asset Management AG has again received extensive subscriptions. Building societies and cooperative banks have subscribed to the special fund Encavis Infrastructure II Renewables Europe II. With the newly acquired funds, Encavis can invest more than EUR 100 million in renewable energy installations as part of its asset management. This is already the third closing for the SICAV special fund in accordance with Luxembourg law with an investment focus on ready-to-build solar and wind parks in Germany, the Netherlands, Austria and France. The current portfolio consists of German solar and wind parks and is to be rapidly supplemented by investments in the Netherlands and France.

Encavis AG acquires 30 % of shares in Stern Energy S.p.A. – strategic move to strengthen technical services

To strengthen its business with technical solar services, Encavis AG acquired a minority interest of 30 % in Stern Energy S.p.A., its long-standing partner in the areas of operation and management (O & M).

The investment in Stern is a key strategic step for Encavis to establish an important presence throughout Europe in the field of technical solar services. The competitive advantage of representing all segments of the value chain will strengthen the existing O & M business platform. Encavis has had a long and successful partnership with Stern, which is already responsible for the technical operation of a majority Encavis' portfolios in Italy and the United Kingdom as well as parts of the portfolio in the Netherlands. Together, Encavis and Stern will work towards further increasing the value of this well-oiled partnership by expanding the joint business activities in the field of O & M solar services to the entire Encavis portfolio. The decision to select Stern as the preferred O & M contractor for all existing solar installations reduces costs and offers additional economies of scale in the technical services business of Encavis.

Revenue of the combined O & M business and the additional O & M services business of Stern has increased by more than 35 % per year on average over the past five years (2012–2017). For 2019, a further increase of this growth is expected, with revenue forecasts of around 12.5 million euros.

Successful increase of the hybrid convertible bond issued in 2017 through the issue of new bonds with a total nominal value of 53 million euros

On 5 September 2019, Encavis AG successfully increased the outstanding perpetual subordinated bond with time-limited conversion rights into ordinary bearer shares in the company issued by its wholly owned subsidiary Encavis Finance B.V. through the issue of new bonds with a total nominal value of 53 million euros (the "new bonds"). The total nominal value of the hybrid convertible bond thus increases to up to 150.3 million euros. From the effective date, the new bonds will be consolidated with the original bonds, placed on 13 September 2017 with a total nominal value of 97.3 million euros, to form a total issue under the existing ISIN DE000A19NPE8. The funds generated by the issue of the new bonds will be used to finance new investments in solar parks and wind parks and, in accordance with the International Financial Reporting Standards, will be recognised as equity. The new bonds were placed with institutional investors in selected European countries and issued at 114.25 % of their nominal value. Jefferies International Ltd. served as the sole global coordinator and the sole book-runner for the transaction.

Encavis AG signs long-term power purchase agreement (PPA) over ten years for the Spanish Talayuela solar park (300 MW capacity)

On 5 September 2019, Encavis AG announced that it had concluded a long-term power purchase agreement with a leading international energy company over a period of ten years. With a generation capacity of some 300 MW, this installation near the Spanish city of Talayuela is among the largest solar parks in Europe and is, to date, the largest solar park in the history of the company.

With the long-term private power purchase agreement in Spain, the company is realising a solar project entirely without government feed-in tariffs and, in doing so, is applying the practice of direct power purchase agreements with industrial customers, which is already successful in the wind sector, to the rapidly growing solar market. The electricity agreed to be supplied over the term of the agreement totals 4,300 gigawatt-hours (GWh). The purchaser is a leading international energy company that operates in more than 40 countries, has a good credit rating and has been awarded an investment-grade rating. The parties have agreed to maintain secrecy regarding both the economic conditions of the purchase price, which is fixed for a period of ten years, and the name of the contractual partner.

Segment development

The Group's business activities are subject to seasonal influences, which leads to fluctuations in revenue and earnings during 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. Due to weather conditions, the wind parks generate more revenue in the autumn and winter months than they do in summer.

Actual power fed into the grid by the PV Parks segment in the first nine months of 2019 came to 870,402 megawatt-hours (MWh) (previous year: 742,099 MWh). The solar parks in Germany accounted for around 29 % of the fed-in power (previous year: 35 %), those in France for 25 % (previous year: 27 %), those in Italy for 21 % (previous year: 23 %), those in the United Kingdom for 13 % (previous year: 15 %) and those in the Netherlands for 12 % (previous year: 0 %). In total, due to an above-average number of hours of sunshine across the whole portfolio, the solar park portfolio performed slightly above expectations in the first nine months of 2019.

Actual power fed into the grid by the Wind Parks segment in the first nine months of 2019 came to 527,359 MWh (previous year: 436,050 MWh). Of this figure, some 61 % (previous year: 67 %) is attributable to wind parks in Germany, 11 % (previous year: 13 %) to wind parks in France, 11 % (previous year: 11 %) to wind parks in Austria, 16 % (previous year: 7 %) to wind parks in Denmark and around 1 % (previous year 2 %) to the wind park in Italy. Wind speeds were below the long-term average, so on a cumulative basis the wind park portfolio was below plan as of 30 September 2019.

Operating earnings (Non-IFRS)

Explanation of the earnings

Revenue and other income

During the first nine months of 2019, the Group generated revenues of TEUR 223,406 (previous year: TEUR 200,911). This represents an increase of some 11 %. The growth is supported by the solar park portfolio in the amount of TEUR 14,556 and the wind park portfolio in the amount of TEUR 5,956. The increase in revenue in the solar park portfolio is primarily the result of the solar parks newly acquired as part of business operations or newly connected to the grid in the preceding four quarters. In addition, the higher levels of sunshine compared to the previous year's period – in particular in Italy and France – contributed to this positive development. The increase in revenue in the wind park portfolio is largely attributable to the expansion of the portfolio in Denmark and, to a lesser extent, to higher wind levels in Austria and Germany compared with the same period of the previous year.

Revenue is 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 11,169 (previous year: TEUR 6,139). This includes income from other periods in the amount of TEUR 2,230 (previous year: TEUR 1,799) as well as the accounting profits from the sale of a 49 % shareholding in a 66-MW wind park portfolio (TEUR 5,936).

Personnel expenses and other expenses

Operating personnel expenses came to TEUR 11,001 (previous year: TEUR 9,850). The increase is primarily due to increased expenses from the existing share option programme as a result of the share price increase over the course of the first three quarters of the year.

Other operating expenses of TEUR 36,191 were incurred (previous year: TEUR 40,580). This includes in particular the costs of operating solar and wind parks in the amount of TEUR 26,243 (previous year: TEUR 29,450). Other expenses also include TEUR 9,948 in costs of current operations (previous year: TEUR 11,130). The decline in other operating expenses is due primarily to the first-time application of IFRS 16, as the majority of the rental and lease expenses previously reported under other operating expenses no longer apply. Instead, under the corresponding items in the statement of comprehensive income, depreciation is recognised on the rights of use newly recognised in fixed assets under the lease agreements as well as interest expenses on the corresponding liabilities recognised as such.

EBITDA

Operating earnings before interest, taxes, depreciation and amortisation (EBITDA) were TEUR 185,794 in the first nine months of 2019 (previous year: TEUR 155,319). The EBITDA margin amounts to approximately 83 % (previous year: 77 %).

The depreciation and amortisation of TEUR 64,014 (previous year: TEUR 54,510) chiefly comprises scheduled depreciation of the photovoltaic and wind power installations. Due to the first-time application of IFRS 16, depreciation on the capitalised rights of use from the lease agreements is also included.

EBIT

Operating earnings before interest and tax (EBIT) totalled TEUR 121,781 (previous year: TEUR 100,810). The EBIT margin was around 54 % (previous year: 50 %).

Financial result

Operating financial earnings totalled TEUR -41,058 (previous year: TEUR -39,548). This results primarily from interest on the non-recourse loans for solar and wind parks. In addition, interest expenses on the lease liabilities carried as liabilities in connection with the first-time application of IFRS 16 are reported in the financial result for the first time.

EBT

Operating earnings before taxes (EBT) therefore came to TEUR 80,723 (previous year: TEUR 61,262). The EBT margin was around 36 % (previous year: 30 %), with positive contributions from the PV Parks segment of TEUR 72,128 and from the Wind Parks segment of TEUR 14,808, while the Administration segment made a negative contribution in the amount of TEUR -8,430.

Taxes

The consolidated statement of comprehensive income shows operating tax expenses totalling TEUR 10,713 (previous year: TEUR 6,717), mainly for effective tax payments in connection with solar and wind parks.

Consolidated earnings

Altogether, this resulted in consolidated operating earnings of TEUR 70,009 (previous year: TEUR 54,544).

Determining the operating KPIs (adjusted for IFRS effects)

As outlined in the “Internal management system of Encavis” section of the 2018 annual report, Group IFRS accounting is influenced by non-cash measurement effects and the resulting depreciation and amortisation. Non-cash interest effects and deferred taxes also hamper a transparent assessment of the operating income situation pursuant to IFRS.

in TEUR	01.01.–30.09.2019	01.01.–30.09.2018
Revenue	223,406	200,911
Other income	12,445	17,260
Cost of materials	-1,588	-1,300
Personnel expenses, of which TEUR –1,175 (previous year: TEUR –336) in share-based remuneration	-11,036	-9,943
Other expenses	-38,016	-40,883
Adjusted for the following effects:		
Income from the disposal of financial investments and other non-operating income	-1	-29
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)	-1,275	-11,092
Other non-operating expenses	1,825	303
Share-based remuneration (non-cash)	35	93
Adjusted operating EBITDA	**185,794**	**155,319**
Depreciation and amortisation	-93,431	-82,918
Adjusted for the following effects:		
Amortisation of intangible assets (electricity feed-in contracts) acquired as part of business combinations	34,631	33,538
Subsequent measurement of uncovered hidden reserves and liabilities on step-ups for property, plant and equipment acquired as part of business combinations	-5,214	-5,130
Adjusted operating EBIT	**121,781**	**100,810**
Financial result	-38,867	-35,344
Adjusted for the following effects:		
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])	-2,191	-4,204
Adjusted operating EBT	**80,723**	**61,262**
Tax expenses	-11,463	-5,637
Adjusted for the following effects:		
Deferred taxes (non-cash items)	750	-1,080
Adjusted consolidated operating earnings	**70,009**	**54,544**

Net assets and financial position

Financial position and cash flow

The change in cash and cash equivalents in the reporting period came to TEUR 69,269 (previous year: TEUR 58,100). This broke down as follows:

Cash flow from operating activities amounts to TEUR 132,769 (previous year: TEUR 128,729). This consists largely of cash inflows from the operating activities of the solar and wind parks and the resulting proceeds. The aforementioned changes also included changes in assets and liabilities not counted as investment or financing activities. During the reporting period, cash flow from operating activities was negatively affected by a payment of capital gains tax in the amount of EUR 9.0 million; this payment was not made during the first quarter of the previous year, but rather in the fourth quarter of 2017. Reimbursement from the tax office is expected during the 2019 financial year. The expected payment for our parks in Italy in the amount of EUR 2.8 million was not received before the period end 30 September 2019, and could therefore not be included in the cash flow. The changed recognition of expenses from lease agreements in connection with the first-time application of IFRS 16, which are now part of the cash flow from financing activities, had a positive effect.

Cash flow from investing activities of TEUR -89,089 (previous year: TEUR -88,368) was mainly the result of payments related to investments in financial assets for financial investments recognised using the equity method and/or loans to them as well as payments for the acquisition of a solar park in the Netherlands.

Cash flow from financing activities of TEUR 25,589 (previous year: TEUR 17,739) results from, among other things, 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. In addition, payments from the sale of minority interests in four wind parks amounting to TEUR 24,855, the issue of registered bonds amounting to TEUR 60,000 and a shareholder loan amounting to TEUR 20,000 are included. The successful increase of the hybrid convertible bond issued in 2017 had a positive effect in the amount of TEUR 60,553 on the cash flow from financing activities. The payment of the dividend for the 2018 financial year in the amount of TEUR 19,113 and the dividend payment to hybrid bondholders in the amount of TEUR 5,108 had an opposing effect. Additionally, the changed recognition of expenses from lease agreements in connection with the first-time application of IFRS 16 had a negative impact.

Net assets

As at 30 September 2019, equity amounted to TEUR 728,280 (31 December 2018: TEUR 687,057). The change in the amount of TEUR 41,223, or 6 %, is primarily due to the increase of the hybrid convertible bond issued in 2017, the issue of new shares as a result of the share dividend chosen by the majority of shareholders and the positive result for the period. The payment of the dividend as well as various changes in value recognised in equity had the opposite effect. Share capital increased through contributions in kind of TEUR 2,011. The equity ratio is 25.61 % (31 December 2018: 25.94 %). Total assets increased from TEUR 2,649,065 as of 31 December 2018 to TEUR 2,843,052. The increase in total assets and the associated decline in the equity ratio are also a consequence of the first-time application of IFRS 16.

Liabilities

As of 30 September 2019, the Group has bank and leasing liabilities amounting to TEUR 1,741,416 (31 December 2018: TEUR 1,602,631). These comprised loans and lease agreements for the financing of solar parks and wind parks and the mezzanine capital provided by Gothaer Versicherungen in November 2014. They also contained liabilities from listed notes from the Grid Essence portfolio, including accrued interest in the amount of TEUR 36,989, as well as liabilities from debenture bonds in the amount of TEUR 133,000. This does not include amounts recognised under other liabilities totalling TEUR 9,361 (31 December 2018: TEUR 10,625), which comprises interest advantages from low-interest government loans (KfW) and is to be accounted for in accordance with IAS 20 and shown separately. As a result of the first-time application of IFRS 16, additional liabilities from lease obligations amounting to TEUR 116,236 were reported as of the balance sheet date. A portion of this results from reclassifications and a portion from new deferred items. Non-current liabilities from the mezzanine capital amounted to TEUR 150,000 as of 30 September 2019 and as of 31 December 2018. In almost all debt financing, the liability risk relating to the parks is limited (non-recourse financing).

As of 30 September 2019, liabilities to non-controlling interests amounted to TEUR 49,727 (31 December 2018: TEUR 22,404). Due to contractual arrangements, most of these were reclassified as non-current liabilities.

The value of provisions as of 30 September 2019 amounts to TEUR 56,180 (31 December 2018: TEUR 46,347). This comprises provisions for asset retirement obligations (TEUR 48,316) and other provisions (TEUR 7,864).

Trade liabilities decreased from TEUR 16,784 as of 31 December 2018 to TEUR 11,038 as of 30 September 2019.

Events after the balance sheet date

Encavis Asset Management AG: Insurance company hires the company as investment adviser

Encavis Asset Management AG continues to establish itself as a sought-after asset management partner to institutional investors. A renowned insurance company has entrusted Encavis Asset Management AG with the task of providing investment advice for its special fund. The fund, which has a target volume in the hundreds of millions, is intended to invest in a portfolio comprised of solar parks and wind parks. The partners worked together to flesh out the framework conditions of the fund. With this fund, the insurance company hopes to make a further contribution to the energy revolution and to generate attractive yields in conjunction with an appealing risk–opportunity profile.

This first fund transactions with a volume of 32 MW have already been successfully realised. The acquisition of the Les Landes wind park in France, which was only recently completed, adds a further 18 MW to the portfolio. Additional wind and solar parks in central Europe are currently undergoing the due-diligence review.

Encavis AG extends management contracts of CEO and CFO another five years until autumn 2025

The Supervisory Board of Encavis AG has extended the contracts of the two members of the Management Board, Dr Dierk Paskert (58) and Dr Christoph Husmann (54), until 31 August 2025 and 30 September 2025 respectively. The previous existing contracts of the Management Board members both had terms until 2020.

Opportunities and risks

There were no material changes in the reporting period to the opportunities and risks outlined in the annual report for the 2018 financial year and in the 2019 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.

Future outlook

The statements below include projections and assumptions which 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.

Growing market for renewable energies

The expansion of renewable energies is continuing at a highly dynamic pace worldwide. In addition to political climate targets such as those agreed in the Paris Agreement, more and more companies are making a voluntary commitment to cover 100 % of their electricity needs from renewable energies.

At the same time, the cost-effectiveness of photovoltaic installations has increased significantly in recent years, not least due to the distinct drop in prices for technical components. In many regions, they are already competitive with conventional forms of energy generation, even without state support.

SolarPower Europe (SPE), the association of Europe’s solar industry, has published its expectations of capacity expansion in the photovoltaic sector under the title “Global Market Outlook 2018–2022”. In the optimistic scenario in its report, SPE expects that global photovoltaic generation capacity will climb to more than 1,200 GW by 2022; in its pessimistic scenario, it predicts that this figure will rise to more than 800 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.

Overall assessment of future development

When acquiring new installations, Encavis primarily focuses on ready-to-build or turnkey projects, or existing installations with guaranteed feed-in tariffs or long-term power purchase agreements. Any already-known future changes to the structuring of subsidy systems and mechanisms for renewable energies would be accounted for within the return calculations for new investments and have no influence on the company’s existing portfolio.

The economic and sociopolitical environment, combined with a persistently low level of interest rates, continues to provide Encavis with an ideal environment for further qualitative growth of the company. Today Encavis is one of the largest independent power producers in the field of renewable energy in Europe.

In addition to an excellent and broad network on the market, Encavis has also secured long-term exclusive access to an attractive acquisition pipeline through various strategic partnerships with leading project developers and financing partners. The strategic partners are, among others, the British project developer Solarcentury, the Danish project developer GreenGo, the Aurora project development fund and two Italian developers. To secure this exclusive access, Encavis will increasingly, and earlier than before, enter the construction phase of various projects. In addition, all installations taken over by Encavis have long-term government-guaranteed feed-in tariffs or private-sector power purchase agreements with customers with strong credit ratings.

Additionally, the conclusion of strategic partnerships with an exclusive acquisition pipeline results in significantly greater transparency and planning reliability for Encavis's future growth course, and the further expansion of the portfolio can also be managed and scheduled in a more targeted manner.

In addition to its own business, Encavis also makes its many years of expertise and market knowledge in the field of renewable energies available to institutional investors. Encavis Asset Management AG is the Group's specialist for institutional investors. As a one-stop shop for institutional investors, Encavis Asset Management AG plans and builds a portfolio of renewable energy assets tailored to the needs of its clients. This can be done individually or as part of fund solutions based on Luxembourg special funds (SICAV/SICAF).

The Management Board of Encavis AG affirmed its guidance for the current financial year published in August 2019 on the basis of the earnings from the first nine months of the 2019 financial year. The earnings forecast issued by Encavis AG for the 2019 financial year is based solely on the portfolio of solar and wind parks as of 30 September 2019, as well as the assumption of average meteorological conditions.

In EUR million	2019 (AR 2018)	2019 (incl. IFRS 16 effects)	2019 (PR 28 May 2019)	2019 (Q2 2019)
Revenue	>255	>255	>260	>270
Operating EBITDA*	>190	>199	>210	>218
Operating EBIT*	>112	>114	>125	>132
Operating cash flow*	>180	>188	>190	>198
Operating earnings per share in EUR*	0.35	0.35	0.40	0.42

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

Other information

Employees

The Group had an average of 121 employees in the period from 1 January to 30 September 2019 (previous year: 119). The average figures were determined using the number of employees at the end of each quarter. On 30 September 2019, apart from the Management Board members, the Group had 82 employees (previous year: 73) at Encavis AG, 27 employees (previous year: 39) at Encavis Asset Management AG (formerly: CHORUS GmbH), 12 employees at Encavis GmbH (formerly: Encavis Asset Management AG) and ten employees at Encavis Technical Services GmbH (previous year: ten). Additionally, in the previous year, two people were employed at TC Wind Management GmbH. The increase in the number of employees is primarily due to the expansion of the team of Encavis AG and Encavis GmbH 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 15 May 2019, they therefore proposed the payment of a dividend in the amount of EUR 0.24 for each dividend-entitled share. The Annual General Meeting approved the recommendation of the company by a large majority. In addition, the dividend was again offered as an optional dividend, which offers shareholders the greatest possible freedom of choice and, with an acceptance rate of 54.4 %, was very well received. In total, 2,010,807 new shares were issued and a cash dividend of EUR 19,112,659.95 was distributed to the shareholders. The cash dividend was paid out on 18 June 2019, and the new shares were recorded in shareholders' securities accounts on 26 June 2019.

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 until the end of 2019 and renews automatically by one year each year unless either of the parties terminates it with a notice period of six months. The contract therefore runs until at least the end of 2020. The monthly rent is based on customary market conditions.

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.–30.09.2019	01.01.–30.09.2018	Q3/2019	Q3/2018
Revenue	223,406	200,911	79,492	78,154
Other income	12,445	17,260	6,423	6,591
Cost of materials	-1,588	-1,300	-544	-430
Personnel expenses	-11,036	-9,943	-3,903	-3,431
of which in share-based remuneration	*-1,175*	*-336*	*-664*	*-90*
Other expenses	-38,016	-40,883	-12,919	-14,470
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**185,211**	**166,044**	**68,549**	**66,414**
Depreciation and amortisation	-93,431	-82,918	-31,175	-27,969
Earnings before interest and taxes (EBIT)	**91,780**	**83,126**	**37,374**	**38,445**
Financial income	12,015	10,776	6,215	3,044
Financial expenses	-50,671	-46,120	-18,701	-14,228
Earnings from financial assets accounted for using the equity method	-211	0	-58	0
Earnings before taxes on income (EBT)	**52,913**	**47,782**	**24,831**	**27,262**
Taxes on income	-11,463	-5,637	-3,348	-3,311
Consolidated earnings	**41,449**	**42,144**	**21,482**	**23,950**
Items which can be reclassified to profit or loss				
Currency translation differences	66	145	-55	-3
Hedging of cash flows – effective part of the change in fair value	-16,693	3,419	-5,853	1,725
Cost of hedging measures	4	-33	3	8
Other comprehensive income from investments accounted for using the equity method	-29,968	0	-29,968	0
Income taxes on items which can be reclassified to profit or loss	11,026	-811	8,450	-407
Reclassifications	1	0	0	0
Other comprehensive income	**-35,563**	**2,721**	**-27,423**	**1,323**
Consolidated comprehensive income	**5,886**	**44,865**	**-5,940**	**25,273**
Earnings for the period attrributable to				
Shareholders of Encavis AG	36,175	37,192	19,637	21,983
Non-controlling interests	1,339	1,132	450	686
Hybrid capital investors	3,936	3,821	1,396	1,281
Consolidated comprehensive income for the period attributable to				
Shareholders of Encavis AG	611	39,912	-7,785	23,306
Non-controlling interests	1,339	1,132	449	686
Hybrid capital investors	3,936	3,821	1,396	1,281
Earnings per share				
Average number of shares in circulation in the reporting period				
Undiluted	*130,496,426*	*128,889,735*	*131,498,147*	*129,461,253*
Diluted	*130,547,007*	*128,944,771*	*131,554,352*	*129,471,416*
Earnings per share (undiluted, in EUR)	0.28	0.29	0.15	0.17

Condensed consolidated balance sheet (IFRS)

Assets in TEUR	30.09.2019	31.12.2018
Intangible assets	552,233	579,950
Goodwill	20,008	19,989
Property, plant and equipment	1,659,357	1,548,639
Financial investments recognised using the equity method	9,682	14,514
Financial investments	60,845	6,474
Other accounts receivable	4,307	19,518
Deferred tax assets	125,709	118,169
Total non-current assets	**2,432,141**	**2,307,252**
Inventories	407	422
Trade receivables	56,667	36,178
Non-financial assets	4,926	9,714
Receivables from income taxes	26,313	29,269
Other current receivables	13,607	13,738
Liquid assets	308,991	252,491
Cash and cash equivalents	*242,111*	*175,564*
Restricted liquid assets	*66,879*	*76,927*
Total current assets	**410,911**	**341,812**
Total assets	**2,843,052**	**2,649,065**

Equity and liabilities in TEUR	30.09.2019	31.12.2018
Subscribed capital	131,498	129,487
Capital reserve	430,504	413,104
Reserve for equity-settled employee remuneration	343	383
Other reserves	-37,282	-1,718
Distributable profit	46,290	41,200
Equity attributable to Encavis AG shareholders	**571,353**	**582,456**
Equity attributable to non-controlling interests	10,324	9,145
Equity attributable to hybrid capital investors	146,603	95,456
Total equity	**728,280**	**687,057**
Non-current liabilities to non-controlling interests	49,702	5,264
Non-current financial liabilities	1,396,858	1,349,602
Non-current leasing liabilities	180,977	73,933
Other non-current liabilities	8,462	10,764
Non-current provisions	49,588	39,724
Deferred tax liabilities	231,498	234,540
Total non-current liabilities	**1,917,085**	**1,713,827**
Current liabilities to non-controlling interests	25	17,140
Liabilities from income taxes	6,478	7,694
Current financial liabilities	153,761	174,420
Current leasing liabilities	10,911	6,764
Trade payables	11,038	16,784
Other current debt	8,882	18,756
Current provisions	6,592	6,623
Total current liabilities	**197,688**	**248,181**
Total equity and liabilities	**2,843,052**	**2,649,065**

Condensed consolidated cash flow statement (IFRS)

in TEUR	01.01.–30.09.2019	01.01–30.09.2018
Net profit/loss for the period	41,449	42,144
Cash flow from operating activities	**132,769**	**128,729**
Cash flow from investing activities	**-89,089**	**-88,368**
Cash flow from financing activities	**25,589**	**17,739**
Change in cash and cash equivalents	69,269	58,100
Changes in cash due to exchange rate changes	161	10
Cash and cash equivalents		
As of 01.01.2019 (01.01.2018)	171,533	119,984
As of 30.09.2019 (30.09.2018)	240,962	178,094

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
As of 01.01.2018	**128,252**	**406,834**	**1,176**	**-3,630**			**-298**
Effect from the first-time application of IFRS 9							298
As of 01.01.2018 (adjusted for IFRS 9)	**128,252**	**406,834**	**1,176**	**-3,630**			
Consolidated earnings							
Other income recognised in equity			145	2,604	-29		
Consolidated comprehensive income for the period			**145**	**2,604**	**-29**		
Dividends							
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 the share option programme		35					
Acquisition of shares from non-controlling interests							
As of 30.09.2018	**129,487**	**413,104**	**1,321**	**-1,026**	**-29**		
As of 01.01.2019	**129,487**	**413,104**	**1,010**	**-2,700**	**-29**		
Consolidated earnings							
Other income recognised in equity*			66	-13,152	3	-22,482	
Reclassifications to profit/loss			1				
Consolidated comprehensive income for the period			**67**	**-13,152**	**3**	**-22,482**	
Dividends							
Income and expenses recognised directly in equity							
Changes from capitalisation measures	2,011	9,954					
Transactions with shareholders recognised directly in equity							
Issuance costs		-106					
Hybrid capital proceeds		7,553					
Acquisition of shares from non-controlling interests							
As of 30.09.2019	**131,498**	**430,504**	**1,077**	**-15,852**	**-25**	**-22,482**	

* Excluding separately recognised effects from reclassifications.

in TEUR	Reserve for equity-based employee remuner-ation	Net retained profit	Equity attributable to Encavis AG shareholders	Equity attributable to non-controlling interests	Equity attri-butable to hybrid capital investors	Total
As of 01.01.2018	458	63,737	596,528	6,582	95,484	698,594
Effect from the first-time application of IFRS 9		-456	-158			-158
As of 01.01.2018 (adjusted for IFRS 9)	458	63,281	596,370	6,582	95,484	698,436
Consolidated earnings		37,192	37,192	1,132	3,821	42,144
Other comprehensive income			2,721			2,721
Consolidated comprehensive income for the period		37,192	39,912	1,132	3,821	44,865
Dividends		-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		0
Issuance costs			-117		-28	-145
Exercise of the share option programme	-35		0			0
Acquisition of shares from non-controlling interests				2,665		2,665
As of 30.09.2018	515	72,257	615,629	10,337	94,169	720,135
As of 01.01.2019	383	41,200	582,456	9,145	95,456	687,057
Consolidated earnings		36,175	36,175	1,339	3,936	41,449
Other income recognised in equity*			-35,565			-35,564
Reclassifications to profit/loss			1			1
Consolidated comprehensive income for the period		36,175	611	1,339	3,936	5,886
Dividends		-31,077	-31,077	-620	-5,108	-36,805
Income and expenses recognised directly in equity	-41		-41			-41
Changes from capitalisation measures			11,965			11,965
Transactions with shareholders recognised directly in equity		-8	-8	-2		-10
Issuance costs			-106		-681	-787
Hybrid capital proceeds			7,553		53,000	60,553
Acquisition of shares from non-controlling interests				463		463
As of 30.09.2019	343	46,290	571,354	10,324	146,603	728,281

* Excluding separately recognised effects from reclassifications.

Condensed Group segment reporting (operating) [1]

in TEUR

	Administration	PV Parks	PV Service	Asset Management
Revenue	0	174,930	3,468	5,410
(Previous year's figures)	(0)	(160,373)	(3,146)	(2,126)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-6,235	151,141	1,087	1,566
(Previous year's figures)	(-5,354)	(134,597)	(1,164)	(-1,396)
Earnings before interest and taxes (EBIT)	-6,934	104,453	1,046	1,076
(Previous year's figures)	(-5,455)	(93,947)	(1,124)	(-1,898)
Financial result	-1,496	-32,326	0	19
(Previous year's figures)	(-950)	(-32,276)	(0)	(249)
Earnings before taxes on income (EBT)	-8,430	72,128	1,046	1,095
(Previous year's figures)	(-6,405)	(61,671)	(1,124)	(-1,649)
Consolidated profit/loss for the period (EAT)	-8,767	62,667	1,046	883
(Previous year's figures)	(-8,410)	(57,489)	(1,124)	(-1,713)
Earnings per share, undiluted	-0.10	0.47	0.01	0.01
(Previous year's figures)	(-0.09)	(0.44)	(0.01)	(-0.01)
Assets including investments	670,414	2,207,366	9,570	36,289
(as of 31.12.2018)	(621,521)	(2,122,300)	(3,938)	(35,178)
Cash flow from investing activities	-462	-73,505	-4,974	891
(Previous year's figures)	(-4,295)	(-28,896)	(1,234)	(1,040)
Liabilities	218,832	1,674,988	201	3,042
(as of 31.12.2018)	(138,260)	(1,685,093)	(1,743)	(3,742)

In TEUR

	Wind Parks	Reconciliation	Total
Revenue	44,137	-4,539	223,406
(Previous year's figures)	(38,181)	(-2,917)	(200,911)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	38,171	65	185,794
(Previous year's figures)	(26,394)	(-85)	(155,319)
Earnings before interest and taxes (EBIT)	22,063	76	121,781
(Previous year's figures)	(13,165)	(-73)	(100,810)
Financial result	-7,255	0	-41,058
(Previous year's figures)	(-6,571)	(0)	(-39,548)
Earnings before taxes on income (EBT)	14,808	76	80,723
(Previous year's figures)	(6,594)	(-73)	(61,262)
Consolidated profit/loss for the period (EAT)	14,104	76	70,009
(Previous year's figures)	(6,127)	(-73)	(54,544)
Earnings per share, undiluted	0.11	0.00	0.49
(Previous year's figures)	(0.05)	(0.00)	(0.38)
Assets including investments	886,015	-966,602	2,843,052
(as of 31.12.2018)	(869,625)	(-1,003,497)	(2,649,065)
Cash flow from investing activities	-1,672	-9,369	-89,089
(Previous year's figures)	(-36,740)	(-20,711)	(-88,368)
Liabilities	662,632	-444,923	2,114,772
(as of 31.12.2018)	(616,455)	(-483,285)	(1,962,008)

[1] Some of the previous-year figures are not reconcilable with the figures stated in the interim report for the third quarter of 2018, as the presentation of the segment report is based on operating figures in line with internal reporting and not on IFRS figures as in the previous year.

The timing of the recognition of the revenue presented in the segment reporting is carried out in relation to the period.

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 2019, in connection with the annual report for 2018, 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 2019

Encavis AG

Management Board

Dr Dierk Paskert

CEO

Dr Christoph Husmann

CFO

The Encavis share

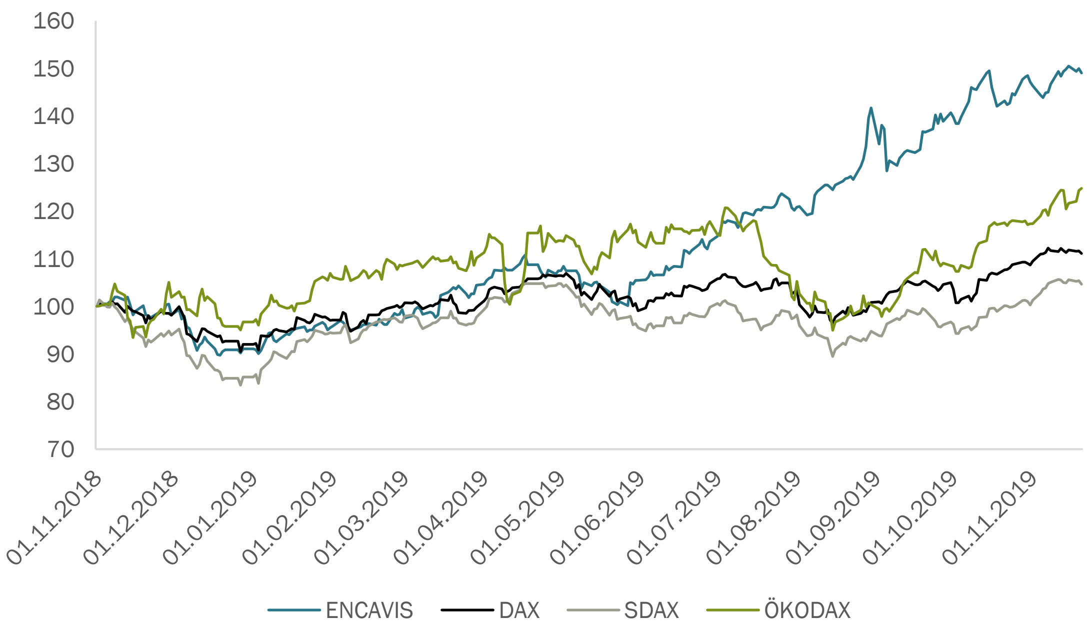
Key financial figures

Listed since	28.07.1998
Subscribed capital	131,498,147.00 EUR
Number of shares	131.50 Mio.
Stock market segment	Prime Standard
Dividend 2016 per share	0.20 EUR
Dividend 2017 per share	0.22 EUR
Dividend 2018 per share	0.24 EUR
52-week high	9.19 EUR
52-week low	4.98 EUR
Share price (20 November 2019)	9.00 EUR
Market capitalisation (20 November 2019)	1,183.48 Mio. EUR
Indexes	SDAX, HASPAX, PPVX, Solar Energy Stock Index
Trading centres	Xetra, Frankfurt am Main, Hamburg
ISIN	DE 0006095003
Designated sponsor	Oddo Seydler Bank AG, HSBC Trinkhaus & Burkhardt AG
Payment office	DZ BANK

The Encavis share took off in 2019

The Encavis share began the 2019 stock market year with a price of 5.46 euros. In the first nine months of the year, the Encavis share underwent very positive development while, at the same time, also seeing a significant increase in the trading volume. This was due to, among other things, a series of good reports from business operations as well as multiple increases of the earnings expectations. At the end of May, in light of the first-time application of IFRS 16, the guidance for the 2019 financial year published previously has been adjusted upward for the first time for the purely technical effects resulting from this application. The sale of minority interests in four wind parks freed up cash reserves, which led to another increase of the guidance. At the end of August, due to the continued positive meteorological conditions in the first half of 2019, the Management Board once again raised the forecast for the financial year.

On 19 November, the Encavis share reached its new three-year high of 9.19 euros, and closed trading on 20 November at 9.00 euros.



Increased trading volume due to shorts

The significant increase in the trading volume over the past few months was, in large part, influenced by shorts placed by hedge funds. These shorts, however, are structured in such a way that they do not represent a bet that the Encavis share price will drop; instead, they serve to secure the investments made by the hedge fund in the convertible bonds issued by Encavis in 2017 against potential conversion.

In the first nine months of 2019, an average of 178,843 shares were traded per day on the electronic trading platform XETRA (first nine months of 2018: 163,214 shares). Encavis AG's market capitalisation on 30 September 2019 was some EUR 1,118 million (28 December 2018: EUR 809 million). There were 131,498,147 outstanding shares at the end of the reporting period.

Encavis AG financial calendar

Date	Financial event
2019	
25 to 26 November 2019	German Equity Forum (Deutsche Börse) – Frankfurt am Main, Germany
28 November 2019	DSW Investors' Conference – Wiesbaden, Germany
3 December 2019	DSW Investors' Conference – Hamburg, Germany
5 December 2019	BNP Paribas Investors Day – London, United Kingdom
11 December 2019	Interest payment on 2015 debenture bond
16 December 2019	DSW Investors' Conference – Düsseldorf, Germany
2020	
9 to 10 January 2020	23rd ODDO BHF Forum – Lyons, France
16 January 2020	Pareto Securities' Power & Renewable Energy Conference – Oslo, Norway
20 to 22 January 2020	UniCredit/Kepler Cheuvreux German Corporate Conference – Frankfurt am Main, Germany
4 to 5 February 2020	HSBC ESG conference – Frankfurt am Main, Germany
13 March 2020	Interest payment on hybrid convertible bond
19 March 2020	Publication of Annual Report 2019
20 March 2020	CM-CIC Market Solutions Forum by ESN – Paris, France
24 to 25 March 2020	Bankhaus Lampe German Conference – Baden-Baden, Germany
26 to 27 March 2020	Jefferies Equity-Linked Conference - London, Großbritannien
30 March to 1 April 2020	Raiffeisen Centrobank investor conference – Zürs, Austria
13 May 2020	Annual shareholders' meeting
27 May 2020	Publication of the quarterly report for Q1 2020
26 August 2020	Publication of the half-yearly financial report
12 September 2020	Interest payment on the 2018 Green Schuldschein bond
13 September 2020	Interest payment on hybrid convertible bond
23 November 2020	Publication of the quarterly report for Q3 2020
23 to 25 November 2020	German Equity Forum (Deutsche Börse) – Frankfurt am Main, Germany
11 December 2020	Interest payment on 2015 debenture bond

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.

Rounding differences may occur in percentages and figures in this report.

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