

QUARTERLY STATEMENT 2021

PNE AG

1 | 2021

PNE
pure new energy

THE PNE GROUP AT A GLANCE

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

PNE Group key figures

in million Euro	1.1. – 31.3. 2021	1.1. – 31.3. 2020
Total aggregate output	49.4	25.1
Revenues	16.1	15.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	6.3	6.4
Operating profit (EBIT)	1.1	2.3
Earnings before taxes (EBT)	1.1	-1.4
Result for the period	1.1	0.2
Basic earnings per share (euro)	0.01	0.00
Average number of shares (million)	76.3	76.3

in million Euro	31.3.2021	31.12.2020
Equity on the reporting date	201.4	200.6
Equity ratio on the reporting date (%)	30.0	30.2
Balance sheet total on the reporting date	672.0	663.8

FOREWORD OF THE BOARD OF MANAGEMENT

DEAR SHAREHOLDERS,

2020 was a good year for our enterprise, and we took this pleasing tailwind with us in the development and realisation of wind energy and photovoltaic projects as well as the service sector into 2021. We are thus continuing to work on rapidly implementing the goals of our strategic orientation according to the “Scale up” concept.

Dynamic start to 2021

In operational terms, we have made a dynamic start to the 2021 fiscal year. We were able to complete two wind farms with around 17 MW for our own wind farm portfolio. In addition, five wind farms with a nominal output of 97.1 MW were under construction in Germany at the end of the first quarter. The construction of wind farms on behalf of customers in Sweden has been continued. In Poland, the construction of two further wind farms has been continued, and a project already sold was put into operation.

The development of further projects was further advanced both nationally and internationally. In Romania, France, the USA, Poland and South Africa, we have started sales processes for well-developed wind energy projects, some of which are expected to be completed this year.

Internal operations strengthened

The wind farm portfolio operated by PNE was increased to 151.6 MW by the end of the first quarter. This brings us step by step closer to our goal of building up our own operations to up to 500 MW by the end of 2023. We expect to be able to commission further wind farms for our own portfolio this year. These wind farms are already under construction, and others are in the approval process.

In addition to expanding the service business, we want to make a further contribution to reducing the volatility of results and to stabilising results and turnover at a high level with our own operations.



Wind and PV project pipeline continues to grow

We see ourselves well positioned for the further development in our core business of project development and operation. The pipeline of onshore wind energy projects that we are currently working on in the various phases of project development was expanded to more than 5,500 MW despite the continuous realisation of wind farms. This is a very good basis for the PNE Group to continue its positive development in the future.

There was also further progress in the first quarter in the development of photovoltaic projects. In this field, we were able to expand our "pipeline" of projects in progress to 674 MWp. This, too, is an important component of our strategic further development.

First quarter results on target

Based on these business developments, the Group generated in the reporting period sales revenues of euro 16.1 million (prior year: euro 15.7 million), total aggregate output of euro 49.4 million (prior year: euro 25.1 million), earnings before interest, taxes, depreciation and amortisation (EBITDA) of euro 6.3 million (prior year: euro 6.4 million) and undiluted earnings per share of euro 0.01 (prior year: euro 0.00).

The results are influenced by the establishment of the portfolio operated by PNE. As profits from projects owned by the Company are eliminated at Group level, the consolidated results in the Group do not show a complete picture of the performance of the enterprise. With the establishment of our own wind farm portfolio, "hidden reserves" were created that are not immediately recognisable. As a result of the investments in our own projects, pre-tax profits totalling euro 87.6 million were eliminated at Group level, of which euro 6.0 million in the reporting period (prior year: euro 6.1 million).

The results of the first quarter are on target.

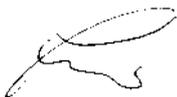
Accordingly, we can confirm our goals for the entire year: In fiscal 2021, we will have further upfront expenditure in the lower single-digit million range for the strategic expansion of the business model and we will increase the volume of internally operated projects. We expect Group EBITDA of euro 24 to 32 million in respect of our guidance for the 2021 fiscal year. Due to the effects of the ongoing COVID-19 pandemic, there might be postponements in the operating business as regards project right sales and project implementations from 2021 to 2022.

PNE is well on track. In spite of the current developments triggered by the COVID-19 pandemic, we are optimistic about the future.

We would like to express our very sincere gratitude – including on behalf of our employees – for your support to date.

Please maintain your confidence in us in the future!

PNE AG
The Board of Management



Markus Lesser
CEO



Jörg Klawat
CFO



IMPORTANT NOTE ON THE 2021 ANNUAL GENERAL MEETING

Due to the ongoing measures taken to combat the spread of the COVID-19 virus, PNE AG's annual general meeting of shareholders, which will take place on May 19, 2021, will be held in the form of a purely virtual general meeting as in the year before. In view of the potential risk of infection, the Board of Management, with the approval of the Supervisory Board, has decided to make use of the legal options and refrain from holding a meeting in person. All shareholders who have registered in due time can follow the annual general meeting via the Internet. It will also be possible to vote on the proposed resolutions via the Internet.

Based on the annual financial statements for the 2020 fiscal year, the Supervisory Board examined and concurred with the Management Board's proposal on the appropriation of profits, taking into account the interests of the Company and its shareholders. The Board of Management and the Supervisory Board will propose to the annual general meeting on May 19, 2021 that a dividend of euro 0.04 per eligible share be distributed.

1. OVERVIEW OF BUSINESS ACTIVITY

Summary

The operational business of the PNE Group in the wind sector during the first quarter of 2021 was characterised by the development and realisation of onshore wind farms in various countries. The German wind farms "Langstedt" (12.6 MW, of which 4.2 MW on behalf of the landowners), "Lentförden" (8.4 MW) and the sold project "Erfurt-Ost" (5.5 MW) were completed and put into operation.

In Germany, Sweden and Poland, wind farms with a total nominal output of 328.9 MW were under construction as at March 31, 2021. For projects already sold with 173 MW, PNE is active as a service provider for the buyers.

The development of national and international photovoltaic projects has also been continued and significantly expanded in the reporting period.

Once again, we have come closer to our goal of significantly expanding our own wind farm operations and establishing an internal wind farm portfolio of up to 500 megawatts (MW) by the end of 2023. On March 31, 2021, PNE operated wind farms with an installed nominal capacity of 151.6 MW in its own portfolio. Further projects are under construction. The basis for the future further expansion is the well-filled project pipeline, since PNE is currently developing national and international onshore wind farms with a volume of 5,588 MW in various phases of project development. Individual projects, especially abroad, will still be marketed in the future.

As a portfolio holder, PNE AG is increasingly dependent on the wind conditions. As the number of MW in the Group's own portfolio increases, weaker wind conditions will have an impact on the financial indicators of the "electricity generation" segment and thus also on the financial indicators of the Group. Compared to the same period of the previous year, less favourable wind conditions were recorded in 2021, which led to negative deviations from the comparative figures of the previous year in the "electricity generation" segment.

The effects of the COVID-19 pandemic are also felt by enterprises working to expand renewable energies. At present, PNE assumes that, due to the current development of the pandemic, there might be postponements in the operating business as regards project right sales and project implementations from 2021 to 2022. This has already been taken into account in the guidance. However, the Company currently assumes that there should be no significant

impact on our business in the medium to long term. The good liquidity position gives the Company sufficient leeway to be able to cope well with longer-term restrictions.

Segment reporting

The determination and presentation of segment reporting as at March 31, 2021 has not changed versus December 31, 2020.

"Project development" segment

The "project development" segment reports on the following sub-divisions: onshore wind power – national and international, offshore wind power – national and international, photovoltaic projects – national and international, as well as other projects.

Sub-division wind energy onshore

The development and realisation of onshore wind farms have been continued consistently in the first quarter of 2021, both in Germany and in the foreign markets.

Overview of the status of onshore wind energy project activities of the PNE Group as at March 31, 2021 in MW:

Country	Phase I – II	Phase III	Phase IV	Total MW	Sold/ Service Provider
Germany	1,270	449	98	1,817	0
France	271	264	0	535	0
United Kingdom	43	0	0	43	0
Italy	40	0	0	40	0
Canada	505	0	0	505	0
Panama	340	0	0	340	0
Poland	310	0	59	369	0
Romania	54	102	0	156	0
South Africa	620	30	0	650	0
Sweden	0	0	0	0	173
Turkey	629	71	0	700	0
USA	266	167	0	433	0
Total	4,348	1,083	157	5,588	173

Phase I – II = Exploration & Development

Phase III = Planning

Phase IV = Implementation

Sold/Service Provider = Projects already sold, for which PNE is currently providing construction management services

Wind energy onshore – national

At the end of the first quarter of 2021, the PNE Group was working on wind farm projects with a nominal output of approx. 1,817 MW in various phases of project development.

The German wind farms “Langstedt” (12.6 MW of which 4.2 MW on behalf of the landowners) and “Lentförden” (8.4 MW) were completed and included in the Company’s own portfolio. The “Erfurt-Ost” wind farm (5.5 MW), which has already been sold, was also completed.

Five wind farms with a nominal output of 97.1 MW were under construction in Germany at the end of the first reporting period.

In addition, PNE received permits for further German wind farms with a nominal output of 30.4 MW in the first quarter. On March 31, 2021, PNE had permits for German wind farms with a capacity of approx. 46 MW.

Wind energy onshore – international

The PNE Group successfully continued its core business of project development and realisation abroad. Compared to the presentation in the 2020 annual report, there were the following changes in the foreign markets:

Poland

The “Jasna” wind farm, which was sold earlier and has a total nominal output of 132 MW, was put into operation. 39 wind turbines were erected in the project, 22 of them of the Vestas V126 type with 3.45 MW each and 17 of the Vestas V126 type with 3.3 MW each. PNE was responsible for construction management on behalf of the investor.

The construction of the wind farms “Kuslin” (39.6 MW) and “Krzecin” (19.2 MW) was continued in the reporting period.

Sweden

The construction of the previously sold “Malarberget” wind farm (113 MW) has progressed further. PNE has taken over the construction management of the wind farm on behalf of the buyer and will continue to support it during the operating phase as well.

During the reporting period, construction began on the “Hulterna” wind farm with a nominal output of around 60 MW. This wind farm was also already sold and will be managed by PNE on behalf of the buyer during the construction phase.

Sub-division wind energy offshore

Wind energy offshore – national

PNE’s high level of competence in offshore project development is reflected in the fact that PNE has already sold eight offshore wind farm projects after their realisation in recent years. These include the projects “Atlantis I”, “Borkum Riffgrund” and “Gode Wind”. PNE continues to act as a service provider for the divested projects.

Four offshore wind farms, which were developed by PNE and sold after approval was granted, have already been erected and put into operation by the buyers: “Borkum Riffgrund 1”, “Gode Wind 1”, “Gode Wind 2” and “Borkum Riffgrund 2” with a total nominal capacity of 1,344 MW.

In the offshore wind energy segment, PNE also examines opportunities of generating electricity from other energy carriers such as hydrogen at sea. Fundamental calculations and examinations are carried out for this purpose, which, if positive, can form the basis of further project activities in this respect.

Wind energy offshore – international

In the reporting period, PNE made further efforts to start the development of marine wind farms abroad. In particular, we are currently examining the possibilities of planning offshore wind farms in Vietnam.

Sub-division photovoltaics

In recent years, photovoltaic installations have become increasingly cost-effective, efficient and more marketable in the area of electricity generation. In addition, the legal and economic framework conditions for the development of photovoltaic projects are in place in many countries. The development of photovoltaic projects is therefore part of the strategic orientation of PNE’s business model.

New markets are currently being examined in detail and rights are being secured in markets already selected. Particular attention will initially be paid to Germany, France, Italy, Romania and the USA as well as other international markets. The volume of photovoltaic projects we are currently working on in seven countries increased to 674 MWp by the end of the reporting period.

Overview of the status of photovoltaic project activities of the PNE Group as at March 31, 2021 in MWp:

Country	Phase I – II	Phase III	Phase IV	Total MWp
Germany	220	0	0	220
France	25	0	0	25
Italy	42	0	0	42
Canada	10	0	0	10
Poland	55	0	0	55
Romania	112	0	0	112
USA	210	0	0	210
Total	674	0	0	674

Phase I – II = Exploration & Development
Phase III = Planning
Phase IV = Implementation

The operative achievements listed above have led to the positive results in the “project development” segment in the first quarter of 2021. The current COVID-19 pandemic has had impact on the business activities of the “project development” segment in the form of project postponements. These shifts had only minor effects on the results of the “project development” segment in the period under review. However, it cannot be ruled out that this might lead to shifts in earnings in the “project development” segment and in the Group from 2021 to 2022 in the course of the 2021 fiscal year.

In the first quarter of 2021, the “project development” segment achieved

- » total aggregate output of euro 47.9 million (prior year: euro 20.8 million),
- » EBITDA of euro 6.5 million (prior year: euro 4.8 million) and
- » EBIT of euro 5.9 million (prior year: euro 4.3 million).

“Service products” segment

The “service products” segment reports in summary on services. These include technical and commercial operations management, construction management, transformer station services, wind planning, electricity marketing management, and similar services.

The international business of operations management was expanded in the first quarter of 2021 in the markets in Sweden and Poland.

In the Polish wind farm “Jasna”, developed and sold by PNE, group companies provided construction management services until the start of operation. With this project, PNE once again successfully implemented its strategy of providing services for these projects in addition to project development.

Services are also provided for the Swedish “Malarberget” and “Hultema” projects during the ongoing construction phase. In the “Malarberget” and “Hultema” wind farms, PNE will also take on tasks during the subsequent operating phase.

The current COVID-19 crisis has only had a minor impact on the business activities of the “service products” segment, as the order situation in this segment is based primarily on long-term service orders. In the “service products” segment, however, the current course of the COVID-19 pandemic may lead to cancellations of training courses etc. in the next few months, which might affect the expected results of the segment.

In the first quarter of 2021, the “service products” segment achieved

- » total aggregate output of euro 4.9 million (prior year: euro 4.4 million),
- » EBITDA of euro 1.7 million (prior year: euro 1.1 million) and
- » EBIT of euro 0.9 million (prior year: euro 0.3 million).

“Electricity generation” segment

The “electricity generation” segment combines all activities of the Group companies that are engaged directly in the production of electricity from clean energies.

This division includes primarily the PNE-operated wind farms with a total nominal capacity of currently 151.6 MW (as at March 31, 2020: approx. 130.1 MW) and the Silbitz biomass power plant with approx. 5.6 MW. Furthermore, the segment includes interests in limited partnerships, in which wind farm projects will be realised in the future.

Until the successful sale and delivery of wind farms to the operators, the “electricity generation” segment will include the revenues of these projects as part of segment reporting.

The seasonal wind distribution with constant depreciation and costs per quarter results – from quarter to quarter – in the wind farms recording very positive results in quarters with high winds and slightly negative to slightly positive results in low-wind quarters. In the first quarter of 2021, weaker wind performance was recorded compared to the long-term average so that results below the forecasts were generated in the “electricity generation” segment. Compared to the same period of the previous year, depreciation and amortisation in the “electricity generation” segment increased due to the higher number of MW in operation, which, in conjunction with lower sales, had a negative impact on the segment’s EBIT figures compared to the previous year.

The current COVID-19 crisis has had no impact on the business activities of the “electricity generation” segment.

In the first quarter of 2021, the “electricity generation” segment achieved

- » total aggregate output of euro 6.8 million (prior year: euro 8.5 million),
- » EBITDA of euro 5.1 million (prior year: euro 7.1 million) and
- » EBIT of euro 1.2 million (prior year: euro 4.3 million).

2. CORPORATE STRUCTURE

Changes in the Group’s structure are shown under the table for segment reporting.

Compared to December 31, 2020, there were no other significant changes in the area of operations.

3. ORGANISATION AND EMPLOYEES

On March 31, 2021, the PNE AG Group employed 460 people in total (prior year: 432), including the members of the Board of Management.

Of Group’s employees, 178 persons (prior year: 170 persons) were employed directly by PNE AG and 282 persons (prior year: 262 persons) by the subsidiaries of PNE AG.

When distinguished between Germany and abroad,

- » 363 persons (prior year: 357 persons) were employed by domestic and
- » 97 persons (prior year: 75 persons) by foreign companies of the Group.

4. FINANCIAL SITUATION/BUSINESS RESULTS

The figures shown below were determined and presented in accordance with IFRS for the Group. The consolidated financial information for the first three months of the 2021 fiscal year as at March 31, 2021 was based on the same accounting and valuation methods as the consolidated financial statements as at December 31, 2020.

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

a. Revenues and earnings

In the first three months of 2021, the PNE AG Group achieved a total aggregate output of euro 49.5 million (prior year: euro 25.1 million). Of this, euro 16.1 million is attributable to revenues (prior year: euro 15.7 million), euro 32.8 million to change in inventories (prior year: euro 6.6 million), and euro 0.5 million to other operating income (prior year: euro 2.8 million).

In the first three months of 2021:

- » In the "project development" segment, the Company billed internal revenues of euro 19.2 million (prior year: euro 11.1 million), including for the general contractor and project development services for the Company's planned own wind farms such as the "Holstentor" wind farm as well as external revenues of euro 6.0 million (prior year: euro 5.0 million) from contractual milestone payments for wind farm projects sold in 2019/2020 in Germany and abroad, e.g. in Sweden, and from project development and general contractor services for wind farm projects.
- » In the "service products" segment, external and internal revenues of euro 4.7 million (prior year: euro 4.0 million) were billed. The main revenues were generated
 - » from commercial and technical operations management,
 - » from activities in the area of service, maintenance and inspection of operating equipment, training for specialists, services for work on, e.g., obstruction lighting systems, and
 - » from transformer station services.

It is noteworthy that a significant proportion of the internal services/revenues led to the avoidance of external costs within the Group.

- » In the "electricity generation" segment, external revenues of approx. euro 6.6 million were generated in the reporting period (prior year: euro 7.7 million). These revenues were mainly attributable to the electricity income of the internally operated wind farms (euro 5.5 million) and the revenues from the Silbitz biomass power plant (euro 1.1 million). A major reason for the lower revenues compared to the same period of the previous year is that weaker wind performance was recorded in the first quarter of 2021 compared to the long-term average and, consequently, a lower amount of electricity was produced

compared to the same period of the previous year despite the higher number of wind turbines in PNE's own operation.

In the first quarter of 2021, as in the previous year, the services rendered for the wind farm projects planned for internal operation and under construction were shown under changes in inventories.

Other operating income in the first three months of 2021 resulted primarily from the reversal of provisions in connection with the construction of wind farm projects.

The Group's personnel expenses increased by euro 1.1 million compared to the previous year due to the higher number of employees (460 employees, incl. members of the Board of Management, as at March 31, 2021 versus 432 employees, incl. members of the Board of Management, as at March 31, 2020) and due to the higher salaries for qualified staff. The increase in the number of employees is part of the organisational adjustment to the strategy that the Group is pursuing with the "Scale up" concept. Personnel costs are attributable to the segments as follows:

- » "Project development": euro 6.1 million (prior year: euro 5.1 million)
- » "Service products": euro 1.9 million (prior year: euro 2.0 million)
- » "Electricity generation": euro 0.2 million (prior year: euro 0.2 million).

Depreciation and amortisation of intangible fixed assets, property, plant and equipment as well as right-of-use assets increased primarily due to the higher average number of wind power turbines in the Group (euro 5.2 million in the 2021 reporting period versus euro 4.1 million in the prior-year period). Depreciation and amortisation of intangible fixed assets, property, plant and equipment as well as right-of-use assets are attributable to the segments as follows:

- » "Project development": euro 0.5 million (prior year: euro 0.5 million)
- » "Service products": euro 0.8 million (prior year: euro 0.8 million)
- » "Electricity generation": euro 3.9 million (prior year: euro 2.8 million).

The other operating expenses are mainly related to the further development and ongoing operation of the wind farms in the Group and the HKW Silbitz. Other operating expenses changed from euro 5.0 million in the prior-year period to euro 4.2 million in the reporting period. Other operating expenses, before consolidation effects, are distributed among the segments as follows:

- » "Project development": euro 3.6 million (prior year: euro 4.0 million)
- » "Service products": euro 0.4 million (prior year: euro 0.5 million)
- » "Electricity generation": euro 1.3 million (prior year: euro 1.1 million).

Interest and similar income changed from euro 0.0 million in the prior-year period to euro 2.4 million in the reporting period. The change is mainly due to the valuation of the interest swaps concluded as part of the project financing. In the valuation of interest rate swaps, rising market interest rates have led to interest income, which was recognised in the amount of euro 2.3 million in the Group ("electricity generation" segment) in the first quarter of 2021.

Interest and similar expenses changed from euro 3.7 million in the prior-year period to euro 2.4 million in the reporting period. In the 2020 reporting period, falling interest rates led to interest expense (euro 1.5 million) in the valuation of the interest rate swaps, whereas rising market interest rates resulted in interest income in the 2021 reporting period (see above under "Interest and similar income"). Interest and similar expenses were incurred mainly in connection with

- » the 2018/2023 bond (euro 0.5 million),
- » the equity and debt financing in connection with wind farm projects (euro 1.0 million) and
- » the application of IFRS 16 "Leases" (euro 0.5 million).

PNE has created values ("hidden reserves") that are not immediately recognisable. These are connected to the establishment of the wind farm portfolio owned by the Company. As a result of these investments in PNE's own projects, pre-tax profits of euro 6.0 million were eliminated at the Group level in the reporting period (prior year: euro 6.1 million). With a portfolio of company-owned projects, complete or partial sales to third parties outside the Group are postponed, and thus also the Group's earnings from these sales. Whether these profits, as currently calculated, can be achieved in the future in the event of a sale depends on whether

the assumed market conditions of the project calculations (e.g. return expectations of investors) remain the same. The values created ("hidden reserves") from the Group's own projects are disclosed step by step over the useful life of the projects due to the lower depreciation measurement basis in the Group. This disclosure of values ("hidden reserves") leads to improvements in earnings over the term and, corresponding to the amount of the disclosure, to an improvement in the Group equity ratio.

At Group level, the following results were achieved in the 2021 fiscal year, excluding the deferred results from the establishment of a wind farm portfolio:

- » earnings before interest, taxes, depreciation and amortisation (EBITDA = EBIT plus amortisation and depreciation of intangible assets, property, plant and equipment as well as right-of-use assets and goodwill) of euro 6.3 million (prior year: euro 6.4 million),
- » operating profit (EBIT = corresponds to the value stated in line "Operating result" of the consolidated statement of comprehensive income) of euro 1.1 million (prior year: euro 2.3 million).

The consolidated net income after non-controlling interests amounted to euro 1.1 million (prior year: euro 0.2 million). The basic earnings per share for the Group amounted to euro 0.01 (prior year: euro 0.00) and the diluted earnings per share for the Group amounted to euro 0.01 (prior year: euro 0.00).

At the end of the reporting period, the Group recorded retained earnings of euro 52.5 million (December 31, 2020: euro 51.4 million).

b. Net assets and financial position

Assets

in million Euro	31.3.2021	31.12.2020
Long-term assets	343.7	317.3
Intangible assets	64.2	64.3
Property, plant and equipment	196.8	176.5
Rights of use	44.3	39.1
Long-term financial assets	2.0	1.9
Deferred taxes	36.4	35.5
Short-term assets	328.3	346.5
Inventories	177.8	174.0
Receivables and other assets	55.1	59.6
Tax receivables	1.3	1.3
Cash and cash equivalents	94.1	111.6
Balance sheet total	672.0	663.8

On the reporting date, the consolidated total assets of PNE AG amounted to euro 672.0 million (December 31, 2020: euro 663.8 million). This is a change of approx. 1.2 percent in comparison with December 31, 2020.

Total long-term assets increased from euro 317.3 million at the end of 2020 to euro 343.7 million on the reporting date.

Intangible assets as at March 31, 2021 totalled euro 64.2 million, including goodwill, and thus remained approximately at the same level as at December 31, 2020.

In the same period, property, plant and equipment changed by euro +20.3 million to euro 196.8 million (December 31, 2020: euro 176.5 million). The increase in property, plant and equipment is mainly due to the "growing" wind farm portfolio and the resulting write-downs of property, plant and equipment of the wind farms.

The item "property, plant and equipment" mainly includes:

- » land and buildings (euro 13.4 million),
- » transformer stations owned or under construction (euro 15.9 million),
- » technical equipment and machinery of the Company's own wind farms (euro 162.1 million).

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

As at March 31, 2021, euro 44.3 million (December 31, 2020: euro 39.1 million) for right-of-use assets was reported under long-term assets. As at March 31, 2021, the right-of-use assets were attributable to the segments as follows:

- » "Project development": euro 10.7 million (as at December 31, 2020: euro 10.3 million)
- » "Service products": euro 5.7 million (as at December 31, 2020: euro 5.9 million)
- » "Electricity generation": euro 27.9 million (as at December 31, 2020: euro 22.9 million).

IFRS 16 specifies how to account for leases. According to the standard, the lessee is generally obliged to recognise rights and obligations arising from leases. Therefore, lessees must recognise the right of use relating to a leased asset ("right-of-use asset") either under fixed assets in the balance sheet item "right-of-use assets" (long-term assets such as wind farms in own operation or wind farms planned for own operation) or under the balance sheet item "inventories" (short-term assets such as wind farm projects to be sold during or after construction). The "right-of-use assets" in the PNE Group include leasing contracts (e.g. car leasing), rental agreements (e.g. for the building in Husum) and lease agreements (e.g. in connection with the wind farms held by PNE or wind farms under construction).

For all assets within the scope of IAS 36 (in particular intangible assets (IAS 38), goodwill (IFRS 3), property, plant and equipment (IAS 16) and investment property measured at cost (IAS 40)), the reporting entity must assess at each balance sheet date whether there is any indication (triggering event) for an impairment loss. Although the effects on the economy caused by the COVID-19 pandemic also have certain implications for PNE AG, the Board of Management is of the opinion that there are no indications that the value of the reported goodwill as at March 31, 2021 might be impaired.

During the reporting period, short-term assets changed from euro 346.5 million on December 31, 2020 to euro 328.3 million on March 31, 2021. This change is mainly attributable to the increase in inventories (euro +3.8 million) with simultaneous decrease in cash and cash equivalents (euro -17.5 million) and in receivables and other assets (euro -4.5 million). Of the short-term assets, euro 33.2 million is attributable to trade receivables (December 31, 2020: euro 40.2 million).

The work in progress shown under the inventories increased from euro 144.1 million (December 31, 2020) to euro 155.6 million. The increase in inventories is due primarily to the Group's investments for onshore projects under construction, for the further development of the wind onshore and photovoltaics project pipelines in Germany and abroad as well as to the right-of-use assets in connection with the realisation of PNE's own wind farm projects.

Work in progress is divided as follows:

- » onshore projects/national (euro 90.0 million),
- » onshore projects/international (euro 65.6 million).

In addition, the advance payments made for onshore projects under construction reported under inventories changed by euro -7.7 million from euro 29.6 million to euro 21.9 million.

Cash and cash equivalents amounted to euro 94.1 million as at March 31, 2021, of which euro 2.6 million was pledged to banks (as at December 31, 2020: euro 111.6 Million, of which euro 3.0 million pledged).

As at March 31, 2021, cash and cash equivalents were attributable to the segments as follows:

- » "Project development": euro 71.7 million (as at December 31, 2020: euro 89.3 million)
- » "Service products": euro 0.7 million (as at December 31, 2020: euro 1.1 million)
- » "Electricity generation": euro 21.7 million (as at December 31, 2020: euro 21.2 million).

Liabilities

in million Euro	31.3.2021	31.12.2020
Equity capital	201.4	200.6
Deferred subsidies from public authorities	0.7	0.7
Provisions	6.6	4.6
Long-term liabilities	377.7	354.3
Short-term liabilities	61.8	81.6
Deferred revenues	23.8	22.0
Total assets	672.0	663.8

Group equity changed from euro 200.6 million (December 31, 2020) to euro 201.4 million as at March 31, 2021. The equity ratio of the Group was approx. 30 percent as at March 31, 2021 (as at December 31, 2020: approx. 30 percent).

The long-term liabilities changed from euro 354.3 million (December 31, 2020) to euro 377.7 million. This item consists mainly of long-term financial liabilities totalling euro 368.7 million (as at December 31, 2020: euro 343.3 million).

The long-term liabilities mainly consist of

- » the 2018/2023 bond issued in 2018 with a carrying amount of euro 49.3 million (as at December 31, 2020: euro 49.2 million),
- » long-term liabilities to banks amounting to euro 230.0 million (December 31, 2020: euro 216.6 million) and
- » liabilities from leases of euro 84.5 million (as at December 31, 2020: euro 70.4 million).

The significant long-term liabilities to banks relate to the "non-recourse" project financing of wind farm projects operated by the Company in its own portfolio ("electricity generation" segment).

As at March 31, 2021, the liabilities to banks are attributable to the segments as follows:

- » "Project development": euro 5.9 million (of which long-term euro 3.6 million)
- » "Electricity generation": euro 238.7 million (of which long-term euro 226.3 million)
- » "Service products": euro 0.0 million (of which long-term euro 0.0 million)

Primarily due to "IFRS 16 Leases", approx. euro 84.5 million (as at December 31, 2020: euro 70.4 million) for lease liabilities is reported under long-term liabilities, and approx. euro 5.7 million (as at December 31, 2020: euro 4.6 million) under short-term liabilities as at December 31, 2020.

As at March 31, 2021, the liabilities from leases are attributable to the segments as follows:

- » "Project development": euro 11.2 million (of which long-term euro 9.9 million)
- » "Electricity generation": euro 73.1 million (of which long-term euro 69.3 million)
- » "Service products": euro 6.0 million (of which long-term euro 5.4 million).

In the first three months of the 2021 fiscal year, the short-term liabilities changed from euro 81.6 million (December 31, 2020) to euro 61.8 million. The short term liabilities to banks, included in this item, decreased from euro 22.7 million (December 31, 2020) to euro 14.7 million. In the reporting period, trade liabilities as part of normal operating business changed from euro 31.4 million (December 31, 2020) to euro 24.9 million.

In the first three months of 2021, the Company raised "non-recourse" funds of approx. euro 19.3 million and approx. euro 0.6 million from the available project equity interim financing line and concluded agreements on short-term interim project financing, working capital lines and scheduled repayments of project funds of approx. euro 14.6 million.

Taking the liquid funds into account, net debt (cash and cash equivalents less the short-term and long-term financial liabilities) amounted to euro -296.4 million as at March 31, 2021 (December 31, 2020: euro -260.5 million).

The statement of cash flows provides information on the liquidity situation and the financial position of the Group. As at March 31, 2021, the Group companies had available liquidity and credit lines for interim project financing totaling euro 212.9 million, of which euro 2.6 million is pledged to banks (as at December 31, 2020: euro 218.1 million, of which euro 3.0 million pledged).

Cash and cash equivalents amounted to euro 94.1 million as at March 31, 2021, of which euro 2.6 million was pledged to banks (as at December 31, 2020: euro 111.6 Million, of which euro 3.0 million pledged).

In addition, the group companies had available liquidity from unused

- » working capital lines of euro 15.1 million and
- » external project interim financing of euro 103.7 million,

as at March 31, 2021.

The Group entered into an agreement (letter of intent) with a bank for interim equity financing of projects of up to euro 27.1 million, on the basis of which separate interim equity financing agreements can be concluded after the commissioning of the projects.

The cash flow from operating activities shown in the statement of cash flows of euro 2.1 million (prior year: euro 6.9 million) was primarily attributable to

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

The cash flow from investing activities in the reporting period included incoming and outgoing payments for investments in property, plant and equipment of the Group totalling euro -23.8 million (prior year: euro -2.9 million). The investments in property, plant and equipment related mainly to investments in the implementation of wind farms for the wind farm portfolio being established ("electricity generation" segment) and in transformer stations for the wind farm projects being realised ("service products" segment).

During the reporting period, the cash flow from financing activities of euro 4.0 million (prior year: euro 7.2 million) was influenced primarily by

- » the use of bank loans of euro 19.9 million, which were mainly used for the funding of wind farm projects,
- » the repayment of credit liabilities of euro -14.6 million and
- » lease payments totalling euro -1.3 million.

5. MAJOR EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, no significant events affecting the results of operations, financial position and net assets have occurred.

6. OPPORTUNITIES AND RISKS

For information about the opportunities and risks of PNE AG, refer to the chapter "Report on opportunities and risks" in the 2020 annual report, which is available on the Company's website at www.pne-ag.com.

All recognisable risks arising from the COVID-19 virus currently present worldwide are continually assessed by the Company with regard to possible effects on the net assets, financial position and results of operations as well as the well-being of the employees, and are included in this quarterly statement and the outlook.

During the first three months of the 2021 fiscal year, the Board of Management has not identified any other significant additions or changes to the risks presented in the 2020 annual report.

7. OUTLOOK/FORECAST

The PNE Group is an internationally operating enterprise and one of the most experienced project developers for clean energies on land and at sea. We combine economic success with ecological responsibility. We offer services covering the entire value-added chain, ranging from the development, planning, realisation, sale and operation of wind and photovoltaic farms as well as transformer stations to repowering – i.e. the replacement of older wind power turbines by new modern equipment. We also offer our skills acquired in this context as a service provider to third parties.

We want to develop high quality projects that meet international standards and allow for secure project financing at the international level. Such a project quality can be achieved by ensuring compliance with the project schedule and the cost framework from the development to the start of operation.

After the successful development of wind farms in recent years, we are following our goal of realising a wind farm portfolio with a total capacity of up to 500 MW by the end of 2023. For the time being, the completed wind farms will be operated by the Company itself to generate current income from the sale of electricity.

In addition, the combination of power plants with clean energies and storage technologies is an issue of the future. We have further developed the strategic orientation of the Group via the "Scale up" concept. The operative business will be placed on a significantly broader basis, both nationally and internationally. Our goal continues to be to develop PNE from a wind farm specialist to a specialist for photovoltaic farms and a broad-based provider of clean energy solutions. The fundamentals of this strategy of a "Clean Energy Solution Provider" are the expansion of our range of services and the development of new markets and technologies.

With this strategic orientation, we are responding to changes in the clean energy markets. While renewable energies will grow dynamically worldwide in the coming years, countervailing trends can be observed in individual established markets. Subsidies for wind energy are being reduced, remuneration systems are being converted to tenders (more electricity purchase agreements are being put out to tender by individual companies) or other market mechanisms, and the expansion of wind energy in some countries is being limited as a result. This increases competitive pressure. The optimisation of the costs associated with a project is therefore becoming increasingly important. We will also focus on photovoltaic projects and hybrid solutions as well as storage technologies.

Based on this broader position, we are minimising market risks, opening up new potentials and markets for PNE and, in the medium term, we will stabilise primarily the, to date, volatile results.

After a transitional phase, in which investments will pave the way for the implementation of the "Scale up" concept, this is expected to lead to an increase in average operating results (EBIT or EBITDA) by the end of 2023.

The following forecasts are based on the planned results:

- » from the implementation of operationally planned projects in Germany and abroad (onshore, offshore, photovoltaics),
- » from the service business, and
- » from the electricity generation business.

In fiscal 2021, we will have further upfront expenditure in the lower single-digit million range for the strategic expansion of the business model. We continue to confirm our guidance for the 2021 fiscal year with positive EBITDA for the Group in the range of euro 24 to 32 million. Due to the effects of the ongoing COVID-19 pandemic, there might be postponements in the operating business as regards project right sales and project implementations from 2021 to 2022.

Cuxhaven, May 11, 2021

PNE AG, Board of Management

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

in TEUR (differences due to rounding possible)	Period 1.1.2021 – 31.3.2021	Period 1.1.2020 – 31.3.2020
1. Revenues	16,114	15,745
2. Changes in inventories of finished goods and work in progress	32,804	6,610
3. Other operating income	532	2,759
4. Total aggregate output	49,449	25,114
5. Cost of materials and purchased services	-30,745	-6,527
6. Personnel expenses	-8,255	-7,204
7. Amortisation of intangible fixed assets and depreciation of property, plant and equipment, rights of use and non-current financial assets	-5,171	-4,100
8. Other operating expenses	-4,180	-4,982
9. Operating result	1,098	2,301
10. Income from participations and associated companies	62	6
11. Other interest and similar income	2,388	31
12. Expenses from assumption of losses of associated companies	-9	-27
13. Interest and similar expenses	-2,441	-3,726
14. Result before taxes	1,097	-1,416
15. Taxes on income	-5	924
16. Other taxes	-30	-55
17. Result before non-controlling interests	1,062	-547
18. Share of non-controlling interests in the result	-27	-764
19. Consolidated net income	1,089	217
Undiluted earnings per share in EUR	0.01	0.00
Diluted earnings per share in EUR	0.01	0.00
Weighted average of shares in circulation (undiluted), in million	76.3	76.3
Weighted average of shares in circulation (diluted), in million	76.3	76.3
19. Consolidated net income	1,089	217
Other comprehensive income/items that may be reclassified in the future in the profit and loss account		
20. Currency translation differences	-420	417
21. Others	0	0
22. Other comprehensive income for the period (after tax)	-420	417
23. Total comprehensive income for the period	642	-130
Consolidated profit/loss for the period attributable to		
Owners of the parent company	1,089	217
Non-controlling interests	-27	-764
	1,062	-547
Total comprehensive income for the period attributable to		
Owners of the parent company	669	634
Non-controlling interests	-27	-764
	642	-130

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS)

Assets

in TEUR (differences due to rounding possible)	as per 31.3.2021	as per 31.12.2020
Intangible assets	64,249	64,330
Property, plant and equipment	196,752	176,341
Rights of use	44,253	39,125
Long-term financial assets	1,979	1,936
Deferred taxes	36,360	35,484
Total long-term assets	343,593	317,216
Inventories	177,776	174,003
Receivables, other assets and tax receivables	56,483	60,973
Cash and cash equivalents	94,126	111,617
Total short-term assets	328,385	346,593
Total assets	671,978	663,809

Liabilities

in TEUR (differences due to rounding possible)	as per 31.3.2021	as per 31.12.2020
Subscribed capital	76,603	76,603
Capital reserve	82,953	82,953
Treasury shares	-707	-707
Retained earnings	51	51
Foreign currency reserve	-3,112	-2,692
Consolidated profit	52,514	51,425
Non-controlling interests	-6,943	-7,070
Total equity	201,359	200,563
Other provisions	0	0
Deferred subsidies from public authorities	703	714
Long-term financial liabilities	368,727	343,274
Deferred tax liabilities	8,956	11,049
Total long-term liabilities	378,386	355,037
Provisions for taxes	3,030	1,150
Other provisions	3,613	3,467
Short-term financial liabilities	21,842	28,849
Trade liabilities	24,904	31,364
Other liabilities and tax liabilities	38,844	43,379
Total short-term liabilities	92,233	108,209
Total liabilities	671,978	663,809

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

FOR THE PERIOD FROM JANUARY 1 TO MARCH 31

in TEUR	2021	2020
Consolidated net result	1,062	-869
-/+ Income tax benefit/expense	5	-983
-/+ Income tax paid/received	-1,094	-752
-/+ Interest income and expense	52	3,683
- Interest paid	-1,187	-1,224
+ Interest received	74	31
+/- Write-downs/write-ups of intangible fixed assets, property, plant and equipment, rights of use and long-term financial assets	5,171	4,100
+/- Increase/decrease in provisions	2,027	2,212
+/- Non-cash effective expenses and income	-284	465
-/+ Profit/loss from the disposal of fixed assets and from fixed assets and from deconsolidation	0	0
+/- Decrease/increase in inventories and other assets	-7,087	-16,423
+/- Decrease/increase in trade receivables and stage of completion accounting	10,330	25,349
+/- Increase/decrease in trade liabilities and other liabilities	-6,968	-8,728
Cash flow from operating activities	2,102	6,861
+ Inflow of funds from disposal of items of property, plant and equipment	0	0
- Outflow of funds for investments in property, plant and equipment and intangible assets	-23,769	-2,860
+ Inflow of funds from disposal of financial assets	0	0
- Payments for investments in financial assets	0	0
- Disbursements for investments in consolidated entities	0	0
Cash flow from investing activities	-23,769	-2,860
+ Inflow of funds from financial loans	19,850	10,018
- Outflow of funds for the redemption of financial loans	-14,564	-2,122
- Outflow of funds for the redemption of lease liabilities	-1,263	-679
- Payment for dividend	0	0
Cash flow from financing activities	4,023	7,217
Cash-effective change in liquid funds	-17,644	11,218
+ Change in liquid funds due to changes in scope of consolidation	152	0
+ Liquid funds at the beginning of the period	111,618	111,934
Liquid funds at the end of the period*	94,126	123,152
* of which are pledged to a bank as security	2,646	2,653

Supplementary information: The value of liquid funds on March 31 corresponds to the "Cash and cash equivalents" item in the balance sheet.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

in TEUR (differences due to rounding possible)	Capital subscribed	Capital reserve	Treasury shares	Profit reserves	Foreign exchange reserve	Retained results	Shareholders' equity before non-controlling interests	Non- controlling interests	Total share- holder's equity
Balance on 1.1.2020	76,603	82,953	-707	51	-819	60,322	218,403	-13,283	205,120
Result for the period	0	0	0	0	0	217	217	-764	-547
Other result	0	0	0	0	417	0	417	0	417
Total result for the period 1.-3.2020	0	0	0	0	417	217	634	-764	-130
Dividend	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0
Balance on 31.3.2020	76,603	82,953	-707	51	-402	60,539	219,037	-14,047	204,990
Balance on 1.1.2021	76,603	82,953	-707	51	-2,692	51,425	207,633	-7,070	200,563
Result for the period	0	0	0	0	0	1,089	1,089	-27	1,062
Other result	0	0	0	0	-420	0	-420	0	-420
Total result for the period 1.-3.2021	0	0	0	0	-420	1,089	669	-27	642
Dividend	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	154	154
Balance on 31.3.2021	76,603	82,953	-707	51	-3,112	52,514	208,303	-6,943	201,360

CONSOLIDATED SEGMENT REPORTING (IFRS)

	Project development		Services	
in TEUR (differences due to rounding possible)	2021	2020	2021	2020
External sales	6,014	5,032	3,506	3,028
Inter-segment sales	19,212	11,094	1,151	1,020
Changes in inventories	22,468	2,918	4	0
Other operating income	226	1,724	204	337
Total aggregate output	47,920	20,768	4,865	4,385
Earnings before interest, taxes and depreciation and amortisation (EBITDA)	6,450	4,842	1,681	1,091
Depreciation and amortisation	-509	-548	-795	-760
Operating result	5,942	4,294	886	331
Interest and similar income	1,430	1,215	116	118
Interest and similar expenses	-1,843	-2,201	-164	-148
Tax expense and income	-1,123	-1,092	2	-16
Investments	359	414	485	2,337
Segment assets	517,489	536,703	51,062	51,509
Segment liabilities	298,272	311,809	36,953	38,638
Segment equity	219,217	224,894	14,108	12,871

The figures as at March 31, 2021 are compared with the figures as at March 31, 2020 or, in the case of segment assets/segment liabilities, with the figures as at December 31, 2020.

In the reporting period, there were no changes in the companies included in the scope of consolidation.

Cuxhaven, May 11, 2021

PNE AG, Board of Management

Electricity generation		Consolidation		PNE AG Group	
2021	2020	2021	2020	2021	2020
6,593	7,685	0	0	16,114	15,745
85	85	-20,447	-12,199	0	0
0	0	10,332	3,692	32,804	6,610
102	698	0	0	532	2,759
6,780	8,468	-10,116	-8,507	49,449	25,114
5,099	7,092	-6,962	-6,624	6,269	6,401
-3,867	-2,792	0	0	-5,171	-4,100
1,232	4,300	-6,962	-6,624	1,098	2,301
2,384	7	-1,542	-1,309	2,388	31
-1,975	-2,686	1,542	1,309	-2,440	-3,726
-474	48	1,590	1,984	-5	924
22,926	110	0	0	23,770	2,861
432,261	397,751	-328,834	-322,154	671,977	663,809
389,157	363,007	-253,766	-250,208	470,617	463,246
43,104	34,744	-75,068	-71,946	201,361	200,563

FINANCIAL CALENDAR

19.5.2021	Annual General Meeting (online)
11.8.2021	Publication of Financial Report Q2
10.11.2021	Publication of Financial Report Q3
November 2021	Analyst Conference/Frankfurt

IMPRINT

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As per: May 2021

The quarterly statement is also available in german. In case of discrepancies the german version is decisive. The digital version of the annual report and the quarterly statements of PNE AG are available online at www.pne-ag.com in the section "Investor Relations/Financial reports".

This quarterly statement includes statements concerning the future, which are subject to risks and uncertainties. They are estimations of the Board of Management of PNE AG and reflect their current views with regard to future events. Such expressions concerning forecasts can be recognised with terms such as "expect", "estimate", "intend", "can", "will" and similar terms relating to the Company. Factors, which can have an effect or influence are, for example (without all being included): the development of the wind power market, competitive influences including price changes, regulatory measures and risks with the integration of newly acquired companies and participations. Should these or other risks and uncertainty factors take effect or should the assumptions underlying the forecasts prove to be incorrect, the results of PNE AG could vary from those, which are expressed or implied in these forecasts. The Company assumes no obligation to update such expressions or forecasts.

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