

H1 2022

THE PNE GROUP AT A GLANCE

We are a Clean Energy Solutions Provider for markets and industries, both regionally, nationally and internationally. Our core competencies are the development and operation of renewable energy projects. We are also driving forward the storage of renewable energies and power-to-X technologies. In this way, we are consistently pursuing the goal of a secure, sustainable and profitable energy supply generated 100 percent from renewables.

PNE Group key figures

in million euro	1.1. – 30.6. 2022	1.1. – 30.6. 2021
Total aggregate output	105.2	93.9
Revenues	52.1	40.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	17.5	13.3
Operating profit (EBIT)	4.1	2.3
Earnings before taxes (EBT)	19.9	2.1
Result for the period	10.4	1.0
Basic earnings per share (euro)	0.14	0.01
Average number of shares (million)	76.3	76.3

in million euro	30.6.2022	31.12.2021
Equity on the reporting date	225.5	221.8
Equity ratio on the reporting date (%)	25.5	26.8
Balance sheet total on the reporting date	882.8	827.0

FOREWORD OF THE BOARD OF MANAGEMENT

DEAR SHAREHOLDERS,

In view of the increasingly urgent climate crisis and the effects of the war in Ukraine, our industry is currently receiving more political tailwind than ever before. It is now clear to all that climate neutrality and energy security are basic requirements for the survival of our democratic societies and future generations. We at PNE are proud that with our "Clean Energy Solutions" we are making a concrete contribution every day to solving the most urgent problems of our time. This motivates us and enables us to achieve our ambitious goals.

Dynamic business developments

PNE AG closed the first half of 2022 very successfully in operational terms, and there were many highlights. Despite the special market environment characterised by the Ukraine crisis and the associated high raw material prices as well as restrictions and uncertainties, continuing unstable supply chains, and the ongoing impact of the COVID-19 pandemic, the 2022 fiscal year has been dynamic and positive so far. Our project pipeline is well filled, the expansion of our own portfolio is progressing and we have significantly extended our activities in the "service products" segment.

We recorded a very good EBITDA result in the first half of the year: This amounted to euro 17.5 million, corresponding to an increase of more than 30 percent compared with the same period of the previous year. The clear overall performance and earnings driver in the first half of 2022 was the "electricity generation" segment, which increased significantly due to our larger installed base of wind turbines combined with improved wind supply and high electricity prices.

Inclusion in SDAX & successful placement of the 2022/2027 corporate bond

We were particularly pleased with the inclusion of PNE AG in the SDAX on June 20, 2022. This makes PNE one of the 70 largest companies in terms of free float market capitalisation below the DAX and MDAX. This is an important milestone in the stock market history of our Company. As recently as in May 2022, our market capitalisation had risen to over one billion euro. The inclusion in the SDAX and the steadily rising share price impressively demonstrate that the PNE Group is now an important enabler of the energy transition and enjoys a high level of trust in the market with its sustainable business model.

Further proof of the confidence of our investors in the PNE Group and its strategy was the successful placement of a corporate bond 2022/27 with a volume of euro 55 million. The coupon was set at 5.000 percent during the subscription period. In mid-June, at the end of the abbreviated subscription period, the bond was heavily oversubscribed at well over euro 60 million. Institutional investors accounted for a large part of the demand. In addition, numerous existing investors took advantage of the exchange offer for the outstanding 2018/23 bond to extend their commitment ahead of schedule. The aim of this measure was the early refinancing of the 2018/2023 bond due on May 2, 2023 and financing of the organic and inorganic growth of our Company.

These highlights alone prove how successful we are on the market with our strategic orientation as a "Clean Energy Solutions Provider". Our strategy is also continuing successfully internally. We are continuously developing our corporate culture and processes based on our "Scale up" programme. This will enable us to increase efficiency and offer our employees attractive long-term prospects. In the future, we will continue to press ahead with the rapid implementation of our "Scale up" strategy. And we still have a lot of plans: The "Scale up 2.0" follow-up programme will be presented in the fall of 2022, which shows how the PNE Group will continue strategically until 2027.

Wind and PV project pipeline is growing strongly

Overall, our pipeline for wind and photovoltaic projects increased significantly by 2,582 MW/MWp to 9,055 MW/MWp in the first half of 2022 compared to the same period last year. We therefore believe that we are excellently positioned for further development in our core business of project development. The pipeline of onshore wind energy projects that we are currently working on in the various phases of project development was expanded to 6,647 MW (prior year: 5,679 MW) despite the continuous realisation of wind farms.

Significant progress was also made in the development of photovoltaic projects (PV) in the first half of the year. In this field, we were able to expand our pipeline of projects in progress to 2,408 MWp in the reporting period (prior year: 794 MWp). Thus, the Company's PV pipeline in foreign markets has more than tripled in just one year. In the second quarter of 2022 alone, the PNE Group's PV pipeline of 1,423 MWp (as of March 31, 2022) had once again risen strongly by 985 MWp to the current level.

With the acquisition of a majority stake of 51 percent in Coliaenergia ESPAÑA (KOLYA) after the end of the reporting period and the 1,808 MWp contributed by KOLYA as a result as well as the additions in the PV sector in the second quarter of 2022, the Company's PV project pipeline has once again increased significantly from 2,408 MWp to a total of 4,216 MWp (as of July 27, 2022). Our own enormous gains in the PV sector and the acquisition of a majority stake in KOLYA are proof and building blocks of our successful strategic development into a "Clean Energy Solutions Provider".

Significant operational progress

At the end of the reporting period, eleven wind projects with a nominal capacity of 246.5 MW were under construction in Germany, France, Poland and Sweden. Of these, eight wind farms with a nominal capacity of 133.7 MW are being built in Germany, of which six projects with a total nominal capacity of approx. 123.6 MW are earmarked for internal operations. The remaining projects are two service projects with a total nominal capacity of approx. 10.1 MW.

The German wind farms "Wahlsdorf" (19.4 MW) in Brandenburg and "Gnutz I" (8.4 MW) in Schleswig-Holstein as well as the Polish wind farm "Krzecin" (19.2 MW) were completed and commissioned. The two German wind farms have been included in the Group's own portfolio.

In addition, we were able to officially inaugurate the "Boitzenhagen" wind farm with seven wind turbines and a nominal capacity of approx. 25 MW in June 2022. The wind farm "Boitzenhagen" had already been in operation since November 2021, but the official inauguration could not take place earlier due to the Corona virus. During the public part, we were also able to welcome many interested citizens.

Expansion of internal portfolio continued

At the end of the second quarter, our portfolio of wind farms in own operation, including the aforementioned projects "Wahlsdorf" (19.4 MW) and "Gnutz I" (8.4 MW), amounted to around 261 MW. This means we have cleared the 50 percent hurdle for the targeted expansion of our internal 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. A total of 124 MW is currently under construction for our own operations. The approval procedures for further projects are underway.

With our own operations, we aim to reduce the volatility of earnings and to stabilise earnings and sales at a high level. At the same time, we are making a contribution to climate protection and energy security: in the first quarter, for example, we produced around 268 GWh of clean electricity, saving around 173,000 tons of CO₂.

Service business grows

By expanding our service business, we also help to further increase the share of steady earnings. The international business of operations management and technical inspections and tests was expanded in the first six months of 2022 in the markets of Sweden and Poland with additional services and extended to include the market of Lithuania.

Positive political signals

Climate protection and energy security are among the most pressing issues of our time. That is why, in the face of increasing climate change and the Ukraine war, global efforts to resolve these major human issues are in full swing. Consequently, the framework conditions for the expansion of renewable energies are changing positively in Germany and Europe as a whole.

Especially in our home market of Germany, there is currently a lot going on politically. As early as in April, the Ministry of Economics presented the so-called "Easter Package", which is intended to accelerate the expansion of renewable energies in Germany. In the meantime, the government parties have reached an agreement on the amendment of the Renewable Energy Sources Act and the other so-called Climate Legislation, including on a new Wind-on-Land Act. In addition, the law stipulates that the federal states have to designate certain surface areas for wind power turbines. On average, this is two percent of the land area of the respective state. This is an important signal for our industry and for Germany to pick up speed in the expansion of renewable energies. There is no doubt that we at PNE have also played our part in making the climate law package look the way it does.

Speaking of politics: It was a special honour for the PNE Group that our Chief Executive Officer Markus Lesser was part of the business delegation led by Chancellor Scholz that visited the African continent in May 2022. Particularly exciting for us as PNE was the last stop of the trip in South Africa, where our delegation was welcomed with full military honours by President Cyril Ramaphosa. Chancellor Scholz emphasised that South Africa is a key country for Germany on the African continent. South Africa is the most important partner country on the continent south of the Sahara, is the only African country to belong to the G20 group and is definitely also an important future market for PNE.

Very good first-half results with increased EBITDA compared to the same period of the previous year

Based on these business developments, the Group generated in the reporting period sales revenues of euro 52.1 million (prior year: euro 40.7 million), total aggregate output of euro 105.2 million (prior year: euro 93.9 million), earnings before interest, taxes, depreciation and amortisation (EBITDA) of euro 17.5 million (prior year: euro 13.3 million). The half-year net result of euro 10.4 million (prior year: euro 1.0 million) includes extraordinary interest income from subsequent measurements of the Group's interest rate swaps and loan liabilities totaling euro 23.0 million (prior year: euro 3.5 million), which, in particular, led to basic earnings per share of euro 0.14 (prior year: euro 0.01).

The results are influenced by the establishment of PNE's own wind farm portfolio. As a result of the investments in PNE's own projects, pre-tax profits of euro 136.8 million were eliminated at Group level. These are defined by the Company as "hidden reserves". The "hidden reserves" thus correspond to the intercompany profits from the sale of wind farms between companies in the consolidated group, which were eliminated in the preparation of the consolidated financial statements. This means that the consolidated results at Group level do not show a complete picture of the performance of the Company.

The very pleasing results of the first six months provide a good basis for the rest of the fiscal year. Accordingly, we can confirm our goals for the entire year: In fiscal 2022, as in previous years, we will have further upfront expenditure in the low single-digit million range for the strategic expansion of the business model. We continue to confirm our guidance for the 2022 fiscal year with positive EBITDA for the Group in the range of euro 20 to 30 million. However, due to the aforementioned Ukraine crisis, unstable supply chains and the effects of the ongoing COVID-19 pandemic, there might be postponements of project right sales and project implementations from 2022 to 2023 in the operating business. In addition, these circumstances will lead to high or rising raw material prices, which result in higher pricing for wind turbines, modules and other trades. However, these can be partially offset by higher electricity prices.

PNE is on track and excellently positioned for its further development. 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.

Maintain your confidence in us in the future!

PNE AG

The Board of Management



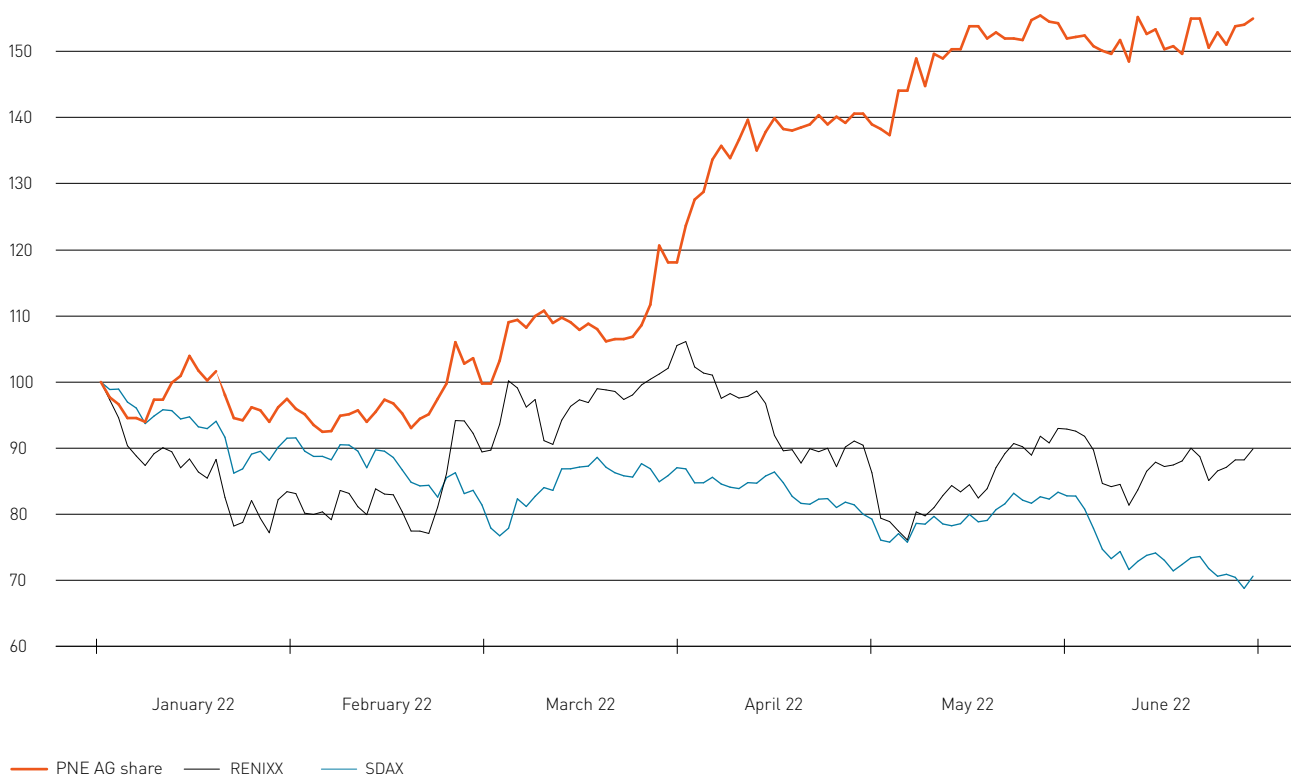
Markus Lesser
CEO



Jörg Klawat
CFO

CAPITAL MARKET INFORMATION

PNE share vs. RENIXX and SDAX



SHARE

The PNE AG share started the fiscal year on January 3, 2022 with an opening price of euro 8.63. In the first quarter, the share traded in a range between euro 8.00 and 9.00. At the beginning of April, the share then broke out of this range to the upside and subsequently rose significantly, reaching its high for the reporting period of euro 14.28 on 27 June 2022. On June 30, 2022, the share closed at euro 13.28, which corresponds to a market capitalisation of approx. euro 1.02 billion and an increase of +53.9 percent compared with the beginning of the year. The benchmark indices were also significantly outperformed.

The strong performance of the shares led to PNE AG being included in the SDAX and listed in the index since June 20, 2022.

CORPORATE BOND 2022/27

In June, PNE AG successfully placed a new corporate bond 2022/27 (ISIN: DE000A30VJW3) with a volume of euro 55 million and a coupon of 5.00 percent. The aim of this measure was, in particular, the early refinancing of the 2018/2023 bonds due on May 2, 2023. In addition, the proceeds serve to finance the organic and inorganic growth of PNE AG. The bonds have been traded on the Open Market of the Frankfurt Stock Exchange since June 23, 2022.

CORPORATE BOND 2018/23

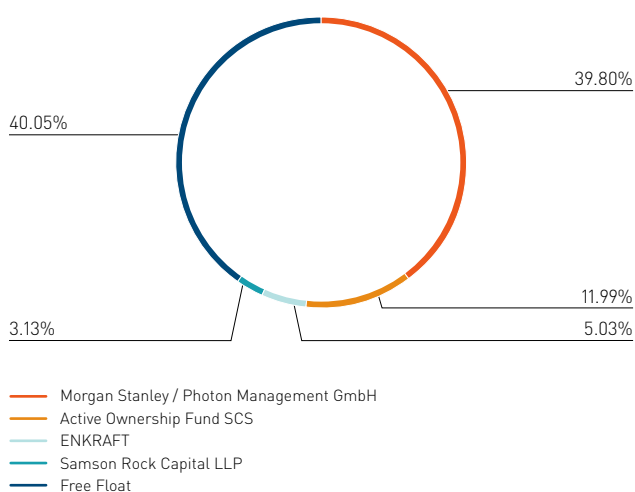
The 2018/23 corporate bond issued by PNE AG has a volume of euro 50 million and bears annual interest of 4.00 percent. The bond traded predominantly at prices above 100 percent during the reporting period. The price was 99.85 percent at the end of the reporting period on June 30, 2022.

In the context of the placement of the 2022/2027 bond, bondholders of the 2018/2023 bond had the opportunity to exchange their existing bonds for bonds from the new placement. This offer was accepted by the bondholders in the amount of euro 32,073,000.00. For the remaining 2018/2023 bonds with a volume of euro 17,927,000.00, PNE AG exercised its right on June 29, 2022 to call all outstanding bonds of the 2018/2023 bond early with effect from July 29, 2022, in compliance with the minimum notice period of 30 days and the maximum notice period of 60 days.

SHAREHOLDER STRUCTURE

At the end of the reporting period on June 30, 2022, the total number of shares issued by PNE AG amounted to 76,603,334.

According to published notifications relating to voting rights and directors' dealings, Morgan Stanley/Photon Management GmbH held 39.80 percent of the shares, Active Ownership Fund SCS 11.99 percent of the shares, ENKRAFT 5.03 percent of the shares, and Samson Rock Capital LLP 3.13 percent of the shares on June 30, 2022. All other shareholdings were therefore classified as other free float. This results in the following shareholder structure at the end of the reporting period:



GENERAL MEETING OF SHAREHOLDERS

PNE AG's general meeting of shareholders was held on May 18, 2022 in the form of a virtual general meeting without the physical presence of shareholders or their proxies.

The shareholders voted overwhelmingly in favour of the proposal of the Board of Management and Supervisory Board to distribute a dividend of Euro 0.04 and a special dividend of also Euro 0.04 per eligible share.

The shareholders clearly consented to the proposed resolution to give formal approval of the actions of the members of the Board of Management Markus Lesser (CEO) and Jörg Klowat (CFO). In addition, the shareholders decided with a clear majority to give formal approval of the actions of the Supervisory Board. The term of office of the Supervisory Board members Christoph Oppenauer, Marcel Egger and Florian Schuhbauer ended at the end of the general meeting of shareholders. The general meeting of shareholders resolved to expand the Supervisory Board to seven members. Christoph Oppenauer and Marcel Egger were re-elected to the Supervisory Board. Roberta Benedetti and Marc van't Noordende were elected as new members to the Supervisory Board.

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, was elected as the auditor of the financial statements and consolidated financial statements by a large majority.

The necessary 75 percent majority was not achieved for the proposals to create new Authorised Capital, new Conditional Capital and a new authorization to issue bonds with conversion and/or option rights.

The general meeting of shareholders approved the remuneration report by a large majority.

FINANCIAL CALENDAR

9.11.2022	Publication of Financial Report Q3
November 2022	Analyst Conference/Frankfurt

ADDITIONAL INFORMATION

On the website www.pne-ag.com, you will find extensive information on PNE AG and a comprehensive presentation of the business model as well as current data concerning the shares in the section "Investor Relations". Furthermore, financial and quarterly reports, press announcements and background information on PNE AG can be accessed and downloaded from there.

INTERIM GROUP MANAGEMENT REPORT FOR THE FIRST SIX MONTHS OF 2022

1. Overview of business activity

Summary

The operational business of the PNE Group in the wind sector during the first half of 2022 was characterised by the development and realisation of onshore wind farms in various countries.

At the end of the second quarter of 2022, the PNE Group was working on wind farm projects worldwide with a nominal output of approx. 6,647 MW (Q2 2021: 5,679 MW). Of these, wind farms with a nominal output of approx. 1,949 MW (Q2 2021: 1,882 MW) were in the various phases of project development in Germany alone.

At the end of the reporting period, eleven wind projects with a nominal capacity of 246.5 MW were under construction in Germany, France, Poland and Sweden. For projects already sold with 122.9 MW, PNE is active as a service provider for the buyers.

Eight wind farms with a nominal capacity of 133.7 MW were under construction in Germany, of which six projects with a nominal capacity of approx. 123.6 MW are intended for internal operations. The remaining projects are two service projects with a total nominal capacity of approx. 10.1 MW.

The German wind farms "Wahlsdorf" (19.4 MW) in Brandenburg and "Gnutz I" (8.4 MW) in Schleswig-Holstein as well as the Polish wind farm "Krzecin" (19.2 MW) were completed and commissioned. The two German wind farms have been included in the Group's own portfolio.

PNE was able to sell the project rights for the "Chantonay" wind farm with a nominal output of approx. 9 MW.

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 MW by the end of 2023. On June 30, 2022, PNE operated wind farms with an installed nominal capacity of 261 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 6,647 MW in various phases of project development. Individual projects, especially abroad, will still be sold in the market 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, volatile wind conditions will have an impact on the financial indicators of the "electricity generation" segment and also on the financial indicators of the Group. The first half of 2022 was characterised by a better wind supply compared to the same period of the previous year, which, in combination with the increased number of wind turbines in operation and higher electricity prices in the "electricity generation" segment, led to positive deviations from the comparative figures of the previous year.

PNE's market environment is still characterised by the effects of the COVID-19 pandemic. Based on past experience, the Company has been able to adapt to these challenges to protect employees and ensure the realisation of projects and deliveries. Nevertheless, the impact on the manufacturers' supply chains has been and continues to be felt and is reflected in longer delivery times. Added to this are the higher raw material prices, which have led to an increase in wind turbine prices. However, PNE assumes that the rising prices can be partially or fully compensated by higher electricity prices and plants that are more efficient. 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 June 30, 2022 has not changed versus December 31, 2021.

"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 and photovoltaics

The development and realisation of onshore wind farms and photovoltaic projects have been continued and expanded consistently in the first half of 2022, both in Germany and in foreign markets.

Overview of the status of onshore wind energy project activities of the PNE Group as at June 30, 2022 in MW:

Country	Phase I-II	Phase III	Phase IV	Total MW	Sold/ Service Provider
Germany	1,269	556	124	1,949	10
France	319	237	0	556	13
United Kingdom	0	43	0	43	0
Italy	40	0	0	40	0
Canada	505	0	0	505	0
Panama	224	60	0	284	0
Poland	798	0	0	798	40
Romania	0	0	0	0	221
South Africa					
Africa	1,107	30	0	1,137	140
Sweden	200	0	0	200	60
Turkey	629	71	0	700	0
USA	266	169	0	435	0
Total	5,357	1,166	124	6,647	484

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

Overview of the status of photovoltaic project activities of the PNE Group as at June 30, 2022 in MWp:

Country	Phase I – II	Phase III	Phase IV	Total MWp
Germany	441	0	0	441
France	119	0	0	119
Italy	140	0	0	140
Canada	71	0	0	71
Poland	269	0	0	269
Romania	241	0	0	241
USA	700	0	0	700
South Africa	428	0	0	428
Total	2,408	0	0	2,408

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

Wind energy onshore and photovoltaics – national

At the end of the second quarter of 2022, the PNE Group was working on wind farm projects in Germany with a nominal output of approx. 1,949 MW (Q2 2021: 1,882 MW) in the various phases of project development. In addition, photovoltaic projects with 441 MWp were in the development phase.

The German wind farms "Wahlsdorf" (19.4 MW) in Brandenburg and "Gnutz I" (8.4 MW) in Schleswig-Holstein were completed and commissioned. Both projects have been included in the Group's own portfolio.

At the end of the reporting period, eight wind farms with a nominal capacity of 133.7 MW were under construction in Germany, of which six projects with a nominal capacity of approx. 123.6 MW are intended for internal operations, as well as two service projects with a nominal capacity totalling approx. 10.1 MW.

Construction work began in the reporting period on four of the eight wind farms under construction in Germany. These have a total nominal capacity of approx. 58.4 MW. Two of these projects are intended for internal operations and have a total nominal capacity of approx. 48.3 MW.

In addition, PNE received approvals for a further German wind farm with a nominal capacity of 11.6 MW in the first half of 2022.

Wind energy onshore and photovoltaics – international

The PNE Group also successfully continued its core business of project development and realisation of wind energy and photovoltaics abroad. At the end of the second quarter of 2022, the PNE Group had wind farms with a nominal capacity of approx. 4,698 MW in the various phases of project development in foreign markets. In addition, photovoltaic projects with 1,967 MWp (previous year: 574 MWp) were under development in the foreign markets at the end of the reporting period.

In France, Poland and Sweden, three wind farms with a total nominal output of 112.8 MW were under construction as at June 30, 2022. PNE is active in these projects as a service provider.

Compared to the presentation in the 2021 annual report respectively the Combined Management and Group Management Report 2021, there were the following changes in the foreign markets:

France

PNE was able to sell the project rights for the "Chantonnay" wind farm with a nominal output of 9.0 MW. The "Nanteuil" wind energy project with a planned nominal output of 13.2 MW, for which PNE is acting as service provider for the buyer, has been under construction since July 2021. Commissioning of the six wind turbines is scheduled for November 2022.

United Kingdom

In the reporting period, PNE continued to work on the Scottish wind farm "Sallachy", which had been rejected by the Energy Minister in 2015 despite broad support from communities and politicians. The construction of the "Sallachy" wind farm with a nominal capacity of approx. 42.9 MW was approved in April 2022.

Poland

In Poland, the "Krzecin" wind farm (19.2 MW) was completed and commissioned.

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 eight offshore wind farm projects were sold after their realisation in recent years. The Offshore Wind Energy Act (WindSeeG) provides for the planning of future projects to be carried out centrally by the Federal Maritime and Hydrographic Agency. In combination with the tendering system introduced, this represents a high hurdle for PNE for future project developments in German waters.

In the offshore wind energy segment, the PNE Group 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, the Company made further efforts to start the development of marine wind farms abroad. In particular, it is currently examining the possibilities of planning offshore wind farms in Vietnam. An office was opened for this purpose in Ho Chi Minh City.

In Vietnam, the required expansion of the national electricity grid is defined in Power Development Plans ("PDPs"). Inclusion in the PDP is the basis for further approvals for each project. PNE has contributed to the latest draft of PDP8 with an offshore project with up to 2,000 MW of potential total capacity. This is an offshore wind power plant in three construction phases, of which approx. 700 MW are to be realised in the first phase. The PDP8 is expected to be published in the course of 2022. The Power Development Plan is updated at regular intervals.

General

In the "project development" segment, PNE continued to work on projects under construction and expanded the wind and PV pipeline in the first six months of 2022. As the project development services for the projects under construction could be invoiced at the end of 2021 and the main part of the revenues and earnings from the general contractor services for these projects will arise at the time of the construction and commissioning of the wind turbines, the figures for the "project development" segment will provide a more detailed view of the current performance of the segment in the second half of the year. 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 2022 to 2023 in the course of the 2022 fiscal year.

In the first half year of 2022, the "project development" segment achieved

- total aggregate output of euro 71.4 million (prior year: euro 98.6 million),
- EBITDA of euro -8.0 million (prior year: euro 22.8 million) and
- EBIT of euro -9.1 million (prior year: euro 21.7 million).

"Service products" segment

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

The international business of operations management and technical inspections and tests was expanded in the first six months of 2022 in the markets of Sweden and Poland with additional services and extended to include the market of Lithuania. A characteristic feature of these activities is that these are not projects developed by PNE, but that, in addition to the core market of Germany, services are now also being successfully sold to third party customers in these markets.

In the Polish wind farms "Kuslin" and "Krzecin" as well as the Swedish wind farm "Hultema", which were developed and sold by PNE, Group companies provided construction management services in the first half of 2022 until commissioning. They will also provide further services (operations management and technical inspections) in the subsequent operating phase. With these projects, the PNE Group continued to successfully implement its strategy of providing services over the entire life cycle in these projects in addition to project development.

The demand for transaction advisory services, including the brokerage of power purchase agreements (PPAs) for plants no longer subsidised, and for marketing solutions regarding short-term hedging products for projects within the market premium model remains high against the backdrop of the current high market prices. Accordingly, power marketing solutions for a further ten external wind farms with a total capacity of 94.3 MW were sold in the first half of the year.

Through its subsidiary energy consult Prüfgesellschaft GmbH, the PNE Group now offers efficient and high-quality drone-based visual inspections and lightning protection tests on wind turbine rotor blades. This is effected with PNE's own drone and personnel, as the selected solution eliminates the need for specialised pilots for the first time. The downtime of the wind turbines and thus also the loss of yield for the operator can be halved in this way, since the rotor blade inspections can be combined with those on the nacelle and tower. In particular, the non-contact lightning protection measurement sets new standards in the market.

Although the "service products" segment generated higher total revenue in the first half of 2022 compared with the prior-year period, EBITDA and EBIT were lower than in the prior-year period. This is mainly due to higher personnel costs as a result of additional employees (+19 employees compared with June 30, 2021).

The continuing 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 first half of 2022, the "service products" segment achieved

- total aggregate output of euro 11.4 million (prior year: euro 10.6 million),
- EBITDA of euro 3.1 million (prior year: euro 3.4 million) and
- EBIT of euro 1.4 million (prior year: euro 1.8 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 segment includes primarily the PNE-operated wind farms with a total nominal capacity of currently approx. 261 MW (as at June 30, 2021: approx. 151.6 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 earnings in quarters with high winds and slightly negative to slightly positive earnings in low-wind quarters. In the first half of 2022, electricity generation corresponds to the long-term average of wind results so that due to the increased number of wind turbines in operation and the higher electricity prices compared to the same period of the previous year, earnings above the forecasts were generated in the "electricity generation" segment.

The continuing COVID-19 crisis has had no impact on the business activities of the "electricity generation" segment. However, the Ukraine war, with the accompanying potential gas shortage, has led to a sharp increase in electricity prices, which is also reflected in earnings.

In the first half of 2022, the "electricity generation" segment achieved

- total aggregate output of euro 35.5 million (prior year: euro 11.6 million),
- EBITDA of euro 29.8 million (prior year: euro 8.0 million) and
- EBIT of euro 19.2 million (prior year: euro -0.3 million).

2. Corporate structure

The changes in the companies included in the consolidated financial statements as compared to December 31, 2021 are explained in the condensed notes to the consolidated financial statements under item "3. Scope of consolidation".

Compared to December 31, 2021, there were no other significant changes in the area of operations.

3. Organisation and employees

On June 30, 2022, the PNE AG Group employed 499 people in total (previous year: 458), including the members of the Board of Management.

Of Group's employees, 181 persons (prior year: 182 persons) were employed directly by PNE AG and 318 persons (prior year: 276 persons) by the subsidiaries of PNE AG.

When distinguished between Germany and abroad,

- 402 persons (prior year: 368 persons) were employed by domestic and
- 97 persons (prior year: 90 persons) by foreign companies of the Group.

4. General accounting principles

In the financial report for the first six months of the 2022 fiscal year as at June 30, 2022, the Company applied the same accounting and valuation methods as in the consolidated financial statements as at December 31, 2021. The IFRS standards amended since January 1, 2022 are not relevant to the half-yearly financial statements.

The interim financial statements were drawn up in line with the regulations of IAS 34. The tax expenditure of the PNE Group is determined using an estimate of the taxable income of the relevant companies.

5. Net assets, financial position and results of operations

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

In the case of the revenues and earnings, the values as at June 30, 2022 are compared with the values as at June 30, 2021, and in the case of the net assets and financial position with the values as at December 31, 2021.

a. Revenues and earnings

In the first six months of fiscal 2022, the PNE AG Group achieved a total aggregate output of euro 105.2 million (prior year: euro 93.9 million). Of this, euro 52.1 million is attributable to revenues (prior year: euro 40.7 million), euro 50.5 million to changes in inventories (prior year: euro 52.0 million) and euro 2.6 million to other operating income (prior year: euro 1.2 million).

In the first six months of 2022:

- In the "project development" segment, the Company generated internal revenues of euro 59.9 million (prior year: euro 45.1 million), including for general contractor and project development services for the Company's own wind farms, as well as external revenues of euro 8.7 million (prior year: euro 21.4 million), including from project sales in France.
- In the "service products" segment, the Company billed external revenues of euro 8.7 million (prior year: euro 8.1 million) and internal revenues of euro 2.0 million (prior year: euro 2.1 million). The main revenues were generated
 - from commercial and technical operations management,
 - from construction management services,
 - from wind planning services/wind measurements,
 - from electricity marketing management,
 - from activities in the area of service, maintenance and inspection of operating equipment, training for specialists and servicing of obstruction lighting systems as well as
 - from transformer station services.

The increase in revenues compared to the same period of the previous year is due, among other things, to the additional services in the construction management sector for projects that have already been sold and the increase in renewable energy projects under commercial and technical operations management.

In this context, it is noteworthy that a significant part of the internal services/revenues helped to avoid external costs within the Group.

→ In the "electricity generation" segment, external revenues of euro 34.7 million were generated in the reporting period (prior year: euro 11.2 million). These revenues were mainly attributable to PNE's own wind farm portfolio with euro 31.8 million (prior year: euro 10.0 million) and the revenues from the "Silbitz" biomass power plant of euro 2.9 million (prior year: euro 1.2 million). A major reason for the higher revenues is that, in the 2022 reporting period, a higher number of wind turbines in operation generated electricity and that higher electricity prices were achieved compared with the prior-year period.

In the first six months of the 2022 fiscal year, as in the previous year, the work performed for projects owned by the Group was shown under changes in inventories.

Explanation:

Since the company-owned wind farms were operated by the Company itself regardless of their current or future shareholder structure and used to generate electricity, the wind farms were classified as fixed assets from the date of sale within the Group in accordance with IAS 16. The reclassification from Group inventories to Group fixed assets is carried out without affecting the statement of comprehensive income and, therefore, has not resulted in a change in the item "Increase/decrease in unfinished goods and work in process" of the statement of comprehensive income.

Other operating income includes, inter alia, the reversal of provisions in connection with the construction of wind farm projects, individual value adjustments as well as cost allocations.

The activities of the Group in the area of project development in Germany and abroad, both onshore and offshore, are reflected in the expense items. The share of cost of materials in the Group's total aggregate output amounts to euro 57.8 million (prior year: euro 53.9 million). Compared to the previous year, the cost of materials ratio (cost of materials in relation to total output) in the Group changed only slightly from 57 percent to 55 percent.

The Group's personnel expenses amounted to euro 19.0 million in the first six months of the 2022 fiscal year and thus increased by euro 0.8 million compared to the level of the prior year period (euro 18.2 million). The number of employees in the Group as at June 30, 2022 increased to 499 (as at June 30, 2021: 458 employees). On average, 498 people (prior year: 459 people) were employed in the Group in the first half of 2022. These figures include the two members of the Board of Management (prior year: two members). The increase in the number of employees is part of the organisational adjustment to the new strategy that the Group is pursuing with the "Scale up" programme. Another reason for the higher personnel expenses is the rise in starting salaries and the variable remuneration for employees, which must be paid for qualified personnel in line with the market conditions.

Personnel expenses are attributable to the segments as follows:

- "project development": euro 13.9 million (prior year: euro 13.6 million)
- "service products": euro 4.6 million (prior year: euro 4.1 million) and
- "electricity generation": euro 0.5 million (prior year: euro 0.5 million).

The write-downs of intangible fixed assets, property, plant and equipment as well as right-of-use assets increased on a year-on-year basis by euro 2.4 million to euro 13.4 million (prior year: euro 11.0 million). The increase resulted primarily from the higher average number of wind power turbines in the Group ("electricity generation" segment) compared to the prior-year period. Depreciation and amortisation of intangible fixed assets, property, plant and equipment, right-of-use assets as well as long-term financial assets are attributable to the segments as follows:

- "project development": euro 1.1 million (prior year: euro 1.1 million),
- "service products": euro 1.7 million (prior year: euro 1.6 million) and
- "electricity generation": euro 10.6 million (prior year: euro 8.3 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 8.5 million in the prior-year period to euro 10.9 million in the reporting period.

Other operating expenses, before consolidation effects, are distributed among the segments as follows:

- "project development": euro 6.7 million (prior year: euro 6.7 million),
- "service products": euro 1.6 million (prior year: euro 0.9 million) and
- "electricity generation": euro 4.5 million (prior year: euro 2.9 million).

Other interest and similar income changed from euro 3.8 million in the prior-year period to euro 23.1 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 15.5 million (prior year: euro 3.5 million) in the Group ("electricity generation" segment) in the 2022 reporting period. In addition, income of euro 7.5 million (prior year: euro 0.0 million) was recognised in the statement of income under other interest and similar income in the reporting period due to the necessary subsequent measurement of liabilities to banks. This is an exceptionally high effect, which is due to the sharp rise in interest rates in recent months, particularly as a result of the Ukraine war and rising inflation. Due to this increase, the assumptions regarding the previously expected interest payment flows after the expiry of the fixed-interest periods had to be adjusted. For the period after expiry of the fixed-interest period, correspondingly higher interest payments have been budgeted for this reason. In addition, the expected effective interest rate was adjusted to market expectations. Although the interest rates determined for the variable cash flows and the discounting change to a comparable extent, there is no change in the actual cash flows in the fixed-interest period, which in some cases still lasts up to nine years. However, due to the change in the effective interest rate, these comparatively low cash flows are also discounted at the new, significantly higher effective interest rate until the fixed interest rate expires. This effect mainly results in the income to be recognised as of June 30, 2022. Thereafter, correspondingly higher interest expenses than previously assumed will be recognised over the remaining term of the loans, calculated on the basis of the effective interest method. These calculated interest expenses do not correspond to the actual interest payments, which may still be significantly below the expense to be recognised, particularly during the fixed-interest period.

Interest and similar expenses in the Group changed from euro 4.2 million in the prior year period to euro 7.4 million in the reporting period. In the 2022 reporting period, valuations of individual interest

rate swaps resulted in interest expense of euro 1.0 million (prior year: euro 0.0 million). Interest and similar expenses were incurred mainly in connection with

- the 2018/2023 bond (euro 1.5 million),
- the equity and debt financing of wind farm projects and the portfolio GmbHs (euro 2.6 million),
- the application of IFRS 16 "Leases" (euro 0.9 million),
- the valuation of interest swaps concluded as part of the project financing for wind farm projects (euro 1.0 million) and
- other factors, such as building financing at the headquarters in Cuxhaven or effective interest on financial liabilities (euro 1.4 million).

Explanation:

In the case of financial liabilities for which the interest rate was concluded on special terms (e.g. due to KfW subsidies), the market interest rate that would apply to a comparable instrument with a similar credit rating is to be used. The difference is spread over the term of the underlying instrument using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments through the expected life to the net carrying amount. Using the effective interest rate method, interest income or expense is amortised over the term of the financial liability based on all expected cash flows. The effective interest rate method is applied after the agreed financing has been drawn down in full and the projects financed thereby have been put into operation. Subsequent measurements are performed using the effective interest rate method in the Group if the Group's regular reviews of market expectations indicate that these have changed significantly.

The Company 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. Due to the investments in our own wind farm projects, pre-tax profits have been eliminated by the Company at Group level, which the Company defines as "hidden reserves". These "hidden reserves" thus correspond to the intercompany profits from the sale of wind farms between companies in the consolidated group, which were eliminated in the preparation of the consolidated financial statements. Whether these profits, as currently calculated, can be achieved in the future in the event of a sale depends on whether or not the assumed market conditions of the project calculations (e.g. return expectations of investors) will change. The values created from the Group's own projects ("hidden reserves") will be gradually disclosed over the useful life of the projects, based on the lower depreciation assessment 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's equity ratio. The values disclosed to date total euro 12.6 million up to June 30, 2022, of which euro 3.9 million was disclosed in the reporting period (prior-year period: euro 1.7 million). As a result of the investments in PNE's own projects, pre-tax profits of euro 6.0 million were eliminated in the reporting period (prior-year period: euro 20.4 million). Accordingly, there are "hidden reserves" totalling euro 136.8 million on June 30, 2022 (prior year: euro 100.3 million) at Group level (taking into account the disclosure of "hidden reserves").

The Group reported tax expense of euro 9.7 million in the fiscal year (prior year: euro 1.1 million).

At Group level, the following results were achieved in the first six months of the 2022 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/depreciation of intangible assets and property, plant and equipment, right-of-use-assets as well as goodwill) of euro 17.5 million (prior year: euro 13.3 million),
- operating profit (EBIT = corresponds to the value stated in line "Operating result" of the statement of comprehensive income) of euro 4.1 million (prior year: euro 2.3 million).

The consolidated net income after non-controlling interests amounted to euro 10.4 million (prior year: euro 1.0 million). The basic earnings per share for the Group amounted to euro 0.14 (prior year: euro 0.01) and the diluted earnings per share for the Group amounted to euro 0.14 (prior year: euro 0.01).

Taking account of the positive business performance and the dividend payment, retained earnings at the Group level changed in the reporting period to euro 77.7 million (December 31, 2021: euro 73.4 million).

b. Financial situation

Finance management of PNE AG and of the PNE Group is concentrated on providing sufficient liquidity

- for financing the ongoing operations,
- to create the prerequisite for implementing the extended strategy and to
- counteract the risks of project business.

This financing will be provided at the level of the relevant project companies by way of loans, and at the level of PNE AG by the way of emission of bonds. Derivative financial instruments such as interest swaps will only be used at the level of the project companies to secure interest risks of variable-interest loans. As at June 30, 2022, there were derivative financial instruments in relation to several project financing transactions for wind farms in the Group.

The statement of cash flows provides information on the liquidity situation and the financial position of the Group. As at June 30, 2022, the Group companies had available liquidity of euro 241.9 million, including credit lines for interim project financing, of which euro 2.9 million is pledged to banks (as at December 31, 2021: euro 228.0 million, of which euro 1.9 million pledged).

The available liquidity is broken down as follows:

- cash and cash equivalents in the amount of euro 160.7 million (as at December 31, 2021: euro 149.6 million),
- freely available working capital lines of euro 14.5 million (as at December 31, 2021: euro 15.1 million) and
- freely available project interim debt financing available of euro 66.7 million (December 31, 2021: euro 63.3 million).

The Group entered into an agreement (letter of intent) with a bank for further interim equity financing of projects of up to euro 27.1 million, based on which separate interim equity financing agreements can be concluded after the commissioning of the projects. As at June 30, 2022, an amount of euro 17.3 million had already been used.

As at June 30, 2022, the Group had working capital facilities totalling euro 15.1 million (as at December 31, 2021: euro 15.1 million) and credit lines for guarantee and contract fulfilment obligations (excluding guarantee lines granted by banks in connection with ongoing project financing) of euro 40.0 million (as at December 31, 2021: euro 34.2 million). As at June 30, 2022, the Group had used euro 0.6 million of the working capital facilities (as at December 31, 2021: euro 0.0 million) and euro 8.0 million of the guarantee and contract fulfilment credit lines as at June 30, 2022 (as at December 31, 2021: euro 4.8 million).

The cash flow from operating activities shown in the statement of cash flows of euro 1.6 million (prior year: euro -38.8 million) was primarily attributable to

- the consolidated results in the reporting period,
- the expenses for the further development of the wind and photovoltaic pipeline and the realisation of wind farm projects, which are reflected in the changes in inventories, receivables and liabilities and were mainly financed by project interim funds (see Cash flow from financing activities).

The cash flow from investing activities in the reporting period included outgoing and incoming payments for investments in consolidated property, plant and equipment and intangible assets totalling euro -52.3 million (prior year: euro -23.2 million). The investments in property, plant and equipment in the first six months of the 2022 fiscal year and in the previous year related mainly to investments in the realisation of wind farms for the wind farm portfolio being established ("electricity generation" segment) and in transformer stations for these wind farm projects ("service products" segment).

During the reporting period, the cash flow from financing activities of euro 61.8 million (prior year: euro 67.3 million) was influenced primarily by

- the issue of the 2022/2027 bond in the amount of euro 55.0 million with transaction costs of euro -1.3 million, and the pro rata repayment of the 2018/2023 bond in the amount of euro -32.1 million,
- the taking of bank loans of euro 58.6 million, which are mainly used for the project financing of the wind farm projects owned by the Group,
- the repayment of credit liabilities of euro -8.8 million,

- the repayment of lease liabilities totalling euro -3.6 million (pursuant to IFRS 16 to be recorded as outflow of funds in the cash flow from investing activities) and
- the dividend payment for the previous year of euro -6.1 million.

c. Statement of financial position

Assets

in million euro	30.6.2022	31.12.2021
Long-term assets	504.7	463.5
Intangible assets	63.8	64.0
Property, plant and equipment	301.0	273.5
Rights of use	69.2	64.7
Long-term financial assets	12.4	2.6
Deferred taxes	58.3	58.7
Short-term assets	378.1	363.5
Inventories	164.5	163.7
Receivables and other assets	51.6	49.5
Tax receivables	1.3	0.7
Cash and cash equivalents	160.7	149.6
Balance sheet total	882.8	827.0

On the reporting date, the consolidated total assets of PNE AG amounted to euro 882.8 million. This is a change of approx. 6.8 percent in comparison with December 31, 2021 (euro 827.0 million).

Total long-term assets increased from euro 463.5 million at the end of 2021 to euro 504.7 million on the reporting date.

As at June 30, 2022, intangible assets totalled euro 63.8 million, which mainly includes the goodwill of euro 63.3 million (as at December 31, 2021: euro 63.3 million), and thus remained approximately at the same level as at December 31, 2021. As at June 30, 2022, the goodwill was attributable to the segments as follows:

- "project development": euro 52.9 million (as at December 31, 2021: euro 52.9 million),
- "service products": euro 10.4 million (as at December 31, 2021: euro 10.4 million).

In the same period, property, plant and equipment changed by euro 27.5 million to euro 301.0 million (December 31, 2021: euro 273.5 million). This item primarily includes

- land and buildings: euro 13.2 million (as at December 31, 2021: euro 13.0 million),
- transformer stations owned: euro 17.8 million (as at December 31, 2021: euro 18.6 million),
- technical equipment and machinery of the Company's own wind farms: euro 257.7 million (as at December 31, 2021: euro 234.9 million) and
- other plant and machinery, fixtures and fittings: euro 4.7 million (as at December 31, 2021: euro 4.1 million).

The change in property, plant and equipment is mainly due to the "growing" wind farm portfolio with related depreciation on property, plant and equipment of the wind farms and the application of the effective interest rate method due to KfW subsidies.

Explanation:

In the case of financial liabilities for which the interest rate was concluded on special terms (e.g. due to KfW subsidies), the market interest rate that would apply to a comparable instrument with a similar credit rating is to be used. The difference is spread over the term of the underlying instrument using the effective interest rate method. The effective interest rate method is applied after the agreed financing has been drawn down in full and the projects financed thereby have been put into operation. At that point in time, the amount is offset against the acquisition cost of the wind turbines constructed using these funds. This resulted in a change in property, plant and equipment up to and including June 30, 2022 by euro -29.8 million and in the reported liabilities to banks by euro -37.3 million. The difference results from the subsequent measurement of financial liabilities (see "Interest and similar income" under "Revenues and earnings").

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). As at June 30, 2022, the Group recognised right-of-use assets of euro 69.2 million under the fixed assets (as at December 31, 2021: euro 64.7 million). As at June 30, 2022, the right-of-use assets were attributable to the segments as follows:

- "project development": euro 9.3 million (as at December 31, 2021: euro 9.7 million),
- "service products": euro 5.2 million (as at December 31, 2021: euro 5.3 million) and
- "electricity generation": euro 54.6 million (as at December 31, 2021: euro 49.7 million).

For all assets within the scope of IAS 36 (in particular intangible assets (IAS 38), goodwill (IFRS 3), property, plant and equipment (IAS 16) and investment property measured at cost (IAS 40)), the reporting entity must assess at each balance sheet date whether there is any indication (triggering event) for an impairment loss. Although the effects on the economy caused by the COVID-19 pandemic also have certain implications for PNE AG, the Board of Management is of the opinion that there are no indications that the value of the reported goodwill as at June 30, 2022 might be impaired.

The long-term financial liabilities changed from euro 2.6 million (as at December 31, 2021) to euro 12.4 million on June 30, 2022. This item includes the pro rata long-term loan receivables of euro 9.9 million (as at December 31, 2021: euro 1.0 million) from SWAP transactions conducted within the Group (electricity generation segment). Further pro rata loan receivables from the SWAP transactions are included in current assets (receivables and other assets) in the amount of euro 0.6 million (as at December 31, 2021: euro 0.1 million).

During the reporting period, short-term assets changed from euro 363.5 million (December 31, 2021) to euro 378.1 million on June 30, 2022. This change is mainly due to the increase in cash and cash equivalents. Of the short-term assets, euro 25.4 million is attributable to trade receivables (December 31, 2021: euro 29.5 million), mainly from project invoices for project development and general contractor services for wind farms and milestone receivables.

The work in progress shown under the inventories did not change significantly versus December 31, 2021 and continued to amount to euro 122.5 million. Inventories mainly reflect the further development of the pipeline and the wind farm projects currently being implemented.

Work in progress is divided as follows:

- Onshore projects / national: euro 97.9 million (as at December 31, 2021: euro 100.4 million),
- Onshore projects / international: euro 24.6 million (as at December 31, 2021: euro 22.1 million).

The inventories included right-of-use assets of euro 34.8 million as at June 30, 2022 (as at December 31, 2021: euro 42.1 million), which are attributable to the "electricity generation" segment.

The prepayments made in connection with onshore projects under construction, which are included in the inventories item, changed by euro 0.7 million from euro 40.9 million to euro 41.6 million.

Cash and cash equivalents amounted to euro 160.7 million as at June 30, 2022, of which euro 2.9 million is pledged to banks (as at December 31, 2021: euro 149.6 million, of which euro 1.9 million pledged).

As at June 30, 2022, cash and cash equivalents were attributable to the segments as follows:

- "project development": euro 117.2 million (as at December 31, 2021: euro 126.2 million),
- "service products": euro 0.9 million (as at December 31, 2021: euro 1.1 million) and
- "electricity generation": euro 42.6 million (as at December 31, 2021: euro 22.3 million).

Parts of the cash and cash equivalents reported in the "electricity generation" segment are project financing funds that have already been drawn down and are required for the further development of the projects.

Liabilities

in million euro	30.6.2022	31.12.2021
Equity capital	225.5	221.8
Deferred subsidies from public authorities	0.6	0.7
Provisions	7.5	6.7
Long-term liabilities	524.9	495.2
Short-term liabilities	94.6	77.4
Deferred revenues	29.7	25.2
Total assets	882.8	827.0

Group equity changed from euro 221.8 million (December 31, 2021) to euro 225.5 million as at June 30, 2022. The equity ratio of the Group was approx. 26 percent as at June 30, 2022 (as at December 31, 2021: approx. 27 percent).

As at June 30, 2022, the total number of shares issued by PNE AG was 76,603,334 (December 31, 2021: 76.603.334). The treasury stock has not changed in the reporting period and amounted to 266,803 shares as at June 30, 2022.

The long-term liabilities changed according to balance sheet from euro 495.2 million (December 31, 2021) to euro 524.9 million. The item consists according to balance sheet mainly of long-term financial liabilities totalling euro 513.2 million (as at December 31, 2021: euro 488.8 million).

In the reporting period, PNE AG placed a bond 2022/2027 with a volume of euro 55.0 million on the market. In the context of the placement of the 2022/2027 bond, bondholders of the 2018/2023 bond had the opportunity to exchange their existing bonds for bonds from the new placement. This offer was accepted by the bondholders in the amount of euro 32,073,000.00. For the remaining 2018/2023 bonds with a volume of euro 17,927,000.00, PNE AG exercised its right on June 29, 2022 to call all outstanding bonds of the 2018/2023 bond early with effect from July 29, 2022, in compliance with the minimum notice period of 30 days and the maximum notice period of 60 days. As a result, the short-term financial liabilities will be reduced by the current value of the 2018/2023 bond of approx. euro 17.9 million in July 2022.

The long-term financial liabilities mainly consist of:

- the 2018/2023 bond issued in the 2018 fiscal year with a carrying amount of euro 0.0 million (as at December 31, 2021: euro 49.5 million),
- the 2018/2023 bond issued in the 2018 fiscal year with a carrying amount of euro 0.0 million (as at December 31, 2021: euro 49.5 million),
- the 2022/2027 bond issued in the 2022 fiscal year with a carrying amount of euro 53.7 million (as at December 31, 2021: euro 0.0 million),
- long-term liabilities to banks of euro 350.6 million (as at December 31, 2021: euro 330.4 million) and
- liabilities from leases of euro 107.9 million (as at December 31, 2021: euro 103.7 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 June 30, 2022, the liabilities to banks were attributable to the segments as follows:

- "project development": euro 8.5 million (of which long-term, euro 7.3 million),
- "electricity generation": euro 368.7 million (of which long-term, euro 343.3 million),
- "service products": euro 0.0 million (of which long-term, euro 0.0 million).

Mainly due to "IFRS 16 Leases", approx. euro 107.9 million (as at December 31, 2021: euro 103.7 million) for lease liabilities is reported under long-term liabilities and approx. euro 5.7 million (as at December 31, 2021: euro 6.9 million) under short-term liabilities as at June 30, 2022.

The liabilities from leases are attributable to the following segments as at June 30, 2022:

- "project development": euro 9.8 million (of which long-term, euro 8.5 million),
- "electricity generation": euro 97.4 million (of which long-term, euro 93.7 million),
- "service products": euro 6.4 million (of which long-term, euro 5.7 million).

In the first six months of the 2022 fiscal year, the short-term liabilities changed from euro 77.4 million (December 31, 2021) to euro 94.6 million. The short-term liabilities to banks, included in

this item, changed from euro 21.3 million (December 31, 2021) to euro 26.6 million. The 2018/2023 bond, which was called in June and is to be repaid in July, is included in the current liabilities with a value of euro 17.9 million as at July 30, 2022. In the reporting period, trade liabilities changed from euro 34.4 million (December 31, 2021) to euro 35.2 million. These mainly originate from project invoices that are issued by subcontractors for wind farms and are to be settled for the most part at the time of receipt of the corresponding trade receivables from the wind farm companies.

Non-recourse financing of around euro 47.1 million and around euro 11.0 million from the existing interim project equity financing line were raised in the 2022 reporting period, and the existing working capital line was used in an amount of euro 0.6 million, thus contributing to the changes in current and non-current liabilities to banks described above.

Taking the liquid funds into account, the net debt (cash and cash equivalents less the short-term and long-term financial liabilities) as at June 30, 2022 amounted to euro -403.9 million (December 31, 2021: net debt of euro -368.8 million).

6. Transactions with related companies and persons

There were no significant changes compared to December 31, 2021.

7. Development and innovation

There were no research and development activities outside the operative business purpose of "project development" in the PNE AG Group during the reporting period.

8. Major events after the reporting period

With the exception of the repurchase of the 2018/2023 bond described in the report and the acquisition of a 51 percent majority stake in Coliaenergia ESPAÑA (KOLYA) described in the report, there were no significant events after the end of the reporting period that had an impact on the results of operations, financial position and net assets.

9. Report on opportunities and risks

For information about the opportunities and risks of PNE AG, refer to the chapter "Report on opportunities and risks" in the 2021 annual report respectively the Combined Management and Group Management Report 2021, which is available on the Company's website at www.pne-ag.com.

Due to the Ukraine crisis, the unstable supply chains and the effects of the ongoing COVID-19 pandemic, there is a risk that project rights sales and project implementations in the operating business may be postponed from 2022 to 2023. These risks also lead to high or rising raw material prices, which result in higher prices for wind turbines, modules and other trades. However, these risks can be partially offset by the opportunity of higher electricity prices.

All discernible risks arising from the current challenging market environment, which is still characterised by the effects of the COVID-19 pandemic, high raw material prices, unstable supply chains and geopolitical uncertainties, are continuously assessed by the Company with regard to their potential impact on the net assets, financial position and results of operations as well as the well-being of the employees and have been taken into account in this half-yearly financial report or the outlook.

During the first six months of the 2022 fiscal year, the Board of Management did not identify any other significant additions or changes to the risks presented in the annual report for the 2021 fiscal year respectively the Combined Management and Group Management Report 2021.

10. Management declaration (Section 289f and Section 315d of the German Commercial Code (HGB))

The management declaration, summarised with the declaration pursuant to Section 289f HGB, in accordance with Section 315d HGB is published on our internet site www.pne-ag.com under "Investor Relations" in the Corporate Governance section and can be downloaded there.

11. Outlook/forecast

PNE AG is a Clean Energy Solutions Provider for markets and industries regionally, nationally and internationally. Core competences are project planning and the operation of renewable energy projects. In addition, the storage of renewables and power-to-X technology are promoted. With the projects developed and operated, the PNE Group is making an important contribution to avoiding climate-damaging emissions and, with its full service in the areas of wind energy and photovoltaics, is ensuring that the expansion of clean energies moves forward one step faster – for a better climate worldwide. In this way, the PNE Group is consistently pursuing the goal of a secure, sustainable and profitable energy supply, which is powered 100 percent by renewable energies.

With the "Scale up" programme, the PNE Group has been continuously advancing its strategic development from a wind farm project developer to a Clean Energy Solutions Provider since 2017. With this strategy, the PNE Group is responding to changes in the clean energy markets. The expertise from the successful development, project planning and realisation of onshore and offshore wind farms was transferred to other fields. The operating business was placed on a significantly broader basis both nationally and internationally in order to establish PNE as a specialist in photovoltaic projects and a broadly positioned provider of clean energy solutions, in addition to being a specialist in wind well as. Key elements of the strategy are the expansion of the range of services and the development of new markets and technologies.

A central component of the "Scale up" programme is the objective of expanding the Company's own portfolio to up to 500 MW by the end of 2023. Together with the expansion of the service business, this is designed to contribute to further increasing the share of steady earnings. With this broader positioning, market risks will be minimised, new potential and markets will be opened up and, above all, the results, which were volatile in the past, will be stabilised in the medium term. In this way, the PNE business model is continuously gaining in stability and future viability. In this way, the PNE Group has reached a completely new dimension and would like to continue to grow in the future. This makes PNE more and more valuable for investors and partners and also offers employees at-tractive long-term prospects.

The following forecasts are based on the results from the implementation of operationally planned projects in Germany and abroad (onshore, offshore, photovoltaics), both from the service business and from the electricity generation business.

In fiscal 2022, as in previous years, we will have further upfront expenditure in the low single-digit million range for the strategic expansion of the business model. We continue to confirm our guidance for the 2022 fiscal year with positive EBITDA for the Group in the range of euro 20 to 30 million. However, due to the aforementioned Ukraine crisis, unstable supply chains and the effects of the ongoing COVID-19 pandemic, there might be postponements of project right sales and project implementations from 2022 to 2023 in the operating business. In addition, these will lead to high or rising raw material prices, which result in higher pricing for wind turbines, modules and other trades. However, these can be partially offset by higher electricity prices.

Cuxhaven, August 10, 2022

PNE AG, Board of Management

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

	2nd Quarter 1.4.2022 – 30.6.2022	2nd Quarter 1.4.2021 – 30.6.2021	Period 1.1.2022 – 30.6.2022	Period 1.1.2021 – 30.6.2021
in thousand euro (differences due to rounding possible)				
1. Revenues	22,605	24,616	52,129	40,730
2. Changes in inventories of finished goods and work in progress	42,995	19,199	50,450	52,003
3. Other operating income	1,666	626	2,628	1,158
4. Total aggregate output	67,266	44,441	105,208	93,890
5. Cost of materials and purchased services	-49,129	-23,193	-57,833	-53,938
6. Personnel expenses	-10,240	-9,912	-18,989	-18,167
7. Amortisation of intangible fixed assets, property, plant and equipment, rights of use and long-term financial assets	-6,835	-5,795	-13,365	-10,966
8. Other operating expenses	-6,161	-4,292	-10,897	-8,472
9. Operating result	-5,099	1,249	4,125	2,347
10. Income from participations and associated companies	-9	3	59	65
11. Other interest and similar income	16,435	1,433	23,065	3,821
12. Expenses from assumption of losses of associated companies	-5	-1	-14	-10
13. Interest and similar expenses	-4,243	-1,722	-7,384	-4,163
14. Result before taxes	7,079	962	19,851	2,060
15. Taxes on income	-7,002	-1,081	-9,669	-1,086
16. Other taxes	12	-35	-39	-65
17. Result before non-controlling interests	89	-154	10,143	908
18. Share of non-controlling interests in the result	-240	-104	-236	-131
19. Consolidated net income	329	-50	10,379	1,040
Undiluted earnings per share in euro	0.00	0.00	0.14	0.01
Diluted earnings per share in euro	0.00	0.00	0.14	0.01
Weighted average of shares in circulation (undiluted), in million	76.3	76.3	76.3	76.3
Weighted average of shares in circulation (diluted), in million	76.3	76.3	76.3	76.3
19. Consolidated net income	329	-50	10,379	1,040
Other comprehensive income/items that may be reclassified in the future in the profit and loss account				
20. Currency translation differences	-498	-282	-336	-702
21. Others	0	0	0	0
22. Other comprehensive income for the period (after tax)	-498	-282	-336	-702
23. Total comprehensive income for the period	-409	-436	9,807	206
Consolidated profit/loss for the period attributable to				
Owners of the parent company	329	-50	10,379	1,040
Non-controlling interests	-240	-104	-236	-131
	89	-154	10,143	908
Total comprehensive income for the period attributable to				
Owners of the parent company	-169	-332	10,043	338
Non-controlling interests	-240	-104	-236	-131
	-409	-436	9,807	206

CONDENSED CONSOLIDATED BALANCE SHEET (IFRS)

Assets

in thousand euro (differences due to rounding possible)	as per 30.6.2022	as per 31.12.2021
Intangible assets	63,796	63,964
Property, plant and equipment	301,100	273,523
Rights of use	69,161	64,732
Long-term financial assets	12,407	2,598
Deferred taxes	58,268	58,713
Total long-term assets	504,732	463,530
Inventories	164,479	163,711
Receivables, other assets and tax receivables	52,926	50,134
Cash and cash equivalents	160,656	149,625
Total short-term assets	378,061	363,470
Total assets	882,793	827,000

Liabilities

in thousand euro (differences due to rounding possible)	as per 30.6.2022	as per 31.12.2021
Subscribed capital	76,603	76,603
Capital reserve	82,953	82,953
Treasury shares	-707	-707
Retained earnings	51	51
Foreign currency reserve	-3,445	-3,109
Consolidated profit	77,656	73,384
Non-controlling interests	-7,618	-7,382
Total equity	225,493	221,793
Other provisions	0	0
Deferred subsidies from public authorities	644	667
Long-term financial liabilities*	513,532	488,784
Deferred tax liabilities	11,375	6,454
Total long-term liabilities	525,551	495,905
Provisions for taxes	1,938	1,549
Other provisions	5,518	5,198
Short-term financial liabilities	51,337	29,620
Trade liabilities	35,200	34,398
Other liabilities and tax liabilities	37,756	38,539
Total short-term liabilities	131,749	109,302
Total liabilities	882,793	827,000

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

For the period from January 1 to June 30

in thousand euro	2022	2021
Consolidated net result	10,143	908
-/+ Income tax benefit/expense	9,669	1,086
-/+ Income tax paid/received	-3,913	-2,001
-/+ Interest income and expense	-15,681	342
- Interest paid	-4,743	-4,253
+ Interest received	115	309
+/- Write-downs/write-ups of intangible fixed assets, property, plant and equipment, rights of use and long-term financial assets	13,365	10,966
+/- Increase/decrease in provisions	710	2,530
+/- Non-cash effective expenses and income	-519	-686
-/+ Profit/loss from the disposal of fixed assets and from fixed assets and from deconsolidation	0	-4,034
+/- Decrease/increase in inventories and other assets	-28,241	-40,740
+/- Decrease/increase in trade receivables and stage of completion accounting	21,323	7,672
+/- Increase/decrease in trade liabilities and other liabilities	-671	-10,899
Cash flow from operating activities	1,557	-38,800
+ Inflow of funds from disposal of items of property, plant and equipment	57	87
- Outflow of funds for investments in property, plant and equipment and intangible assets	-52,129	-27,589
+ Inflow of funds from disposal of financial assets	0	5
- Outflow of funds for investments in financial assets	-233	-124
+ Inflow from sale of consolidated units	0	4,416
- Outflow of funds for investments in consolidated units	0	0
Cash flow from investing activities	-52,305	-23,205
+ Inflow of funds from the issue of bonds	55,000	0
+ Inflow of funds from financial loans	58,627	84,335
- Outflow of funds for the redemption of bonds	-32,073	0
- Outflow of funds for bond transaction costs	-1,273	0
- Outflow of funds for the redemption of financial loans	-8,751	-11,223
- Outflow of funds for the redemption of lease liabilities	-3,645	-2,741
- Payment for dividend	-6,107	-3,053
Cash flow from financing activities	61,778	67,318
Cash-effective change in liquid funds	11,030	5,312
+ Change in liquid funds due to changes in scope of consolidation	0	-46
+ Liquid funds at the beginning of the period	149,625	111,618
Liquid funds at the end of the period*	160,655	116,884
* of which are pledged to a bank as security	2,911	3,096

Supplementary information: The value of liquid funds on June 30 corresponds to the "Cash and cash equivalents" item in the balance sheet.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

in thousand euro (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									
1.1.2021	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	1,040	1,040	-131	909
Other result	0	0	0	0	-702	0	-702	0	-702
Total result for the period									
1-6/2021	0	0	0	0	-702	1,040	338	-131	207
Dividend	0	0	0	0	0	-3,053	-3,053	0	-3,053
Other changes	0	0	0	0	0	-116	-116	154	38
Balance on									
30.6.2021	76,603	82,953	-707	51	-3,394	49,296	204,803	-7,047	197,756
Balance on									
1.1.2022	76,603	82,953	-707	51	-3,109	73,384	229,175	-7,382	221,793
Result for the period	0	0	0	0	0	10,379	10,379	-236	10,143
Other result	0	0	0	0	-336	0	-336	0	-336
Total result for the period									
1-6/2022	0	0	0	0	-336	10,379	10,043	-236	9,807
Dividend	0	0	0	0	0	-6,107	-6,107	0	-6,107
Other changes	0	0	0	0	0	0	0	0	0
Balance on									
30.6.2022	76,603	82,953	-707	51	-3,445	77,656	233,111	-7,618	225,492

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF PNE AG, CUXHAVEN, FOR THE FIRST SIX MONTHS OF 2022

1. Accounting and valuation principles

The financial report on the first six months of the 2022 fiscal year of PNE AG and its subsidiaries is drawn up according to the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as they are applied in the European Union (EU). New standards adopted by the IASB are in principle applied as from the time of their becoming effective, as they are to be taken into consideration in the EU.

The interim financial statements were drawn up in line with the regulations of IAS 34. The tax expenditure of the PNE Group is determined using an estimate of the taxable income of the relevant companies.

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 recognised assets as at June 30, 2022 might be impaired.

In the financial report for the first six months of the 2022 fiscal year as at June 30, 2022, the Company applied the same accounting and valuation methods as in the consolidated financial statements as at December 31, 2021. The IFRS standards amended since January 1, 2022 are not relevant to the half-yearly financial statements.

2. Financial assets

During the first six months of the 2022 fiscal year, no material additions or changes occurred in the interim group management report for the first half of 2022 compared with the figures presented in the group management report for the 2021 financial year.

The following tables show the carrying amounts and the fair values of financial assets and financial liabilities by the relevant categories.

in thousand euro	Category acc. to IFRS 9	Total	Fair value
As per 30.6.2022			
Short-term financial assets			
Cash and cash equivalents	AC	160,656	160,656
Trade receivables	AC	25,363	25,363
Other short-term loan receivables	AC	0	0
Receivables from affiliated companies	AC	7,788	7,788
Receivables from associated companies and those in which an investment is held	AC	165	165
Long-term financial assets			
Shares in affiliated companies	FVOCI	474	474
Shares in companies in which an investment is held	FVOCI	1,208	1,208
Other borrowings	AC	188	188
Other long-term loan receivables	AC	9,913	9,913
		205,755	205,755
Total AC		204,072	204,072
Total FVOCI		1,683	1,683
As per 31.12.2021			
Short-term financial assets			
Cash and cash equivalents	AC	149,625	149,625
Trade receivables	AC	29,492	29,492
Other short-term loan receivables	AC	1,204	1,204
Receivables from affiliated companies	AC	6,000	6,000
Receivables from associated companies and those in which an investment is held	AC	162	162
Long-term financial assets			
Shares in affiliated companies	FVOCI	242	242
Shares in companies in which an investment is held	FVOCI	1,208	1,208
Other borrowings	AC	188	188
Other long-term loan receivables	AC	499	499
		188,620	188,620
Total AC		187,170	187,170
Total FVOCI		1,450	1,450

AC = measured at amortised cost
FVOCI = measured at fair value (changes in value in OCI)

Shares in affiliated companies classified as "FVOCI" and shares in companies in which an investment is held were measured at cost of euro 1,683 thousand (December 31, 2021: euro 1,450 thousand), which is an appropriate estimate of fair value. Currently, there are no net results and dividends attributable to the "FVOCI" category. On the reporting date, there was no intention of selling these.

The carrying amounts of financial assets in the category "measured at amortised cost" (AC) approximate their fair values on the reporting date.

The financial liabilities shown are attributable to corporate bonds, liabilities to banks, other financial liabilities, liabilities from leasing contracts as well as derivatives.

The book values of financial liabilities have the following remaining terms or the following fair values:

in thousand euro	Category acc. to IFRS 9	Total	up to 1 year	1 to 5 years	more than 5 years	Fair value
As per 30.6.2022						
Trade liabilities	AC	35,200	35,200	0	0	35,200
Fixed interest						
Bonds	AC	71,656	17,927	53,729	0	73,467
Liabilities to banks	AC	376,486	25,892	120,702	229,892	413,747
Other financial liabilities	AC	1,057	1,057	0	0	1,057
Liabilities under leases	AC	113,616	5,706	19,160	88,750	113,616
Variable interest						
Liabilities to banks	AC	702	702	0	0	702
Derivatives						
Interest rate swaps	FVPL	1,026	52	209	765	1,026
		599,743	86,537	193,800	319,407	638,815
As per 31.12.2021						
Trade liabilities	AC	34,398	34,398	0	0	34,398
Fixed interest						
Bonds	AC	49,521	0	49,521	0	50,250
Liabilities to banks	AC	351,711	21,290	101,543	228,878	364,531
Other financial liabilities	AC	1,066	1,066	0	0	1,066
Liabilities under leases	AC	110,580	6,862	18,809	84,909	110,580
Variable interest						
Liabilities to banks	AC	42	42	0	0	42
Derivatives						
Interest rate swaps	FVPL	5,484	360	1,431	3,693	5,484
		552,801	64,017	171,304	317,480	566,350

AC = measured at amortised cost

FVPL = measured at fair value through profit or loss

The fair values of financial instruments listed in the tables were derived from market information available on the reporting date. The fair value is determined in line with generally accepted pricing models based on discounted cash flow analyses and using observable current market prices for similar instruments. In the current reporting period, as in the comparable period of the previous year, no reclassifications were made between the hierarchy levels.

The fair values of liabilities to banks and other financial liabilities are determined using current interest rates at which similar loans with identical maturities could have been taken out on the reporting date.

The determination of the fair values of bonds is based on the observable price quotations as at the reporting date.

The fair values of interest rate swaps are calculated using forward interest rates (observable yield curves on the reporting date) and the estimated contractual interest rates, which are discounted on the reporting date using the yield curve.

The valuation of trade liabilities and other financial liabilities is based on the assumption that the fair values correspond to the carrying amounts of these financial instruments in view of their short remaining terms.

The following table analyses the financial liabilities of the Group by the relevant maturity bands:

in thousand euro	Total contractual cash flows	up to 1 year	1 to 5 years	more than 5 years	Carrying amount
As per 30.6.2022					
Trade liabilities	35,200	35,200	0	0	35,200
Bonds	85,475	20,746	64,729	0	71,656
Liabilities to banks	467,571	32,670	139,612	295,289	377,188
Other financial liabilities	1,073	1,073	0	0	1,057
Liabilities under leases	132,266	7,466	25,448	99,352	113,616
Interest rate swaps	1,026	52	209	765	1,026
	722,611	97,207	229,997	395,406	599,743
As per 31.12.2021					
Trade liabilities	34,398	34,398	0	0	34,398
Bonds	54,184	1,995	52,189	0	49,521
Liabilities to banks	411,894	26,819	118,556	266,519	351,753
Other financial liabilities	1,098	1,098	0	0	1,066
Liabilities under leases	128,419	8,405	24,778	95,236	110,580
Interest rate swaps	5,484	360	1,431	3,693	5,484
	635,476	73,074	196,954	365,448	552,801

The table analyses the financial liabilities of the Group by the relevant maturity bands, based on their contractual terms for:

- (a) all non-derivative financial liabilities, and
- (b) all derivative financial instruments that are settled on a net basis and whose contractual maturities are material to an understanding of the timing of cash flows.

The amounts shown in the table are the contractual non-discounted cash flows. Balances due within twelve months correspond to their carrying amounts, as the effect of discounting is not significant. In the case of interest rate swaps, the cash flows were estimated using the forward interest rates applicable at the end of the reporting period.

3. Scope of consolidation

The corporate structure has changed in the first six months of 2022 versus December 31, 2021.

During the reporting period, the following companies were included for the first time in the scope of consolidation:

- PNE WIND Park XXVIII GmbH & Co. KG, Cuxhaven (100 per cent), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance"),
- PNE WIND Park XXXI GmbH & Co. KG, Cuxhaven (100 per cent), "electricity generation" segment, (reclassified from "non-consolidated companies due to minor significance").

The reclassification of subsidiaries from "non-consolidated companies due to minor significance" to full consolidation is generally made as soon as it is clear that the business activity or the project planning/implementation phase will begin in the near future.

The reclassifications had no significant impact on the consolidated financial statements.

4. Major events after the reporting period

Regarding any major events which have occurred after the end of the reporting period, we refer to the interim group management report.

CONSOLIDATED SEGMENT REPORTING (IFRS)

	Project development		Services		Electricity generation		Consolidation		PNE AG Group	
in thousand euro (differences due to rounding possible)	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
External sales	8,676	21,356	8,706	8,137	34,747	11,236	0	0	52,129	40,730
Inter-segment sales	59,869	45,138	1,953	2,141	150	120	-61,972	-47,398	0	0
Changes in inventories	1,579	31,498	0	4	0	0	48,872	20,500	50,450	52,003
Other operating income	1,288	573	778	342	562	242	0	0	2,628	1,158
Total aggregate output	71,411	98,566	11,438	10,624	35,459	11,598	-13,100	-26,898	105,208	93,890
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-8,019	22,799	3,077	3,389	29,750	7,968	-7,319	-20,843	17,489	13,314
Depreciation and amortisation	-1,071	-1,050	-1,703	-1,622	-10,591	-8,294	0	0	-13,365	-10,966
Operating result	-9,089	21,749	1,374	1,767	19,159	-325	-7,319	-20,843	4,125	2,347
Interest and similar income	3,438	2,474	248	209	22,990	4,288	-3,610	-3,150	23,065	3,821
Interest and similar expenses	-5,405	-4,067	-412	-323	-5,178	-2,924	3,610	3,150	-7,385	-4,163
Tax expense and income	916	-6,227	-366	-499	-11,090	-312	871	5,951	-9,669	-1,086
Investments	724	1,250	5,908	2,866	45,730	23,597	0	0	52,362	27,713
Segment assets	626,565	613,232	61,967	55,650	630,315	581,821	-436,055	-423,703	882,793	827,000
Segment liabilities	394,982	345,448	47,029	42,447	536,154	526,343	-320,867	-309,030	657,298	605,207
Segment equity	231,584	267,785	14,938	13,203	94,161	55,478	-115,187	-114,673	225,495	221,793

The figures as at June 30, 2022 are compared with the figures as at June 30, 2021 or, in the case of segment assets/segment liabilities, with the figures as at December 31, 2021.

Cuxhaven, August 10, 2022

PNE AG, Board of Management

REVIEW REPORT

To PNE AG, Cuxhaven/Germany

We have reviewed the condensed interim consolidated financial statements, which comprise the condensed balance sheet as at 30 June 2022, the condensed statement of comprehensive income, the condensed statement of cash flows, the condensed statement of changes in equity, the condensed segment information and selected explanatory notes to the financial statements, as well as the interim group management report of PNE AG, Cuxhaven/Germany, for the period from 1 January to 30 June 2022, that are part of the semi-annual financial information under Section 115 German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the executive directors of the Company. Our responsibility is to express a review report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany). Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company

personnel and to analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of PNE AG, Cuxhaven/Germany, have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Without modifying our opinion, we draw attention to the fact that we have not reviewed the content of the corporate governance statement under Section 289f German Commercial Code (HGB) combined with the consolidated corporate governance statement under Section 315d HGB, which is referred to in the interim group management report.

Furthermore, we draw attention to the fact that the separately presented quarterly information as well as the respective explanatory comments within the condensed interim consolidated financial statements and the interim group management report have not been subject of our review.

Hamburg/Germany, August 10, 2022

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed: Christian Dinter

Signed: Isabelle Kühne

Wirtschaftsprüfer

Wirtschaftsprüferin

(German Public Auditor)

(German Public Auditor)

STATEMENT MADE BY THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

PNE AG, The Board of Management



Markus Lesser



Jörg Klowat

IMPRINT

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Board of Management

Markus Lesser (CEO),
Jörg Klowat
Registergericht: Tostedt
Registernummer: HRB 110360
As per: August 2022

The report on the first half year and on the second quarter of 2022 is also available in German. In case of discrepancies the German version is decisive. The digital version of the annual report and the quarterly statements of PNE AG are available online at www.pne-ag.com in the section "Investor Relations/Financial reports".

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

