



# ANNUAL REPORT

# 19

## Financials

(Mio. Euro)	2019	2018
<b>Sales</b>	<b>213.6</b>	<b>186.8</b>
Germany	137.3	134.5
Abroad	76.3	52.3
<b>Gross result</b>	<b>70.7</b>	<b>68.2</b>
<b>EBITDA</b>	<b>30.2</b>	<b>27.3</b>
<b>EBIT</b>	<b>13.1</b>	<b>10.1</b>
<b>Net income</b>	<b>7.3</b>	<b>6.8</b>
<b>Earnings per share</b>	<b>0.49</b>	<b>0.46</b>
<b>Employees</b>	<b>433</b>	<b>427</b>
<b>Orders on hand</b>	<b>124.3</b>	<b>84.4</b>
thereof abroad	123.4	83.5
<b>Incoming orders</b>	<b>94.4</b>	<b>20.2</b>
<b>Cancellation of orders</b>	<b>3.9</b>	<b>12.8</b>
<b>Orders completed</b>	<b>50.6</b>	<b>25.9</b>
<b>Capacity installed (MW<sub>el</sub>)</b>	<b>458</b>	<b>435</b>
thereof abroad	172	148
<b>Capacity under construction (MW<sub>el</sub>)</b>	<b>13</b>	<b>13</b>
thereof abroad	13	13

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# GROUP MANAGEMENT REPORT

of the EnviTec Biogas AG

EnviTec Biogas AG takes advantage of the relief for small corporations granted under section 326 of the German Commercial Code (HGB) and refrains from preparing and publishing a management report for the fiscal year 2019. The consolidated financial statements, which include the financial statements of EnviTec Biogas AG, do not contain a combined management report for EnviTec Biogas AG and the Group, but only a Group management report.

## Fundamentals of the Group

### General corporate information

The EnviTec Biogas Group, headquartered in Lohne, Germany, is one of the leading manufacturers and operators of biogas and biomethane plants. EnviTec is a full-service biogas supplier and covers the entire value chain for the production of biogas. This includes planning and turnkey construction of biogas plants and biogas upgrading plants as well as their taking into operation. The company takes charge of biological and technical services on demand and also offers full plant and operational management. EnviTec also operates its own plants, making it one of the largest biogas and biomethane producers in Germany.

Our customer-oriented construction has set standards in terms of reliability and profitability. EnviTec plants can produce clean energy from all types of feedstock materials – from organic waste to renewable resources. Established in 2002, the company is today active in 16 countries worldwide (incl. Germany).

### Corporate structure and business segments

The Group is structured into three segments, Own Plant Operation, Service and Plant Construction. All segments are closely integrated in strategic, technical and financial terms. The parent company of the Group operates as a holding company, which provides services such as controlling, HR management, legal consulting, treasury and marketing for the three business segments. The

business purpose of the parent company also includes the holding of equity investments in the Own Plant Operation segment as well as start-up financing of the respective project companies.

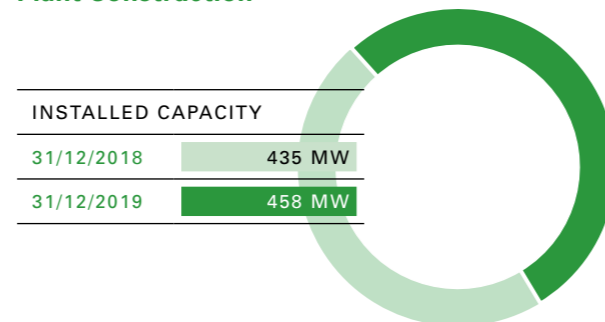
#### Own Plant Operation

The Own Plant Operation segment handles the generation of electricity, heat and gas in the company's own biogas plants in Germany and abroad. This is usually done in cooperation with local partners from the agricultural or energy sectors. These partnerships are characterised by a clear division of tasks, with every partner concentrating on their respective strengths. The local partner makes available the site, procures the feedstock materials and assumes responsibility for the operation of the plant. Once the plant is in operation, we perform all necessary maintenance work, provide biological and technical services and take care of the commercial management.

#### Service

EnviTec's Service segment provides all services related to the operation of biogas plants. As a full-service biogas supplier, we know all biogas generation processes in detail and our experts take care of starting up the plants and constantly control the biological processes. In our lab, feedstock materials and fermentation residues are checked for optimum quality so as to make recommendations on boosting the plant's efficiency. The range of services also includes regular plant inspections and training of the operators and their employees. EnviTec Biogas also offers partial maintenance services, which are charged by actual expense, or full maintenance including assumption of the repair cost risk.

#### Plant Construction



The Plant Construction segment builds biogas and biomethane plants for customers such as farmers, industrial enterprises and energy providers. We plan the plant, build it and start up the production of biogas. Our product portfolio covers the complete value chain of biogas plant engineering for plants from 75 kW. Besides large-scale plants, EnviTec also offers a compact plant design, which is marketed under the name of "EnviFarm Compact". EnviThan is the company's highly efficient and innovative technology for the upgrading of biogas. The network operator may refine the processed biomethane, feed it directly into the natural gas network or use it as an environmentally friendly fuel alternative (bio-CNG (compressed natural gas) or bio-LNG (liquefied natural gas) = liquid biogas). EnviTec is also involved in the development of photovoltaic projects.

### Objectives, strategy and competition

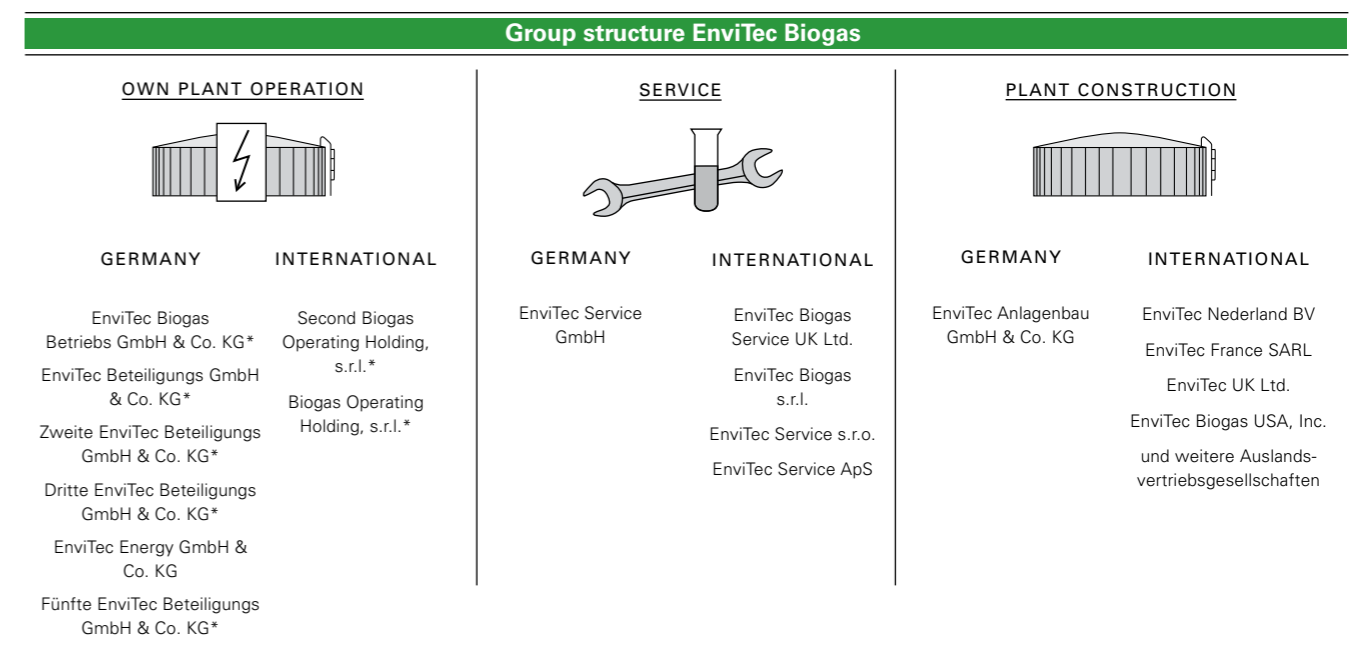
Over the past years, we have attained a leading position in the biogas market and operate plants in as many as 17 countries. Besides Germany, which is the main market, the Group's most important geographical markets at present are the rest of Europe and China. Our strategic objective is to achieve sustainable growth and

to expand our market position as an integrated supplier and operator of biogas plants. In this context, we attach top priority to the satisfaction of our customers and their involvement in the ongoing development of our plants in accordance with their wishes and requirements. The short to medium-term strategic positioning is strongly influenced by the ongoing discussion about the legal framework in the individual markets. The individual markets are very heterogeneous, which is primarily due to the different subsidisation models. We are closely monitoring developments in the individual countries so as to be able to respond in a timely manner to changes in the operating environment.

In the medium term, we want to explore new applications, processes and markets in order to reduce our exposure to the prevailing subsidy conditions and generate up to 30% of the Group's earnings outside the subsidised biogas sector. We have defined the following cornerstones for sustainable growth:

#### Effective expansion of own plant operation

EnviTec Biogas expanded its own plant operation activities in the past years and this segment today makes the biggest contribution to total Group revenues. In Germany, EnviTec primarily relies on the optimisation of the existing plants and on selective capacity expansion. Generating



\* Various project companies of biogas plants. Details of participation and minimum holding requirement see notes.

positive cash flows, the segment ideally complements the plant construction activities for third parties. It remains the purpose of this segment to stabilise the Group's revenue streams. The guaranteed feed-in tariffs of the biogas plants operated by EnviTec will expire between 2025 and 2031.

### International expansion to drive growth

We closely monitor worldwide developments in the biogas sector. As soon as sustainable structures arise in a market, we review them thoroughly and then take a timely decision as to whether or not we should enter this market. When making inroads into new markets, we rely on regional partners; this way, we combine our long-standing experience in plant construction and operation with their knowledge of the regional specifics. The downstream Service segment is also gaining importance as the international expansion continues. The aim is for the Plant Construction segment and the downstream Service segment to operate profitably also in a difficult market environment while maintaining sufficient capacity to seize market opportunities as they arise. In this context, the erection of plants for biomethane upgrading and the use of new feedstock materials resulting from the fermentation of waste will play an increasingly important role.

### Service segment to expand its offerings

The Service segment has clearly gained importance for EnviTec over the past years, and the company intends to continue this expansion process. It is the declared strategic objective to expand the range of services offered. This includes the expansion of the biological and technical services in other European countries and the extension of the range of services for third-party plants. In addition, the service operations will successively be expanded to include new technologies, also with the help of strategic partnerships.

### Strengthening our innovation leadership

By consistently expanding our technological expertise, we aim to consolidate our leading position in the sector and to increase the ecological and economic attractiveness of our core product, biogas. Our objective is to continuously improve the operation of our plants and to reduce the amount of substrates they require without affecting their performance. In addition, EnviTec cooper-

ates with established manufacturers to expand the range of applications for biogas. Several plants built by EnviTec today already produce compressed natural gas – or bio-CNG for short – for the transport sector.

## Control system

The aim of our corporate activity is to grow profitably. From this basis, we derive our key performance indicators: sales revenues/total output and return on equity. As of the fiscal year 2020, earnings before tax (EBT) will be used as the most important performance indicator. In contrast to earnings before interest and taxes (EBIT), EBT also take into account the results from at-equity investments and the financial result, which primarily results from interest management for these companies. This provides more relevant information about the business performance. The Group is managed operationally and strategically at regular meetings of the Executive Board members. ERP (Enterprise Resource Planning) software is used throughout the Group for the fast and comprehensive presentation of all processes such as materials handling, finance and accounting, project controlling as well as sales and marketing. The Group's quality management system was certified to DIN EN ISO 9001:2008 in 2010. Since 2016, EnviTec Service GmbH has additionally organised a quality management system according to ISO 9001:2015.

## Research and development

Ongoing development is key to sustainable success. We take this very seriously and continue to improve our technologies in order to increase the gas yield while optimising our quality management and researching potential alternative feedstock materials at the same time. Further focal points of our R&D activities are the production of biogenic hydrogen and thermal pressure hydrolysis for biomass digestion.

### Own plants serve as laboratories

Our own plants are an important knowledge pool for the further development, improvement and application of new plant technology. New processes and technologies are directly tested in practice in our own plants or in close cooperation with manufacturers and customers in the Service segment.

### EnviThan gas upgrading

In the area of gas upgrading, we are exploring and testing new membrane types in cooperation with a manufacturer in order to increase the efficiency of this technology. Over the past years, the technology has thus been constantly refined.

### Resources

EnviTec focuses on practice-oriented research and development. New projects are driven directly in the business segments and in cooperation with manufacturers and customers. In addition, we cooperate with universities, also with a view to promoting young talent. Total investments in research and development in the fiscal year amounted to approx. kEUR 92.

## Economic report

## Macroeconomic and industry-specific environment

### Macroeconomic conditions

According to the International Monetary Fund (IMF), the global economy grew at a much slower pace in 2019 than in the previous years. At 2.9%, however, the increase in global economic output remained clearly positive (2018: 3.6%; 2017: 3.8%). While the emerging and developing economies increased their economic output by a total of 3.7%, the industrialised countries grew by 1.7%. Growth in the eurozone countries reached 1.2%. Important EnviTec markets such as Germany (+0.6%), France (+1.3%) and the United Kingdom (+1.4%) also showed a positive macroeconomic trend in 2019.

### Development of the biogas market and effects on the EnviTec Group

#### Technology

**Biogas upgrading** is currently the most dynamic market for biogas plants. The biomethane generated is fed into the natural gas grid. Biomethane may also be used as a low-carbon fuel, especially in the transport sector. A new study published by the Fraunhofer Institute for Systems and Innovation Research (ISI), the Technical University of Hamburg (TUHH) and the Institute of Resource Efficiency and Energy Strategies IREES GmbH clearly shows that this would be sensible and necessary. The study clearly arrives at the conclusion that biomethane has the best greenhouse gas balance. As a sustainable gaseous (bio-CNG) or liquid (bio-LNG) fuel, biomethane is able to save more than 90% of climate-damaging greenhouse gas emissions already today, while at the same time avoiding almost 100% of hazardous fine dust and nitrogen oxide emissions. Moreover, the use of biomethane in the mobility sector even has negative greenhouse gas reduction potential, provided that credits according to European legislation (RED II) are taken into account.

### Commodities market

In 2019, the supply of feedstock materials for biogas plants in Germany was characterised by slightly rising prices in the commodities markets. This is reflected in the agricultural commodities index for Germany published by Agrarmarkt Informations-GmbH (AMI) in December 2019, which was 5.8 points (4.4%) higher than in the previous year. As a result of another mostly dry summer and the resulting crop losses in the affected regions, prices picked up and the overall supply of feedstock materials remained tight in the reporting period. However, thanks to long-term supply contracts, high inventory levels and close cooperation with regional farmers, EnviTec again benefited from moderate prices for the agricultural commodities used as feedstock in 2019 and achieved a comfortable supply of raw materials.

### Geographic markets

The legal frameworks play a very important role for manufacturers and operators of biogas plants. In **Germany**, the Renewable Energy Sources Act (EEG) constitutes the relevant basis for the biogas sector. In addition, the feeding of refined biogas into the natural gas grid is governed by the German Gas Grid Access Directive. Since the feed-in tariff was reduced significantly in the context of the fourth EEG amendment of 2014, plant construction activity in Germany has come to a virtual standstill. In the 8th amendment of the Renewable Energy Sources Act (EEG), which came into force at the beginning of 2017, a follow-up regulation for existing plants was introduced for the time after the expiry of the current EEG tariff, which will result in greater investment certainty, albeit at lower tariffs than before. By contrast, the reform of the EEG tariff has not provided any incentive to build new plants. In the latest round of tenders, only around 90 megawatts (MW) of the possible 168 MW were called up, as in most cases the tender conditions do not cover the actual operating costs.

The standstill in Germany is also clearly reflected by the figures of the German Biogas Association, according to which the relevant output of biogas plants increased by only a moderate 25 MW to 3,826 MW in 2019. By contrast, a noticeable increase by close to 274 MW is assumed for the expansion of capacity through flexibilisation. This means an estimated 9,523 biogas plants

with an installed capacity (incl. electricity feed-in from biomethane) of 5,228 MW were in operation in Germany at the end of 2019. This is equivalent to an electricity output of 33.4 billion kWh or 9.5 million households supplied with biogas. According to Destatis, biogas accounted for 5.5% of total gross electricity generation in Germany in the fourth quarter of 2019 (Q4 2018: 5.1%).

EnviTec therefore still sees only few opportunities to increase capacity through greater plant flexibility in the Plant Construction segment in Germany. A clearly laid-out expansion path until 2030 and an adjustment of the maximum bidding values in the EEG tendering procedure for new and existing biomass plants would be necessary for the sustainable further development of the entire biogas and biomethane production in Germany and for securing the existing generation capacity. In addition, the instruments used to make existing biomass plants more flexible and the upgrading of biogas to biomethane should be strengthened to enable them to make their contribution to reaching the renewable energy share targets as well as the 2030 climate protection targets.

EnviTec was quick to focus on the internationalisation and flexibilisation of its business activities and today generates significant revenues in international markets in all business segments.

In Europe, **France** is currently one of the most dynamic countries for the sector, as fixed feed-in tariffs for biogas and biomethane make for attractive conditions. Although the reduction in the share of nuclear energy to 50% of total electricity generation is to be postponed by ten years to 2035 compared to the previous strategy, the energy transition is still being driven forward at full speed and the general conditions in the French market are expected to remain favourable in the foreseeable future.

The general conditions in **Denmark** also remain favourable. In December 2019, for instance, a new climate law was passed, under which the country is obliged to reduce emissions by 70% below 1990 levels by 2030. The law also provides for climate neutrality by 2050 and includes a robust monitoring system as well as legally binding ten-year plans.

The bioenergy sector in **China** is also showing a positive trend. In December 2019, the Chinese government

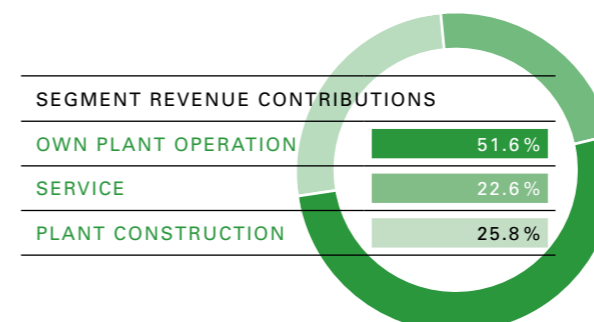
presented a new guideline for the development of the biogas industry. While the country's annual biogas production targets have been lowered, they remain promising, at over 10 billion cubic metres by 2025 and over 20 billion cubic metres by 2030.

In **Great Britain**, the continued uncertainties surrounding Brexit led to spending restraint in the biogas sector also in 2019. At the end of April 2020, after a two-year standstill, the British government announced that it would extend the current support framework for renewable energy until 31 March 2022. As a result, there is at least a limited prospect of new projects.

In **Italy**, a new law on subsidies for the production of biomethane came into force in March 2018. It provides for government funds in the amount of EUR 4.7 billion to be made available between 2018 and 2022 to promote biomethane production, which has already led to the construction of new plants and technical upgrades to a limited extent.

## Business trend and segment performance

The EnviTec Group operates in three segments, Own Plant Operation, Service and Plant Construction. At 51.6%, the Own Plant Operation segment again made the biggest contribution to Group revenues in the fiscal year 2019 (previous year: 61.3%). The Service segment's relative share climbed from 20.7% to 22.6%. The share of the Plant Construction segment (including the holding company) increased noticeably from 18.0% to 25.8%. The figures and developments presented in this paragraph and in the earnings position have been adjusted for intra-Group transactions.

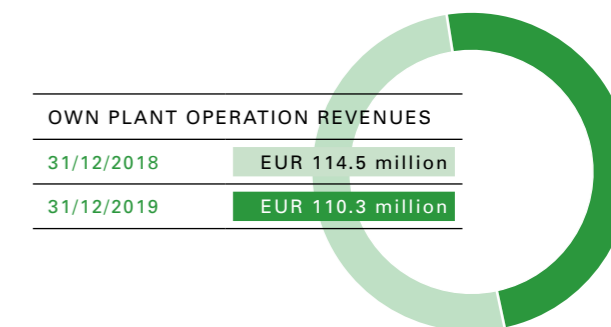


## Own Plant Operation

In spite of the sometimes very dry weather, the Own Plant Operation segment benefited from a comfortable supply of feedstock materials during the reporting period thanks to generous storage capacities and long-term supply contracts. Due to the lower electricity price on the exchange, sales revenues in the Energy sub-segment declined sharply, sending total segment revenues falling by 3.7% to EUR 110.3 million. The cost of materials decreased by 3.4%. By contrast, other operating expenses fell by 24.6% from EUR 10.4 million to EUR 7.8 million. As a result, the segment's earnings before interest and taxes (EBIT) of EUR 16.8 million were slightly above the previous year's EUR 16.5 million; consequently, the EBIT margin rose to an exceptionally good 15.2% (previous year: 14.4%).

Based on strong operating performance, the Group's own plants thus remained the main earnings and cash flow drivers.

The number of plants operated by EnviTec increased to 76 in the fiscal year (previous year: 74). As a consequence, the output of the company's own plants increased from 63.5 MW to 65.6 MW. Plants with a capacity of 38.7 MW were fully consolidated (previous year: 36.6 MW) and 26.9 MW accounted for using the equity method (previous year: 26.9 MW). Nine plants with a capacity of 10.7 MW are operated outside Germany in Italy, Belgium and France (previous year: 10.7 MW).



## Service

The business trend in the Service segment was excellent during the reporting period and exceeded management's plans. Italy, the Czech Republic and Great Britain as well as Denmark and France remain the Service seg-

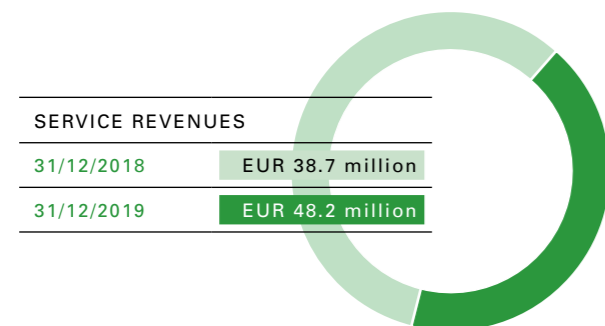


ment's most important markets besides Germany. More than 500 plant operators worldwide meanwhile rely on EnviTec's experience. The range of services and partners plays an important role in the Service segment.

Sales revenues in the Service segment rose by 24.5% to EUR 48.2 million (2018: EUR 38.7 million). Apart from the expansion of service activities, this was also due to a higher number of finally invoiced repowering and flexibilisation projects. Total output, which also takes into account the decline in assets under construction, grew by 6.7% to EUR 45.3 million.

At the end of 2019, the Service segment provided biological services for plants with a total electrical output of 74 MW and 7 MW equivalent (EnviThan) (previous year: 75 MW / 7 MW) and technical services for plants with an electrical output totalling 267 MW and 12.6 MW equivalent (EnviThan) (previous year: 257 MW / 12.6 MW) in Germany. Outside Germany, the EnviTec Group provided services for plants with a total electrical output of 163 MW (previous year: 139 MW), which break down into technical services for 117 MW (previous year: 92 MW) and biological services for 46 MW (previous year: 47 MW).

At EUR -2.0 million (2018: EUR -1.5 million), the segment's earnings before interest and taxes (EBIT) were down on the previous year because of increased maintenance work for the company's Own Plant Operation activities. As in the previous periods, the negative segment result is primarily attributable to the fact that transactions with own plant operation companies are deducted from revenues in consolidation at Group level. On a stand-alone basis, the Service segment again generated a clearly positive operating result.

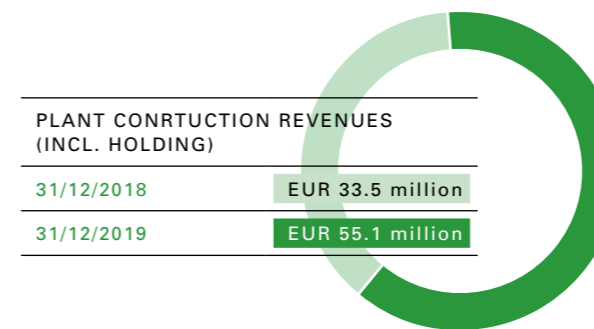


## Plant Construction (including the holding company)

The trend in the international biogas markets was clearly positive for the Plant Construction segment in 2019 although market conditions continued to diverge strongly. France is one of the most dynamic biogas markets worldwide and currently the most important market for the Plant Construction segment. EnviTec also remains very active in Denmark and China. A new business area offering great potential is the production and use of biomethane as a low-carbon fuel or as bio-CNG (compressed natural gas) in the transport sector. EnviTec Biogas is therefore actively working to improve the current legal framework for biomethane as the most environmentally friendly and cost-efficient solution in the transport sector. On the basis of a cooperation concluded in 2017 with BAUER Kompressoren, an established supplier of CNG plant components, EnviTec is now in a position to supply the complete package – from the recycling of residues to the CNG pump – from a single source. The "Drive Biogas" all-in-one model is intended to help improve the currently still incomplete infrastructure at CNG filling stations in Germany and thus help bring about the transition in the transport sector. After two joint projects in France, the cooperation celebrated its German premiere in February 2020 with the expansion and completion of a CNG filling station in Hürth, North Rhine-Westphalia.

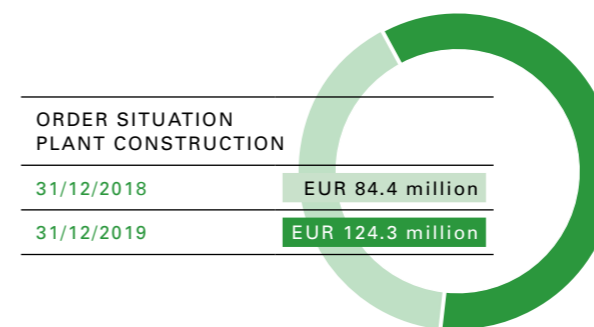
Total revenues in EnviTec's Plant Construction segment (including the holding company) increased by 64.2% to EUR 55.1 million. This was primarily attributable to a large number of finally invoiced projects.\* At a decline in assets under construction by EUR 14.8 million, total output also rose sharply by 38.5% to EUR 42.6 million, which reflects the segment's increased capacity utilisation. The cost of materials climbed 35.1% to EUR 27.6 million, while personnel expenses were up by 6.5% to EUR 7.5 million. Thanks to the good capacity utilisation and the large number of finally invoiced plants, the segment's earnings before interest and taxes (EBIT) were much better than in the previous year at EUR -1.6 million (2018: EUR -5.0 million).

At the end of 2019, EnviTec had a total installed base of approx. 458 MW (previous year: 435 MW).



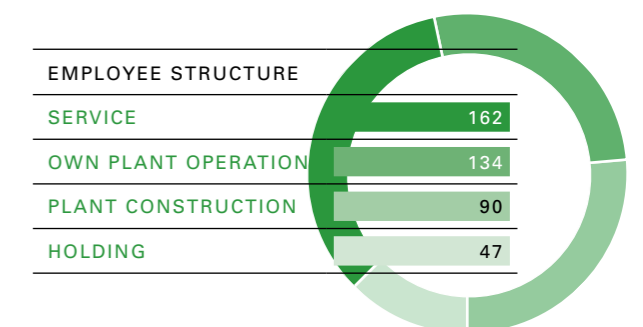
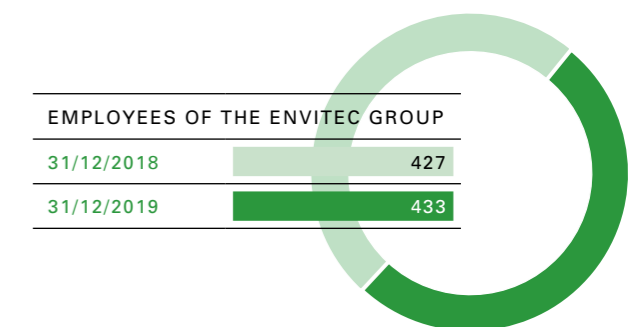
## Order situation in the Plant Construction segment

At the end of the fiscal year 2019, EnviTec Biogas' Plant Construction segment had an order backlog of EUR 124.3 million (previous year: EUR 84.4 million). Of this amount, EUR 61.2 million is already under construction and partially included in changes in inventories. As of the balance sheet date, the number of projects with foreign customers was up from EUR 83.5 million to EUR 123.4 million. Most of these are orders in France, Denmark and China. Estonia and Greece are other important markets. EnviTec Biogas has a very broad customer base, which means that the company is not dependent on individual customers. About 90% of the orders were placed by customers from the agricultural sector (previous year: 66%). Industrial customers accounted for approx. 10% (previous year: 34%).



the number of employees climbed from 427 to 433 on 31 December 2019. The Plant Construction's headcount was increased from 81 to 90 because of the very good capacity utilisation. The number of employees in the Own Plant Operation segment rose from 125 to 134 due to growing maintenance tasks.

The Service segment's headcount declined from 171 to 162. The holding company, EnviTec Biogas AG, had 47 employees (previous year: 50). Most employees (340) again worked in Germany (previous year: 339). As at the balance sheet date, 93 people were employed at the foreign locations of EnviTec Biogas (previous year: 88).



Sustainable human resources development remains the company's top priority. Due to the rapidly changing environment in which we operate, we need flexible employees who are willing to work abroad, to embrace other cultures and to represent the company appropriately. The human resources policy of EnviTec aims to not only meet our own requirements but to also cater to the interests and potential of our employees. This includes monetary incentive systems in some areas, e.g. performance-based additional compensation. Our internal training and further education measures give employees opportunities for ongoing development and aim to retain them in the long term.

\* The Plant Construction segment is special in that, according to the German Commercial Code (HGB), sales revenues are recognised only after project completion.



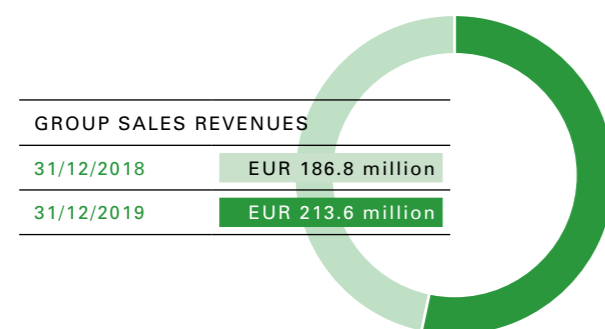
These job-oriented measures are complemented by activities fostering the team spirit and communicating our corporate culture, which is characterised by reliability and fairness. In addition, EnviTec offers young people apprenticeships or dual study courses to start their careers. For this purpose, the company cooperates with the Private University of Applied Sciences for Business and Technology (PHWT) in Vechta, Germany.

## Earnings position

### Comparison of the actual performance with the originally projected performance

The EnviTec Group recorded a very good business trend in 2019. The development of both the Group's revenues and total output exceeded the company's plans due to a large number of finally invoiced plant construction projects, and the forecast of total output (or revenues) at the prior year level was exceeded. The target of an improved operating result (EBIT) projected for the fiscal year 2019 was achieved.

### Sales revenues



Sales revenues in the Group's largest segment, Own Plant Operation, declined by 3.7% to EUR 110.3 million in the fiscal year 2019. Total output dropped by 3.8% to EUR 114.7 million. In the Service segment, sales revenues rose by 24.5% to EUR 48.2 million (2018: EUR 38.7 million). Total output, which also takes into account the decline in assets under construction, grew by 6.7% to EUR 45.3 million. The Plant Construction segment (including the holding company) reported a 64.2% increase in revenues to EUR 55.1 million. Total output rose by 38.5% to EUR 42.6 million.

The above-described segment performance led to a 14.3% increase in Group revenues to EUR 213.6 million

(previous year: EUR 186.8 million). Total output, which also includes plants under construction, rose by 5.2% to EUR 202.6 million. The strong increase is attributable to the ongoing expansion of business activities in the Service segment as well as to a large number of finally invoiced plants and repowering projects. Domestic revenues amounted to EUR 137.3 million in 2019 (previous year: EUR 134.5 million). Revenues generated outside Germany increased significantly from EUR 52.3 million in the previous year to EUR 76.3 million in the fiscal year 2019. Italy and Great Britain made the biggest contribution to foreign sales. Revenues generated in these markets amounted to EUR 20.9 million and EUR 28.9 million, respectively, in the reporting period.

### Expenses

The cost of materials is the main expense item of the EnviTec Biogas Group. In the fiscal year 2019, this item increased by 6.1% to EUR 131.9 million at Group level. Gross profit climbed 3.7% to EUR 70.7 million.

The Group's personnel expenses increased by 5.6% to EUR 20.7 million. Personnel expenses as a percentage of sales revenues stood at 9.7% (previous year: 10.5%). In relation to total output, they remained unchanged at the previous year's 10.2%. At EUR 17.1 million, depreciation/amortisation, primarily caused by the Own Plant Operation segment, was more or less on a par with the previous year. This figure includes an impairment loss of EUR 1.3 million which EnviTec recognised on the biomethane plants operated by the company due to the significant decline in biomethane prices. Other operating expenses, which essentially comprise operating, administrative and selling expenses, declined by 6.9% to EUR 19.8 million.

### Earnings

In spite of the persistently difficult and volatile conditions in the international biogas markets, the EnviTec Group posted one of the best results in its history in the fiscal year 2019. This was mainly due to the continued high profitability of the Own Plant Operation segment, the positive result of the Service segment (before consolidation for intra-Group sales) and the greatly improved earnings in the Plant Construction segment. This resulted in earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 30.2 million (2018: EUR 27.3

million). The record EBITDA of the previous year was thus once again exceeded. Earnings before interest and taxes (EBIT) improved from EUR 10.1 million to EUR 13.1 million. The EBIT margin rose to a strong 6.2%, up from 5.4% in the previous year. Interest expenses dropped sharply in the reporting period from EUR 2.6 million to EUR 1.7 million, which was due, among other things, to the final repayment of a note loan from 2012 and the lower interest rate level. Interest income declined from EUR 1.7 million to EUR 1.0 million. This resulted in net interest income of EUR -0.7 million (previous year: EUR -0.9 million). The result from partially consolidated investments (at equity) amounted to EUR 2.0 million (previous year: EUR 1.3 million).

For reasons of utmost caution and against the backdrop of the current pandemic, EnviTec has established a risk provision of EUR 4.0 million to cover possible lower liquidation proceeds from collateral provided to the company to secure loans. At EUR 10.3 million, the result from ordinary activities was therefore slightly below the previous year's EUR 10.4 million. Income tax expenses declined to EUR 2.9 million (previous year: EUR 3.4 million). As a result of these developments, consolidated net income again picked up from EUR 6.8 million to EUR 7.3 million. Earnings per share for the year 2019 stood at EUR 0.49 (previous year: EUR 0.46).

In the separate financial statements of EnviTec Biogas AG, accumulated profits amounted to EUR 36.1 million. The Executive Board and the Supervisory Board of EnviTec Biogas AG propose to again distribute a dividend of EUR 1.00 per share for the fiscal year 2019.

## Net worth position

The EnviTec Group's total assets declined from EUR 251.6 million in the previous year to EUR 240.1 million as of 31 December 2019.

On the assets side, non-current assets declined from EUR 137.0 million to EUR 126.0 million. This was mainly due to depreciation of property, plant and equipment, whose value declined from EUR 94.2 million to EUR 88.0 million. With property, plant and equipment worth EUR 88.0 million – mainly technical equipment and machinery – the EnviTec Group still has considerable non-current assets in its balance sheet.

The value of intangible assets fell by 14.5% to EUR 11.9 million. The value of investments accounted for using the equity method, which are included in financial assets, rose from EUR 13.8 million to EUR 14.6 million. This was offset by a reduction in other loans from EUR 10.3 million to EUR 6.3 million. The total value of financial assets dropped by 9.4% to EUR 26.2 million.

Inventories declined from EUR 55.8 million as of 31 December 2018 to EUR 46.6 million as of the balance sheet date, primarily due to the reduction in work in progress in connection with the final invoice for projects under construction. Receivables and other assets rose sharply from EUR 37.8 million to EUR 49.8 million. This is due, on the one hand, to the significantly higher capacity utilisation in the Plant Construction segment, as a result of which trade receivables rose by 17.8% to EUR 31.1 million. Total current assets increased from EUR 106.3 million on the prior year reporting date to EUR 107.9 million on 31 December 2019.

## Financial position

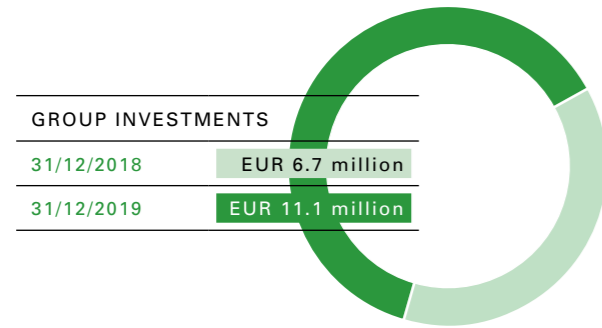
On the liabilities side, the solid financial position is reflected in an equity cushion of EUR 136.3 million. The 5.7% decline compared with the end of 2018 is mainly attributable to the dividend payment of EUR 14.9 million approved by the Annual General Meeting.

At EUR 91.1 million, total liabilities were down by 1.6% on the previous year's reporting date (2018: EUR 92.5 million). Liabilities to banks were down by 3.1% to EUR 58.4 million and trade liabilities declined by 14.9% to EUR 12.7 million. Liabilities towards companies in which an interest is held climbed 20.9% to EUR 2.0 million.

Liabilities to shareholders increased from EUR 1.8 million on the prior year reporting date to EUR 4.3 million on 31 December 2019. Other liabilities were reduced further by 1.8% to EUR 13.6 million. At the same time, part of the Group's liabilities were refinanced to take advantage of more favourable conditions. At EUR 10.1 million, provisions remained almost unchanged from the previous year (31 December 2018: EUR 10.3 million).

As of the balance sheet date, EnviTec's equity ratio stood at a comfortable 56.8% (31 December 2018: 57.5%), which forms a good basis for seizing growth opportunities in the international biogas markets.

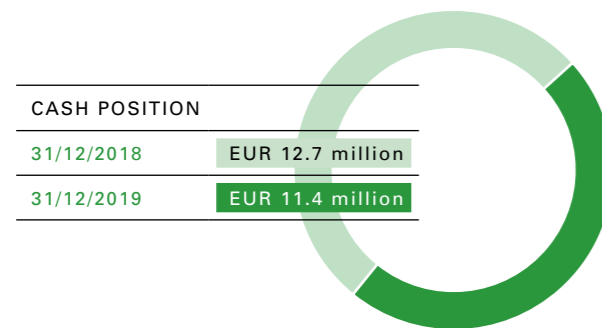
**Investments**



The Group's investments in intangible assets and property, plant and equipment in 2019 totalled EUR 11.1 million, compared to EUR 6.7 million in 2018. As in the previous years, the biggest portion of the company's investments related to the Own Plant Operation segment. EnviTec projects lower investments for 2020.

**Cash position**

At the end of 2019, cash and cash equivalents of EUR 11.4 million (previous year: EUR 12.7 million) and other current assets of EUR 12.8 million (previous year: EUR 8.0 million) were available. The total amount of EUR 24.2 million fully covers the current liabilities to banks of EUR 23.1 million (previous year: EUR 11.1 million). In addition, EnviTec Biogas had unused overdraft facilities of approx. EUR 8.1 million as of the balance sheet date.



**Cash flow statement**

At EUR 15.5 million, the EnviTec Group's net cash flow in the reporting period was clearly below the previous year's EUR 31.9 million. With gross cash flow down on the previous year, the increase in trade receivables and other receivables resulted in a higher working capital tie-up. Net cash used in investing activities dropped from EUR 1.6 million to EUR 0.4 million. Net cash used in financing activities in the reporting period declined noticeably from EUR 29.9 million to EUR 19.1 million due

to the repayment of bank liabilities of EUR 19.9 million and the dividend payment of EUR 14.9 million.

**Disclosures regarding the purchase and holdings of treasury shares**

The parent company of the Group, EnviTec Biogas AG, Lohne, holds 150,000 shares in the company. Please refer to the corresponding disclosures in the notes to the consolidated financial statements pursuant to section 315 para. 2 sentence 2 of the German Commercial Code (HGB) and section 160 para. 1 No. 2 of the German Stock Corporation Act.

**Opportunity and Risk Report**

The conscious and controlled management of risks and opportunities is the basis for successful long-term corporate development. The changing global energy market opens up opportunities for EnviTec Biogas which the company wants to exploit. Opportunities naturally entail risks, which must be adequately managed and minimised in order to ensure successful corporate development. EnviTec Biogas has therefore introduced a management system which systematically identifies potential risks and shows measures to minimise these risks. All executive staff are trained in identifying risks and taking appropriate responses. They encourage their employees to think in an entrepreneurial manner and to avoid risks.

Risk management forms the basis for corporate control and helps to achieve the company's objectives. It is an integral element of all business processes and business units.

**Opportunities**

**Sector-specific opportunities**

The growing global demand for energy and the challenges of climate change open up significant growth opportunities for the biogas industry. As a renewable energy source which can cover base load and peak load requirements, biogas can be produced locally and is a flexible supplier of electricity and heat. Moreover, the production of biogas facilitates the intelligent use of biological waste. The use as a carbon-neutral fuel (bio-CNG or bio-LNG) also holds great potential for the future. Biomethane is a highly versatile fuel that can make a sustainable contribution to decarbonisation in all consumption sectors, especially in the transport and heating sectors, where no satisfactory contributions to carbon reduction have been achieved yet.

This creates worldwide opportunities for EnviTec. In the coming years, EnviTec will endeavour to expand and strengthen its market position by continuing to internationalise into the most promising biogas and biomethane markets. Besides the opportunities in established markets such as France, Denmark and Great Britain, China is currently one of the most attractive markets. In the

medium term, we see opportunities primarily in emerging Asian markets such as the Philippines, Malaysia and Indonesia as well as in the USA.

In established markets, opportunities arise where competitors are unable to respond appropriately to short-term changes in the general framework or to successfully face the competition. Particularly in Germany, there will be a further market consolidation due to the difficult development of the industry. This will open up opportunities primarily for EnviTec's Service and Own Plant Operation segments to win new customers as well as market share. In Germany and Europe, EnviTec Biogas also sees enormous opportunities in the use and further expansion of the existing gas infrastructure in the transport sector.

**Strategic corporate opportunities**

Strategic corporate opportunities for EnviTec Biogas arise in particular from the further internationalisation of its business activity and the associated exploitation of additional opportunities in the international biogas markets. On the one hand, the focus is on markets in which the expansion of biogas production and upgrading plants is progressing and in which EnviTec, as a leading plant manufacturer, can benefit from this general development. On the other hand, opportunities arise from the expansion into more mature biogas markets in the Service segment. In the Own Plant Operation segment, the ongoing optimisation of existing plants and the selective expansion of the portfolio offer further potential. Strategic corporate opportunities also arise from the ongoing development of the product portfolio – with regard to both scope and quality – and the expansion of the technological leadership.

**Performance-related opportunities**

Performance-related opportunities arise for EnviTec Biogas along the value chain from purchasing to production to sales and marketing. Analysis and optimisation open up opportunities to increase the profitability.

**Risks**

**Risk management**

EnviTec Biogas has laid down the tasks, reporting and organisational structures in a Risk Management Manual.

This Manual defines risks and describes the complete risk management process. The task of the Risk Officers is to assess, monitor and counter-act all risks in accordance with defined categories. Based on a regularly updated risk inventory, these are reviewed at quarterly intervals. Any risks which arise all of a sudden and have a notable impact on the company's business performance and earnings position as well as on the enterprise value are immediately reported to the Executive Board, which will then take the necessary decisions. In the context of its reports to the Supervisory Board, the Executive Board continuously informs the latter about the main risks and outlines the measures taken to manage these risks.

We are a company operating in a dynamically changing international market environment. This gives rise to risks which are inextricably linked with our business activities. As a matter of principle, risks cannot be entirely avoided by changing the basic framework or through technological development. Our risk management system is therefore constantly being adapted to the latest developments. The Group does not take risks that are unrelated to the key objectives of corporate development.

These key objectives include:

- > development and implementation of the business model and sustainable corporate value creation,
- > securing liquidity.

The Executive Board has no knowledge of any risks jeopardising our continued existence. Individual risks capable of jeopardising our business performance and corporate value are described below.

### Risks from access and travel restrictions

Potential risks for EnviTec may arise from access and travel restrictions imposed to fight the coronavirus pandemic where cross-border business processes are concerned. This primarily affects the restricted travel activity of employees in the plant and service segments as well as suppliers and sub-contractors. This may lead to delays in construction and the execution of maintenance contracts. Business in 2020 to date has been influenced only moderately and the restrictions in some markets are being scaled back noticeably at present (May 2020). However, should considerable and long-term restrictions

repeatedly be imposed in the further course of the pandemic, this could have a significant impact, especially on plant construction.

In summary, EnviTec classifies the above risks arising from the fight against the coronavirus pandemic as strategic risks, whose occurrence is likely but whose impact on the business activity as well as the financial and earnings position of the Group would be moderate if such a risk occurred.

### Environmental and industry risks

The financial success of the products and services offered by EnviTec Biogas is dependent on the promotion of renewable energy sources under appropriate policies and regulations. In Germany, these include, for instance, the German Renewable Energy Sources Act (EEG). Most of the other EU member states and a number of non-EU countries have also put in place regulations comparable to the German Renewable Energy Sources Act (EEG). These regulations are of decisive importance for the success of the biogas sector in these countries. Regulations under construction law and pollution control law must be observed both when building or enlarging biogas plants and when operating such plants. Some of these regulations place biogas plants in a privileged position in relation to other plants; in particular, they provide for size-related simplification of the licensing procedure when erecting such plants in outdoor areas as defined by construction law. Any changes in the statutory conditions governing the erection, enlargement and operation of biogas plants, both in Germany and in other countries, may have a negative effect on the net worth, financial and earnings position of EnviTec Biogas.

As a result of the amendments to the EEG adopted in 2014, the German biogas market has come to a virtual standstill. EnviTec's plant construction activities have since focused primarily on foreign growth markets. Apart from the legal framework, some parts of the general public as well as certain special interest groups have reservations about biogas plants and their construction. This is why, in June 2009, EnviTec Biogas and other companies established the German Biogas Council, which acts as a source of advice and port of call for policy-makers, the corporate sector and special interest groups and aims to eliminate prejudices. The aim is to

promote the agricultural and industrial orientation of biogas technology and to represent the industry's shared interests with regard to legislation and products. EnviTec Biogas intends to expand its international activities and thus exploit growth opportunities, which gives rise to a number of risks. These include potential changes in the political, economic, social, legal, cultural and fiscal conditions prevailing in individual countries. In addition, there is the risk of unexpected changes in local laws and regulations, which may have an adverse impact on the business activity of EnviTec Biogas. Some countries in which we are already active or plan to become active are considerably less stable in economic, political and legal terms than the member states of the European Union. Inadequate legal and administrative systems may make it more difficult or even impossible to obtain official permits, hamper the completion of customers' orders or jeopardise the enforcement of financial and other claims. The company has built up substantial know-how in the foreign representative offices and the Group management team and aims to anticipate potential changes and to prepare itself and its customers accordingly. Management will not contemplate investments in countries in which EnviTec Biogas sees no opportunities following close and continuous monitoring; existing investments in such countries will be terminated. In Great Britain, for instance, the continued uncertainty about the Brexit process is currently having a negative impact on both the overall economic climate and the biogas industry, which is why EnviTec has scaled back its business activities in the country. With sales revenues in Great Britain totalling EUR 28.9 million in 2019, essentially resulting from projects finally invoiced by the Plant Construction segment, the significance of this country risk for the EnviTec Group as a whole is low, however. Existing currency risks were hedged by currency forward contracts (see "Currency risks").

In summary, EnviTec classifies the above environmental and industry risks as strategic risks, whose occurrence is likely but whose impact on the business activity as well as the financial and earnings position of the Group would be moderate if such a risk occurred.

### Order and sales risk

The effects of macroeconomic developments on the company's customers and its order and sales situation are difficult to assess. A decline in the order backlog

due to cancellations or a lack of new orders would have an impact on the future sales and earnings position. EnviTec Biogas has intensified its communication with its customers to anticipate any potential postponement of orders and supports its customers in the approval processes. When marketing and selling electricity and gas generated from biogas, the company takes out long-term sales and purchase positions.

These positions might incur significant losses in an oversupplied (long) or undersupplied (short) market environment combined with a negative market trend. At this time, all relevant positions are covered by counterparties from within the Group with excellent credit standing. With a view to preventing the loss of receivables, the company has optimised its receivables management process as well as the creditworthiness review. The open positions are reported to the Executive Board in a weekly report. Moreover, every responsible project manager is informed of the outstanding receivables at 14-day intervals so that dunning can be initiated.

In summary, EnviTec currently classifies the order, sales and default risk as a strategic risk, whose occurrence is unlikely. Moreover, the potential impact on the business activity as well as the financial and earnings position of the Group is considered to be low. Overall, EnviTec sees no material risks arising from order and sales management.

### Currency risks

All sales and purchases are made in the Group currency, the euro. This does not entail major currency risks. Currency risks may arise in conjunction with transactions of the subsidiaries in Great Britain, the Czech Republic and the USA. Exchange rates are therefore monitored on an ongoing basis to ensure that currency hedging measures can be taken at an early stage.

To hedge risks in conjunction with contracts in the UK, currency forward contracts in an amount of GBP 1.0 million were signed. They are used to hedge payments expected to be received by the subsidiaries.

In summary, EnviTec currently classifies currency risks as operational risks, whose occurrence is unlikely because of the conservative hedging strategy and whose impact on the Group would be moderate if they occurred.



### Competitive risks

Existing or future competitors may try to win market share by pursuing an aggressive pricing or acquisition policy. This competition is made even fiercer by the continuous reduction in the minimum remuneration paid for electricity which is fed into the public grid from biogas plants in accordance with the German Renewable Energy Sources Act (EEG) and the associated imperative to permanently cut costs, as well as by similar trends in other countries.

In summary, EnviTec currently classifies competitive risks as strategic risks, whose occurrence is likely but whose impact on the Group would be low if they occurred.

### Technological risks

Biogas plants are subject to rapid technological change. The market for biogas plants is driven by constantly improved products and services and is characterised by short product lifecycles and frequently changing customer requirements. We assume that this will continue to be the case going forward. By introducing new products or services earlier or at more favourable conditions than our company, our competitors could gain a lead or secure exclusive rights to new technologies. The future success of EnviTec Biogas therefore depends on its ability to continuously develop new products and services and to enter into technology partnerships.

In summary, EnviTec currently classifies technological risks as strategic risks, whose occurrence is likely, but whose impact on the Group would be low if they occurred.

### Procurement risks

The components needed to build biogas plants are to a large extent purchased from suppliers. Particularly the combined heat and power units are only produced and supplied by a small number of manufacturers worldwide. This could give rise to supply bottlenecks or rising prices for the components. We aim to prevent this by maintaining close business relationships and signing fixed-price agreements. Supply bottlenecks may also result from environmental disasters or poor weather conditions affecting large areas. The latter may lead to lost harvests of the substrates used in the operation of biogas plants, i.e. renewable or organic resources and waste. Prices for the required feedstock materials may rise as a result of

the high demand. This could jeopardise the cost-efficiency of the biogas plants operated by EnviTec's Own Plant Operation segment. This risk is being mitigated, among other things, by long-term delivery contracts with regional agricultural operations and high inventories.

Also outside Germany, the strategy of EnviTec Biogas is to involve regional farmers directly in the operation of the plants, as partners, and thus secure the supply of raw materials.

In summary, EnviTec currently classifies procurement risks as operational risks, whose occurrence in the Own Plant Operation segment and in the Plant Construction segment is unlikely and very unlikely, respectively. The potential impact on the Group is considered to be moderate for the Own Plant Operation segment and low for the Plant Construction segment.

### Corporate growth and internal risks

The EnviTec Group has an internal controlling and risk management system regarding the accounting process which defines suitable structures that are implemented in the organisation. This system is designed to ensure timely, consistent and correct accounting of all business processes and transactions. It also guarantees compliance with legal standards, accounting regulations and internal instructions. The consolidated accounts are produced centrally on the basis of the data of the consolidated subsidiaries. Specially trained employees are responsible for consolidation. The management teams of the Group's member companies are responsible for implementing and monitoring the local internal controlling systems. Generally, it should be noted that an internal controlling system, irrespective of the size and structure, does not provide 100% security that material misstatements in the accounts are avoided or identified. However, it serves to prevent with sufficient certainty that corporate risks have a material effect. The future processes will make high demands on our organisation and will tie down substantial management resources. There is a risk that the company's organisation and structure will be unable to keep pace with the company's requirements. The company therefore attaches top priority to developing and refining the necessary organisational, information and management structures.

In summary, EnviTec currently classifies risks arising from corporate growth as well as internal risks as risks which

are unlikely to occur and whose impact on the Group would be low if they occurred.

### Personnel risks

The growth of EnviTec Biogas depends first and foremost on highly qualified employees. Growth will be slowed if it is not possible to hire well trained employees in a timely manner or to retain key qualifications in the company. The company makes consistent and intensive use of recruitment tools and constantly coordinates the company's hiring needs with the individual departments. At the same time, the company continues to train and educate its employees and expands its knowledge by cooperating with the scientific departments of technical colleges.

In summary, EnviTec currently considers personnel risks to be unlikely to occur and their impact on the Group to be moderate if they occurred.

### Risks from financing instruments

In September 2012, EnviTec Biogas AG issued a note loan in the amount of EUR 30 million, which was repaid as planned and, because of the good liquidity situation, partly early in several instalments. The last repayment in the amount of EUR 5.0 million was made in September 2019.

The other non-current liabilities carry fixed interest rates and are therefore exposed to a fair-value risk, which means that potential interest rate increases do not represent a risk to the company.

## Forecast

### Macroeconomic environment remains positive

#### Macroeconomic environment severely impacted by the coronavirus pandemic

The IMF expects the coronavirus pandemic to lead to a major slump in the world economy in the current year 2020. According to the latest forecast published in April, global economic output is projected to drop by -3.0% in the full year 2020. At -1.0%, the decline in the emerging and developing countries will be much lower. For the industrialised countries, however, the IMF projects a decline by 6.1%, with as much as -7.5% projected for the eurozone. The German economy is predicted to contract by 7.0%, while a 7.2% drop is expected for France.

#### The biogas market – Germany in need of reforms; international growth remains broad-based

At present, the biogas industry is only partially affected by the effects of the coronavirus pandemic, primarily thanks to fixed tariffs. Moreover, Germany decided to amend the Renewable Energy Sources Act (EEG) in late April 2020 in order to master some of the challenges arising from the coronavirus pandemic. At the same time, however, there is a lack of effective, sustainable measures creating a secure framework for the future of biogas in Germany, although the current crisis would open up opportunities for a climate and transport transition. To this end, however, the instruments used to make existing biomass plants more flexible and the upgrading of biogas to biomethane should be strengthened to enable them to make their contribution to reaching the renewable energy share targets as well as the 2030 climate protection targets in Germany.

In the European markets of Denmark and France, in particular, the framework conditions are much more attractive, especially for plant construction, which is primarily due to the fact that policy-makers in these countries are consistently pushing ahead with the energy transition. Other interesting markets are China, Italy and currently also Estonia, where EnviTec is building new plants.

## Performance of EnviTec Biogas

By putting its business activities on an international basis at an early stage, the EnviTec Group demonstrated its strategic far-sightedness and can now seize opportunities that arise in the international biogas markets quickly and efficiently. In doing so, the company is building on a sound financial foundation, its technological strengths and a profitable, integrated business model. The aim is to achieve solid revenue and earnings growth in all segments. At the same time, the Group sticks to its aim of generating up to 30% of its consolidated earnings outside the subsidised biogas sector in the medium to long term. The company will also explore applications and processes in new business segments and products outside the biogas sector, e.g. the realisation of photovoltaic projects in Germany. The use of biomethane as a low-carbon fuel is a particularly promising market. So far, however, a significant expansion has failed due to a lack of political support and an adequate regulatory framework. As a medium-sized plant engineering company, EnviTec would therefore like to make a contribution to the Herculean task of climate protection also in the new year and continue to actively participate in the climate debate, especially in Germany.

As a leading integrated full-service biogas provider, EnviTec generally considers itself well positioned in the current tight economic situation to survive the implications of the coronavirus pandemic largely unscathed. All business segments had a very successful start to the new fiscal year 2020 and only moderate impairments of the business operations have been noted so far. Nevertheless, additional adverse effects could result if the access and travel restrictions imposed in the context of the fight against the coronavirus pandemic are tightened again significantly and over an extended period of time. This would have a particularly negative impact on the Plant Construction segment and, to a lesser extent, on the Service segment, whereas Own Plant Operation, the Group's main revenue driver and most profitable business segment, should hardly be affected at all. The EnviTec management currently considers the scenario of further relaxed and/or moderate access and travel restrictions to be more realistic, which is why this scenario was chosen as the basis for the following segment and Group forecast.

### Segment performance

The flexibilisation of plants currently opens up only very few opportunities for **plant construction** in Germany. By contrast, EnviTec will continue to benefit from the positive environment in neighbouring European countries and non-European markets such as China in the current year. In the past fiscal year already, the trend in plant construction was already much more dynamic than in previous years. An order backlog of EUR 124.3 million (previous year: EUR 84.4 million) at the end of 2019 means that the Plant Construction segment is currently working at full capacity and therefore again aiming for a total output of at least EUR 40 million and a positive segment result (EBIT). Actual revenues and total output will depend on the further course of the coronavirus pandemic and, as in the previous years, on how many plant construction projects will actually be reflected in changes in inventories pursuant to HGB at the end of the year and how many projects can be finally invoiced.

In the fiscal year 2020, EnviTec will continue to moderately expand the **Own Plant Operation** segment, which generates strong cash flows, in Germany and abroad. The main focus will be on the optimisation of the company's own plants. On balance, EnviTec Biogas assumes that sales revenues and earnings (EBT) in the Own Plant Operation segment will again reach the prior year level in the current fiscal year.

For the **Service** segment, EnviTec projects stable to slightly lower revenues in the current fiscal year. The decline in the repowering business in Germany is to be offset by increased service activities in markets such as France and Denmark. Moreover, the service for third-party plants and the cooperations in Germany and abroad will be further expanded. The Executive Board expects the Service segment's total output (or revenues) and earnings (EBT) to remain stable or decline slightly in the fiscal year 2020.

### Group forecast

Based on the above-described developments in the individual segments, consolidated total output (or revenues) is (are) expected to reach the prior year level in the fiscal year 2020. The EnviTec Executive Board also expects the result from ordinary activities (EBT) to reach the prior-year level. The achievement of the company's economic targets will hinge on the further course of

the coronavirus pandemic and on the business trend in the most important international markets of the Plant Construction segment.

The Executive Board and the Supervisory Board expressly thank all employees of the EnviTec Group, as it is their personal commitment which makes the company so successful.

Lohne, 25 May 2020

The Executive Board of EnviTec Biogas AG

Olaf von Lehmden

Jörg Fischer

Jürgen Tenbrink

# CONSOLI- DATED FINANCIAL STATEMENTS



## Consolidated balance sheet as at 31 December 2019

### Assets

A.	Fixed assets	31/12/2019 in EUR	31/12/2018 in KEUR
<b>I.</b>	<b>Intangible assets</b>		
	1. Purchased concessions, industrial property rights and related rights and assets as well as licences for such rights and assets	815,532.76	1,154
	2. Goodwill	6,021,193.03	6,731
	3. Payments on account	5,031,597.00	6,000
		<b>11,868,322.79</b>	<b>13,885</b>
<b>II.</b>	<b>Tangible assets</b>		
	1. Land and leasehold rights and buildings, including buildings on third-party land	26,039,960.78	28,601
	2. Technical equipment and machinery	52,666,940.49	54,886
	3. Other fixtures, tools and equipment	8,203,499.48	8,173
	4. Payments on account and plants under construction	1,046,201.16	2,582
		<b>87,956,601.91</b>	<b>94,243</b>
<b>III.</b>	<b>Financial assets</b>		
	1. Shares in at-equity investments	14,564,898.68	13,844
	2. Equity holdings	335,119.19	335
	3. Loans to companies in which an interest is held	4,977,507.20	4,399
	4. Other loans	6,292,070.31	10,293
		<b>26,169,595.38</b>	<b>28,871</b>

B.	Current assets	31/12/2019 in EUR	31/12/2018 in KEUR
<b>I.</b>	<b>Inventories</b>		
	1. Raw materials and supplies	38,291,073.89	36,845
	2. Work in progress	28,335,535.01	46,364
	less payments on account	-27,249,237.00	-35,229
		<b>1,086,298.01</b>	<b>11,135</b>
	3. Finished goods	1,597,138.99	1,175
	4. Payments on account	5,635,484.33	6,640
		<b>46,609,995.22</b>	<b>55,794</b>
<b>II.</b>	<b>Receivables and other assets</b>		
	1. Trade receivables	31,061,699.88	26,371
	2. Receivables from companies in which an interest is held	5,976,195.28	3,347
	3. Other assets	12,792,550.47	8,041
		<b>49,830,445.63</b>	<b>37,759</b>
<b>III.</b>	<b>Cash in hand, cash at Bundesbank, cash at banks and cheques</b>	<b>11,421,661.92</b>	<b>12,718</b>
<b>C.</b>	<b>Prepaid expenses</b>	<b>2,246,835.73</b>	<b>3,716</b>
<b>D.</b>	<b>Deferred tax assets</b>	<b>3,985,635.56</b>	<b>4,593</b>
		<b>240,089,094.14</b>	<b>251,578</b>

## Consolidated income statement for the period from 1 January to 31 December 2019

Liabilities			
A.	Equity capital	31/12/2019 in EUR	31/12/2018 in KEUR
I.	Subscribed capital	15,000,000.00	15,000
	Less nominal amount of own shares	-150,000.00	- 150
	Issued capital	14,850,000.00	14,850
II.	Capital reserve	89,328,633.67	89,329
III.	Revenue reserves		
	Other revenue reserves	10,150,000.00	10,150
IV.	Equity difference from currency translation	-373,867.93	- 431
V.	Profit	19,857,412.09	28,818
VI.	Adjustment item for minority interests	2,489,360.46	1,845
		<b>136,301,538.29</b>	<b>144,560</b>
<b>B.</b>	<b>Provisions</b>		
	1. Tax provisions	754,490.27	715
	2. Other provisions	9,333,687.33	9,629
		<b>10,088,177.60</b>	<b>10,344</b>
<b>C.</b>	<b>Liabilities</b>		
	1. Liabilities to banks	58,409,210.54	60,277
	2. Trade liabilities	12,691,153.70	14,912
	3. Liabilities towards companies in which an interest is held	2,009,625.74	1,663
	4. Liabilities to shareholders	4,336,251.76	1,792
	5. Other payables thereof tax liabilities: EUR 3,144,882.45 (previous year: kEUR 2,422) thereof social security liabilities: EUR 175,769.68 (previous year: kEUR 117)	13,654,887.34	13,903
		<b>91,101,129.08</b>	<b>92,546</b>
<b>D.</b>	<b>Deferred income</b>	<b>2,598,249.17</b>	<b>4,128</b>
		<b>240,089,094.14</b>	<b>251,578</b>

	2019 in EUR	2018 in EUR
1. Sales revenues	213,555,939.34	186,760,716.07
2. Decrease in finished goods and work in progress	-18,423,158.62	-2,686,839.88
3. Other operating income	7,429,490.32	8,397,650.57
<b>Total output</b>	<b>202,562,271.04</b>	<b>192,471,526.76</b>
4. Cost of materials		
a) Costs of raw materials and supplies and purchased goods	112,558,460.13	114,337,888.13
b) Costs of purchased services	18,159,559.54	9,962,187.92
c) Carrying amount of project companies sold	1,141,250.00	0.00
	131,859,269.67	124,300,076.05
<b>Gross result</b>	<b>70,703,001.37</b>	<b>68,171,450.71</b>
5. Personnel expenses		
a) Wages and salaries	16,952,937.98	15,974,941.46
b) Social security contributions and expenditure for pensions and social welfare thereof for pensions: 75,444.21 EUR (previous year: 95,244.62 EUR)	3,791,672.47	3,669,047.33
	<b>20,744,610.45</b>	<b>19,643,988.79</b>
6. Depreciation/amortisation		
a) of intangible and tangible fixed assets	16,820,164.30	16,815,435.55
b) of current assets to the extent that these exceed the depreciation/ amortisation customary in the corporation	240,461.24	420,000.00
	<b>17,060,625.54</b>	<b>17,235,435.55</b>
7. Other operating expenses	19,767,543.46	21,237,940.18
<b>EBIT</b>	<b>13,130,221.92</b>	<b>10,054,086.19</b>
8. Income from at-equity investments	1,957,335.32	1,281,793.81
9. Other interest and similar income	999,451.95	1,681,002.32
10. Write-down of financial assets	4,040,000.00	0.00
11. Interest and similar expenses	1,717,173.23	2,582,711.05
<b>Result from ordinary activities</b>	<b>10,329,835.96</b>	<b>10,434,171.27</b>
12. Income taxes thereof deferred taxes: EUR 607,551.14 (previous year: kEUR 796)	2,876,989.32	3,431,906.75
<b>13. Result after tax</b>	<b>7,452,846.64</b>	<b>7,002,264.52</b>
14. Other taxes	133,229.39	168,871.85
<b>15. Consolidated net profit</b>	<b>7,319,617.25</b>	<b>6,833,392.67</b>
16. Profit carried forward	28,817,752.55	37,863,198.26
17. Profit distribution	-14,850,000.00	-14,850,000.00
18. Profits allocated to minority shareholders	1,421,565.96	831,519.25
19. Decrease/increase recognised in equity	-8,391.75	-197,319.13
<b>20. Consolidated profit</b>	<b>19,857,412.09</b>	<b>28,817,752.55</b>

## Consolidated cash flow statement for the period from 1 January to 31 December 2019

	2019 in EUR	2018 in EUR
Consolidated net profit	5,898,051	6,001,873
Income tax expenses	2,876,989	3,431,907
Interest result	717,721	901,709
Profit (-) / losses (+) from at-equity companies	-1,914,374	-1,281,794
Income tax paid	-1,326,341	-2,336,455
Depreciation of tangible fixed assets	16,820,164	16,815,436
Write-down of financial assets	4,040,000	0
Decrease (-) / increase (+) in provisions	-188,698	1,010,357
Profit (-) / losses (+) from spin off	-4,984,722	-602,686
Profit (-) / losses (+) on the sale of tangible assets	-40,559	575,765
<b>Gross cash flow</b>	<b>21,898,232</b>	<b>24,516,112</b>
Decrease in inventories	9,183,968	4,839,425
Increase in trade receivables	-4,690,632	-2,739,314
Decrease in trade liabilities	-2,202,960	-778,841
Decrease in other payables and other liabilities	-2,981,211	-929,684
Increase/decrease in other receivables and other assets	-6,861,726	6,411,630
Other non-cash transactions	1,183,040	529,122
<b>Cash inflow from operating activities (net cash flow)</b>	<b>15,528,711</b>	<b>31,848,450</b>

	2019 in EUR	2018 in EUR
Proceeds from disposals of intangible assets	850,000	0,00
Proceeds from disposals of tangible assets	1,566,808	341,448
Payments for intangible assets	-186,979	-111,722
Payments for tangible assets	-10,876,636	-6,567,647
Payments for at-equity investments	0	-600,667
Proceeds from the sale of fully consolidated companies including disposal of assets and liabilities	4,150,000	2,848,000
Payments due to changes in the basis of consolidation	-72,400	-1,270,090
Proceeds from the withdrawal/disposal of at-equity investments	1,193,397	1,458,391
Proceeds from the sale of fully consolidated subsidiaries	1,975,972	602,686
Interest income	999,452	1,681,002
<b>Outflow of cash from investing activities</b>	<b>-400,385</b>	<b>-1,618,598</b>
Proceeds from financial loans raised	17,830,000	10,451,222
Payments from the redemption of financial loans	-19,919,237	-22,176,841
Payments to shareholders	-14,850,000	-14,850,000
Payments to minority interests	-489,720	-748,545
Interest expenses	-1,717,173	-2,582,711
<b>Outflow from financing activities</b>	<b>-19,146,130</b>	<b>-29,906,875</b>
<b>Total cash changes</b>	<b>-4,017,805</b>	<b>322,977</b>
<b>Cash and cash equivalents on 1 January</b>	<b>12,073,208</b>	<b>11,750,231</b>
<b>Cash and cash equivalents on 31 December</b>	<b>8,055,403</b>	<b>12,073,208</b>

## Consolidated statement of changes in equity as of 31 December 2019

in EUR	Equity capital of the parent company										Non-controlling interests			Consolidated equity	
	Subscribed capital			Reserves				Equity capital difference from currency translation	Profit/loss carried forward	Consolidated net profit	Total	Non-controlling interests			
	Subscribed capital	Own shares	Total	Capital reserves due to section 272 para. 2 No. 1 HGB	Total	Other revenue reserves	Total					Non-controlling interests before equity capital difference from currency translation and result for the year	Profit/loss imputable to non-controlling interests		Total
<b>Equity capital on 01/01/2018</b>	15,000,000	-150,000	14,850,000	89,328,634	89,328,634	10,150,000	99,478,634	-242,568	33,739,087	4,124,112	151,949,265	426,829	851,466	1,278,295	153,227,561
Minority interests in equity capital	0	0	0	0	0	0	0	0	0	0	0	-462,126	0	-462,126	-462,126
Other changes	0	0	0	0	0	0	0	-188,659	0	0	-188,659	0	0	0	-188,659
Profit distribution	0	0	0	0	0	0	0	0	-14,850,000	0	-14,850,000	0	0	0	-14,850,000
Decrease in shares in subsidiaries recognised in equity	0	0	0	0	0	0	0	0	-197,319	0	-197,319	197,319	0	197,319	0
Reclassification to profit/loss carried forward	0	0	0	0	0	0	0	0	4,124,112	-4,124,112	0	0	0	0	0
Consolidated net profit	0	0	0	0	0	0	0	0	0	6,001,873	6,001,873	0	831,519	831,519	6,833,393
<b>Equity capital on 31/12/2018</b>	15,000,000	-150,000	14,850,000	89,328,634	89,328,634	10,150,000	99,478,634	-431,227	22,815,880	6,001,873	142,715,160	162,022	1,682,985	1,845,008	144,560,167
<b>Equity capital on 01/01/2019</b>	15,000,000	-150,000	14,850,000	89,328,634	89,328,634	10,150,000	99,478,634	-431,227	22,815,880	6,001,873	142,715,160	162,022	1,682,985	1,845,008	144,560,167
Minority interests in equity capital	0	0	0	0	0	0	0	0	0	0	0	-785,605	0	-785,605	-785,605
Other changes	0	0	0	0	0	0	0	57,359	0	0	57,359	0	0	0	57,359
Profit distribution	0	0	0	0	0	0	0	0	-14,850,000	0	-14,850,000	0	0	0	-14,850,000
Decrease in shares in subsidiaries recognised in equity	0	0	0	0	0	0	0	0	-8,392	0	-8,392	8,392	0	8,392	0
Reclassification to profit/loss carried forward	0	0	0	0	0	0	0	0	6,001,873	-6,001,873	0	0	0	0	0
Consolidated net profit	0	0	0	0	0	0	0	0	0	5,898,051	5,898,051	0	1,421,566	1,421,566	7,319,617
<b>Equity capital on 31/12/2019</b>	15,000,000	-150,000	14,850,000	89,328,634	89,328,634	10,150,000	99,478,634	-373,868	13,959,361	5,898,052	133,812,179	-615,191	3,104,551	2,489,361	136,301,538

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. General information

EnviTec Biogas AG, headquartered in Lohne, Germany, registered with the Commercial Register of the Oldenburg local court under HRB 201466, is a Germany-based company operating on an international scale whose business purpose is the construction and sale of biogas plants through its subsidiaries as well as the operation of own biogas plants, the provision of technical and biological services, the marketing of electricity and the sale of equity investments.

As of the reporting date 31 December 2019, EnviTec Biogas AG is a small corporation within the meaning of section 267 para. 1 of the German Commercial Code (HGB). The company's shares are traded in the Basic Board of the Frankfurt Stock Exchange, Deutsche Börse AG.

EnviTec Biogas AG prepares its consolidated financial statements in accordance with the provisions of sections 290 et seqq. of the German Commercial Code.

The consolidated financial statements give a true and fair view of the net worth, financial and earnings position of the company in accordance with German principles of proper accounting. The presentation, recognition and measurement consistency in the balance sheet and the income statement has been maintained.

The consolidated balance sheet follows the structure stipulated in section 266 HGB. "Thereof" sub-items are provided in the notes. The type of expenditure format pursuant to section 275 para 2. of the German Commercial Code (HGB) was used for the income statement.

## 2. Basic principles of the consolidated financial statements

### 2.1. Basis of consolidation

The following changes in the basis of consolidation occurred between 1 January 2019 and 31 December 2019:

	Germany	Abroad	Total
<b>EnviTec Biogas AG and consolidated companies</b>			
31/12/2018	82	24	106
Additions of subsidiaries	2	0	2
Disposals of subsidiaries	1	1	2
<b>31/12/2019</b>	<b>83</b>	<b>23</b>	<b>106</b>

	Germany	Abroad	Total
<b>Companies valued at equity</b>			
31/12/2018	53	9	62
Additions of companies valued at equity	0	0	0
Disposals of companies valued at equity	0	0	0
<b>31/12/2019</b>	<b>53</b>	<b>9</b>	<b>62</b>

As of the balance sheet date, the EnviTec Group comprised 168 entities including EnviTec Biogas AG (31 December 2018: 168), of which 106 (31 December 2018: 106) were fully consolidated.

The disposals of fully consolidated companies result from the merger of EnviTec Central Europe s.r.o. into EnviTec Service s.r.o. and the sale of the shares in ET Solar Gottesgabe GmbH.

ET Solar Gottesgabe GmbH was sold and deconsolidated with effect from 1 October 2019.

Biogas Petersberg GmbH & Co. KG, based in Lohne, Germany, and registered with the Oldenburg Commercial Register under number HRA 206295, was established under articles of incorporation dated 29 May 2019. The limited partnership capital amounts to EUR 1,000.00 and is economically held in full by EnviTec Biogas Betriebs GmbH & Co. KG. The object of the company is the operation of plants for the generation and utilisation of renewable energy, in particular biogas plants. The company is also entitled to carry out all transactions relating to and promoting the business purpose, especially to take over other companies of the same or similar type, to acquire interests in such companies and to establish branches.

Biogas Petersberg Verwaltungs GmbH, based in Lohne, Germany, and registered with the Oldenburg Commercial Register under number HRB 214251, was established under articles of incorporation dated 29 May 2019. The share capital amounts to EUR 25,000.00 and is economically held in full by EnviTec Biogas Betriebs GmbH & Co. KG.

The object of the company is the participation in trading companies as well as the assumption of personal liability and management of such companies, in particular the participation as a personally liable partner in project and operating companies in the field of biomass plants for energy generation.

For reasons of materiality, EnviTec Biogas (India) Private Limited, India, and LZ Biogas GmbH & Co. KG, Lohne, were not included in the consolidated financial statements in accordance with section 296 para. 2 of the German Commercial Code (HGB).



## 2.2. Fully consolidated and associated companies as well as equity investments

The following entities are fully consolidated in the consolidated financial statements of EnviTec Biogas AG:

Name and head offices of the company	Group share in %		Equity capital in EUR		Result in EUR	
	2019	2018	2019	2018	2019	2018
EnviTec Service GmbH & Co. KG, Lohne	100	100	11,635,000	10,494,951	0	0
EnviTec Service Verwaltung GmbH, Lohne	100	100	60,049	60,391	-342	34,655
Zweite EnviTec Beteiligungs GmbH & Co. KG, Lohne	100	100	28,119,510	27,393,115	1,651,395	2,023,840
Zweite EnviTec Verwaltungs GmbH, Lohne	100	100	54,364	51,980	2,383	2,819
EnviTec Biogas Nederland B.V., Enter/Netherlands	100	100	-220,391	-305,308	30,961	14,585
EnviTec Baltic SIA, Riga/Latvia	100	100	646,129	422,419	223,710	202,926
EnviTec Italia GmbH, Lohne	100	100	-839,591	-839,591	0	0
EnviTec Energy GmbH & Co. KG, Lohne	100	100	610,705	444,194	166,511	140,300
EnviTec Energy Verwaltungs GmbH, Lohne	100	100	44,477	37,260	7,217	-57
Biogas Anklam Verwaltungs GmbH, Lohne	100	100	1,022,249	1,085,812	-63,563	26,291
Erste Biogas Anklam Betriebs GmbH & Co. KG, Anklam	93.85	93.85	568,848	336,251	232,597	214,996
Zweite Biogas Anklam Betriebs GmbH & Co. KG, Anklam	100	100	2,993,492	2,117,529	875,962	987,311
Pieve D'Olmi Biogas Soc. Agricola a.r.l., Bozen/Italy	100	100	2,776,893	2,352,230	424,663	346,018
Stagno Lombardo Biogas Soc. Agricola a.r.l., Bozen/Italy	100	100	2,659,968	2,241,068	418,900	177,727
EnviTec Beteiligungs GmbH & Co. KG, Lohne	98.6	98.6	7,834,065	6,548,398	2,765,667	2,015,261
EnviTec Verwaltungs GmbH, Lohne	98.6	98.6	48,808	47,176	1,632	1,541
Biogas Falkenberg GmbH & Co. KG, Falkenberg	100	100	296,906	263,363	33,543	42,653
Biogas Falkenberg Verwaltungs GmbH, Falkenberg	100	100	102,771	77,030	25,742	8,681
Biogas Groß Warnow GmbH & Co. KG, Karstädt	100	100	375,788	518,029	-142,241	5,428
Biogas Groß Warnow Verwaltungs GmbH, Karstädt	100	100	40,378	38,615	1,764	884
EnviTec Biogas Betriebs GmbH & Co. KG, Lohne	100	100	19,887,764	12,067,166	320,598	584,969
Biogas Herzberg GmbH & Co. KG, Lohne	100	100	938,647	474,703	463,944	290,783
Biogas Lüchow GmbH & Co. KG, Lohne	100	100	749,915	672,924	76,991	50,899
Biogas Friedland GmbH & Co. KG, Lohne	87.5	87.5	6,065,070	5,244,034	1,821,036	1,797,912
Biogas Friedland Verwaltungs GmbH, Lohne	87.4	87.4	171,636	164,675	6,961	5,227
Biogas Böddenstedt GmbH & Co. KG, Salzwedel	100	100	674,409	672,504	1,905	19,129
Biogas Böddenstedt Verwaltung GmbH, Salzwedel	100	100	38,869	37,232	1,637	1,484
Biogas Schönthal GmbH & Co. KG, Willebadessen	79	79	437,685	412,290	25,395	134,017
Biogas Schönthal Verwaltungs GmbH, Willebadessen	79	79	44,863	43,287	1,576	1,489
Baura Biogas Soc. Agricola a.r.l., Bozen/Italy	75	75	1,117,869	723,906	393,962	334,848
Formignana Biogas Soc. Agricola a.r.l., Bozen/Italy	100	100	2,046,191	1,757,394	288,797	187,586

Biogas Operating Holding s.r.l., Sommacampagna/Italy	100	100	4,100,178	4,249,230	-148,512	-150,928
Urbana Biogas Soc. a.r.l., Sommacampagna/Italy	100	100	NA	-77,988	NA	16,227
Schio Biogas Soc. a.r.l., Sommacampagna/Italy	100	100	1,912,141	1,731,925	180,216	228,675
Caldogno Biogas Soc. a.r.l., Sommacampagna/Italy	100	100	2,026,943	1,668,680	358,263	281,442
Merlara Biogas Soc. a.r.l., Sommacampagna/Italy	100	100	2,259,424	1,845,808	413,616	276,479
A3 Water Solutions GmbH, Gelsenkirchen	85	70	312,913	509,600	-196,687	-349,188
MMF MaxFlow Membran Filtration GmbH, Gelsenkirchen	85	70	196,614	-216,619	413,234	-45,182
Biogas Heilemann GmbH & Co. KG, Rotenburg/Wümme	70	70	2,127,922	1,306,519	1,136,404	17,051
Biogas Heilemann Verwaltungs GmbH, Rotenburg/Wümme	70	70	57,164	54,171	2,993	2,794
Biogas Heilemann-Holsten GmbH & Co. KG, Rotenburg/Wümme	70	70	472,936	399,765	243,170	271,049
Second Biogas Operating Holding s.r.l., Sommacampagna/Italy	100	100	14,996,865	14,692,399	304,466	280,643
Envitec France sarl, Tregueux/France	100	100	458,470	466,633	-8,163	1,049,967
Envitec Biogas UK Ltd., Rugeley/Great Britain	60	60	-382,533	210,530	-584,923	-1,063,157
Biogas Nordholz GmbH, Minden	60	60	524,281	564,354	-40,074	-179,296
EnviTec Biogas SK s.r.o., Levice/Slovakia	100	100	9,550	6,835	2,715	-3,528
Biogas Klein Mühlingen GmbH & Co. KG, Kleinmühlingen	100	100	285,348	306,008	-20,660	-68,557
Biogas Schönwalde GmbH & Co. KG, Schönwalde	100	100	252,084	474,658	-222,574	-18,950
Biogas Schönwalde Verwaltung GmbH, Schönwalde	100	100	41,043	39,332	1,711	1,661
Biogas Sachsendorf GmbH & Co. KG, Schwarz Sachsendorf	100	100	834,052	881,750	-47,699	140,438
Fünfte EnviTec Beteiligungs GmbH & Co. KG, Lohne	91	91	4,703,513	4,705,925	-2,412	-193,146
Fünfte EnviTec Verwaltungs GmbH, Lohne	91	91	48,216	42,694	5,522	4,912
Biogas Schenkenhorst GmbH & Co. KG, Lohne	100	100	-713,744	-564,752	-148,993	-15,735
Biogas Schenkenhorst Verwaltungs- GmbH, Lohne	100	100	27,530	25,978	1,552	1,303
Biogas Brehna GmbH & Co. KG, Lohne	100	90	137,576	169,626	-32,049	-195,497
Biogas Kuck Verwaltungs- GmbH, Wiefelstede	100	100	27,333	25,780	1,552	1,667
Biogas Dambeck GmbH & Co. KG, Lohne	100	100	910,357	698,161	212,196	42,724
Biogas Dambeck Verwaltungs- GmbH, Lohne	100	100	43,711	41,540	2,171	1,969
Biogas Kruse Verwaltungs- GmbH, Lohne	100	100	28,229	27,593	636	-175
Biogas Kalbe GmbH & Co. KG, Lohne	100	100	673,866	580,364	93,502	54,092
Vierte EnviTec Beteiligungs GmbH & Co. KG, Lohne	84	84	-34,888	-48,944	14,056	255,373
Biogas Trüstedt GmbH & Co. KG, Lohne	100	100	715,937	753,073	-37,136	-154,055
Biogas Trüstedt Verwaltungs- GmbH, Lohne	100	100	36,802	35,282	1,520	1,471
EnviTec Biogas USA, Inc., Rochester/USA	100	100	-2,586,591	-2,508,667	-16,624	-44,904
EnviTec Biogas s.r.l., Verona/Italy	100	100	2,803,710	2,505,606	298,104	13,897
EnviTec Biogas Service UK Ltd., Rugeley/Great Britain	60	60	470,358	355,902	90,083	142,714
Dritte EnviTec Beteiligungs GmbH & Co. KG, Lohne	100	100	1,589,891	353,760	320,632	92,717

Dritte EnviTec Verwaltungs GmbH, Lohne	100	100	104,638	101,330	3,308	3,918
EnviTec Biogas Service s.r.o., Velké Mezirici/Czech Republic	85	85	1,694,157	1,382,001	580,442	246,059
EnviTec Assekuranzmakler GmbH, Lohne	75	75	77,558	171,523	46,035	50,176
Biogas Wanzleben GmbH & Co. KG, Lohne	90	90	945,294	677,437	267,857	229,620
Biogas Wanzleben Verwaltungs GmbH, Wanzleben	90	90	44,388	42,762	1,626	1,449
Biogas Thomasburg GmbH & Co. KG, Lohne	90.6	90.6	1,071,370	758,085	313,285	252,000
Biogas Thomasburg Verwaltungs GmbH, Lohne	90.6	90.6	45,348	43,724	1,624	1,594
Biogas Nieheim GmbH & Co. KG, Lohne	64.8	64.8	789,988	1,083,097	-93,108	268,275
Biogas Nieheim Verwaltungs GmbH, Lohne	64.8	64.8	45,082	43,518	1,564	1,553
RePro Beber GmbH & Co. KG, Lohne	64.6	64.6	564,582	927,025	37,557	304,179
RePro Beber Verwaltungs GmbH, Lohne	64.6	64.6	46,191	44,617	1,574	1,747
Biogas Hirl GmbH & Co. KG, Bresegard	94	94	578,425	601,011	-22,586	61,415
Biogas Hirl Verwaltungs GmbH, Bresegard	94	94	44,202	42,573	1,629	1,604
Biogas Osterburg GmbH & Co. KG, Lohne	100	100	544,639	508,033	36,606	104,303
Biogas Angern GmbH & Co. KG, Lohne	87.5	87.5	363,981	676,630	-12,649	384,454
Biogas Angern Verwaltungs GmbH, Lohne	87.6	87.6	46,833	45,201	1,632	1,590
Biogas Reinsfeld GmbH & Co. KG, Lohne	100	100	-61,153	-12,162	-48,991	-40,308
Biogas Reinsfeld Verwaltung GmbH, Lohne	100	100	37,649	36,096	1,553	1,517
Biogas Forst GmbH & Co. KG, Forst	100	100	6,373,078	6,901,542	-528,464	292,185
EnviTec Anlagenbau GmbH & Co. KG, Saerbeck	100	100	16,597,339	15,825,877	771,462	-1,390,070
EnviTec Anlagenbau Verwaltungs GmbH, Saerbeck	100	100	34,367	32,689	1,678	1,757
Biogas Neuburg Steinhausen GmbH & Co. KG, Lohne	75	75	2,703,276	1,993,632	709,644	597,326
Biogas Neuburg Steinhausen Verwaltungs GmbH, Lohne	75	75	29,377	27,985	1,391	1,554
Biogas Löschenrod GmbH & Co. KG, Lohne	94	94	-331,288	-230,877	-100,410	-20,149
Biogas Löschenrod Verwaltungs GmbH, Lohne	94	94	43,674	42,038	1,636	499
Erste Biogas Bützow Betriebs GmbH & Co. KG, Bützow	100	100	199,101	-13,772	212,873	101,640
Dritte Biogas Bützow Betriebs GmbH & Co. KG, Bützow	54.4	54.4	281,816	46,457	235,359	54,333
Vierte Biogas Bützow Betriebs GmbH & Co. KG, Bützow	60.5	60.5	420,589	184,893	235,696	77,320
Fünfte Biogas Bützow Betriebs GmbH & Co. KG, Bützow	100	100	866,680	977,705	338,975	165,930
Biogas Horst GmbH & Co. KG, Holdorf	90	90	-233,044	45,863	-278,906	87,473
Biogas Horst Verwaltungs GmbH, Holdorf	100	100	36,770	35,079	1,691	1,577
EnviTec Service ApS, Silkeborg/Denmark	100	100	83,189	10,000	73,189	NA
EnviTec Biogas China Ltd., Peking/China	60	60	87,874	99,596	-11,846	-9,637
Biogas Petersberg GmbH & Co. KG, Lohne	100	NA	-27,185	NA	-28,185	NA
Biogas Petersberg Verwaltungs GmbH, Lohne	100	NA	23,951	NA	-1,049	NA

The consolidated financial statements of EnviTec Biogas AG comprise the following associated companies:

Name and head offices of the company	Group share in %		Equity capital in EUR		Result in EUR	
	2019	2018	2019	2018	2019	2018
EnviTec Biogas Del-Kelet kft., Hungary*	51.14	51.14	NA	NA	NA	NA
EnviTec Biogas (India) Private Limited, India	50	50	NA	NA	NA	NA
EnviTec van de Velde Service B.V.B.A., Belgium	50	50	NA	NA	NA	NA
EnviTec-Greten Behälterbau GmbH & Co. KG, Lohne	50	50	589,317	384,447	304,869	81,240
EnviTec-Greten Behälterbau Verwaltungs-GmbH, Lohne	50	50	29,474	28,415	1,058	823
Biogas Neu Sterley GmbH & Co. KG, Lohne	50	50	1,671,634	1,435,888	650,205	711,272
Biogas Neu Sterley Verwaltungs GmbH, Lohne	50	50	45,661	43,936	1,726	1,800
Biogas Spekendorf GmbH & Co. KG, Lohne	50	50	584,959	638,771	146,204	168,045
Biogas Spekendorf Verwaltung GmbH, Lohne	50	50	47,241	45,579	1,662	1,678
Biogas Golzow GmbH & Co. KG, Golzow	50	50	937,175	1,165,498	-227,823	216,885
Biogas Golzow Verwaltungs GmbH, Golzow	50	50	42,970	42,141	829	2,006
Biogas Gut Rigterink GmbH & Co. KG, Bad Bentheim	50	50	-248,308	-174,803	-73,505	-123,853
Biogas Gut Rigterink Verwaltungs GmbH, Bad Bentheim	50	50	41,259	39,592	1,667	1,339
Biogas Putzar GmbH & Co. KG, Putzar	50	50	762,605	683,578	79,027	56,204
Biogas Putzar Verwaltungs GmbH, Putzar	50	50	42,921	41,330	1,592	1,596
Knippgas GmbH & Co. KG, Kleve	50	50	76,337	292,510	-216,173	-183,110
Knippgas Verwaltungs GmbH, Kleve	50	50	39,324	37,775	1,550	1,408
Biogas Dishley GmbH & Co. KG, Lohne	50	50	1,756,652	1,409,295	347,357	99,970
Biogas Dishley Verwaltungs GmbH, Lohne	50	50	38,296	36,839	1,457	1,467
Biogas Exter GmbH & Co. KG, Vlotho-Exter	49	49	248,315	222,544	25,771	-50,717
Biogas Exter Verwaltungs GmbH, Vlotho-Exter	49	49	40,230	38,679	1,551	1,512
Biowatt Sarl, France	50	50	744,315	552,570	297,279	222,570
Biogas Ihorst GmbH & Co. KG, Holdorf	30	30	NA	1,029,055	NA	299,390
Biogas Ihorst Verwaltungs GmbH, Holdorf	30	30	NA	NA	NA	NA
Rentech Bioenergias S.A., Athen/Griechenland	21	21	NA	NA	NA	NA
Biogas Potthast GmbH & Co. KG, Beverungen	50	50	1,117,530	920,499	317,031	116,077
Biogas Potthast Verwaltungs GmbH, Beverungen	50	50	41,505	39,759	1,746	1,181
Biogas Kleve GmbH & Co. KG, Kleve	50	50	188,633	194,197	-5,564	46,802
Biogas Kleve Verwaltungs GmbH, Kleve	50	50	40,119	38,392	1,727	1,700
Biogas Altentreptow GmbH & Co. KG, Altentreptow	50	50	1,774,178	1,769,078	16,498	218,908
Biogas Altentreptow Verwaltungs GmbH, Altentreptow	50	50	40,119	38,428	1,691	1,554
Biogas Roga GmbH & Co. KG, Datzetal	50	50	1,096,068	1,344,635	51,432	123,701
Biogas Roga Verwaltungs GmbH, Datzetal	50	50	35,861	34,706	1,154	1,124
Biogas Elm GmbH & Co. KG, Bremervörde	49	49	690,826	648,193	242,633	220,504
Biogas Elm Verwaltungs GmbH, Bremervörde	49	49	44,757	42,792	1,965	1,960

Biogas Brakel GmbH & Co. KG, Brakel	50	50	805,613	660,585	205,028	72,770
Biogas Brakel Verwaltungs GmbH, Brakel	50	50	40,842	39,042	1,800	1,736
Biogas Penzlin GmbH & Co. KG, Lohne	50	50	425,077	533,270	91,806	74,982
Biogas Penzlin Verwaltungs GmbH, Lohne	50	50	37,791	36,158	1,633	1,485
Biogas Dirkes GmbH & Co. KG, Südmerzen	50	50	316,977	304,363	12,614	-20,138
Biogas Dirkes Verwaltungs GmbH, Südmerzen	50	50	40,749	38,836	1,913	1,512
Biogas Grieben GmbH & Co. KG, Grieben	49	49	464,204	405,892	58,311	91,003
Biogas Grieben Verwaltungs GmbH, Grieben	49	49	40,122	38,273	1,849	1,790
Biogas Rönnau GmbH & Co. KG, Ahlhorn	50	50	-1,434,818	-939,779	-495,039	-12,745
Biogas Rönnau Verwaltungs GmbH, Ahlhorn	50	50	39,616	38,097	1,518	1,411
Biogas Kruse GmbH & Co. KG, Garrel	50	50	380,986	202,385	178,601	8,405
Biogas Talge Verwaltungs- GmbH, Lohne	49	49	24,924	23,427	1,497	776
Biogas Talge GmbH & Co. KG, Lohne	49	49	716,414	775,277	41,137	117,426
Biogas Kuck GmbH & Co. KG, Wiefelstede	49	49	-215,799	-201,539	-20,380	-148,324
Saergas GmbH & Co. KG, Saerbeck	33.33	33.33	NA	945,000	NA	0
Biogas Gallin I GmbH & Co. KG, Gallin-Kuppentin, Gallin	50	50	807,886	890,069	217,816	255,575
Biogas Gallin I Verwaltungs GmbH, Gallin-Kuppentin, Gallin	50	50	35,263	33,823	1,440	1,289
Biogas Gallin II GmbH & Co. KG, Gallin-Kuppentin, Gallin	50	50	992,187	1,019,949	122,238	211,208
Biogas Gallin II Verwaltungs GmbH, Gallin-Kuppentin, Gallin	50	50	34,639	33,225	1,414	1,272
Libramont Energie Vertes, Libramont-chevigny/France	50	50	149,205	-102,996	252,201	-582,631
Alternativ-Energie Priborn GmbH & Co. KG, Priborn	50	50	468,908	462,165	6,743	52,343
Alternativ-Energie Priborn Verwaltungs GmbH, Priborn	50	50	44,969	44,437	532	6,135
Biogas Passin GmbH & Co. KG, Klein Belitz	50	50	475,489	273,520	201,969	154,746
Biogas Passin Verwaltungs GmbH, Klein Belitz	50	50	25,446	24,883	563	618
OxFa GmbH, Scheßlitz	25.1	25.1	565,233	205,577	259,656	-255,653
Zweite Biogas Bützow Betriebs GmbH & Co. KG	46.5	46.5	321,632	116,322	205,310	79,521
Methaisne Energie Vertres SAS, Courbevoie/France	33.33	33.33	537,055	554,594	-17,529	-11,269

\*Due to arrangements in the articles of incorporation of EnviTec Biogas SEE kft., the EnviTec Group has no possibility to control the company although it holds the majority of the shares; consequently, EnviTec Biogas SEE kft. continues to be accounted for using the equity method.

EnviTec does not hold interests exceeding 20% in entities that are not fully consolidated or accounted for using the equity method in the consolidated financial statements.

In fiscal 2019, the exemption rule provided for in section 264 para. 3 and section 264b of the German Commercial Code (HGB) was applied by the following fully consolidated German Group companies.

Name and head offices of the company
EnviTec Beteiligungs GmbH & Co. KG, Lohne
Zweite EnviTec Beteiligungs GmbH & Co. KG, Lohne
Biogas Schönthal GmbH & Co. KG, Willebadessen
Biogas Heilemann GmbH & Co. KG, Rotenburg/Wümme
Biogas Friedland GmbH & Co. KG, Lohne
EnviTec Biogas Betriebs GmbH & Co. KG, Lohne
Erste Biogas Anklam Betriebs GmbH & Co. KG, Anklam

Zweite Biogas Anklam Betriebs GmbH & Co. KG, Anklam
Biogas Herzberg GmbH & Co. KG, Lohne
Biogas Lüchow GmbH & Co. KG, Lohne
EnviTec Energy GmbH & Co. KG, Lohne
Biogas Groß Warnow GmbH & Co. KG, Karstädt
Biogas Falkenberg GmbH & Co. KG, Falkenberg
Biogas Heilemann-Holsten GmbH & Co. KG, Rotenburg
Biogas Sachsendorf GmbH & Co. KG, Schwarz
Biogas Dambeck GmbH & Co. KG, Friesoythe
Biogas Schenkenhorst GmbH & Co. KG, Lohne
Biogas Kalbe GmbH & Co. KG, Lohne
Biogas Brehna GmbH & Co. KG, Lohne
Fünfte EnviTec Beteiligungs GmbH & Co. KG, Lohne
Biogas Klein Mühlingen GmbH & Co. KG, Kleinmühlingen
Biogas Trüstedt GmbH & Co. KG, Lohne
Biogas Böddenstedt GmbH & Co. KG, Salzwedel
Biogas Schönwalde GmbH & Co. KG, Schönwalde
Dritte EnviTec Beteiligungs GmbH & Co. KG, Lohne
Biogas Thomasburg GmbH & Co. KG, Lohne
Biogas Hirl GmbH & Co. KG, Bresegard
RePro Beber GmbH & Co. KG, Lohne
Biogas Nieheim GmbH & Co. KG, Lohne
Biogas Wanzleben GmbH & Co. KG, Wanzleben
Biogas Angern GmbH & Co. KG, Lohne
Biogas Osterburg GmbH & Co. KG, Lohne
EnviTec Anlagenbau GmbH & Co. KG, Saerbeck
Biogas Reinsfeld GmbH & Co. KG, Lohne
Biogas Forst GmbH & Co. KG, Forst
Biogas Neuburg Steinhausen GmbH & Co. KG, Lohne
Vierte EnviTec Beteiligungs GmbH & Co. KG, Lohne
Biogas Löschenrod GmbH & Co. KG, Lohne
Erste Biogas Bützow Betriebs GmbH & Co. KG, Bützow
Dritte Biogas Bützow Betriebs GmbH & Co. KG, Bützow
Vierte Biogas Bützow Betriebs GmbH & Co. KG, Bützow
Fünfte Biogas Bützow Betriebs GmbH & Co. KG, Bützow
EnviTec Service GmbH, Lohne
EnviTec Italia GmbH, Lohne
Biogas Horst GmbH & Co. KG, Lohne
Biogas Petersberg GmbH & Co. KG, Lohne

### 2.3. Consolidation methods

The consolidated financial statements cover those entities in which EnviTec Biogas AG directly or indirectly holds the majority of the voting rights (subsidiaries) unless their influence on the net worth, financial and earnings position of the Group is of subordinate importance. Consolidation starts at the time at which the possibility to control exists and ends when the possibility of control no longer exists.

Where required, the financial statements of the subsidiaries are adjusted to reflect the accounting and valuation methods used by the Group.

With the exception of EnviTec Biogas (India) Private Limited, India, which was not consolidated for reasons of materiality (see 2.1), all subsidiaries prepare their separate financial statements as of 31 December of each year.

#### Capital consolidation

Business combinations are accounted for in accordance with section 301 HGB using the purchase method by netting the carrying amounts of the investments with the remeasured equity capital of the subsidiaries at the time of their acquisition. Assets, liabilities and contingent liabilities of acquired subsidiaries are recognised at their respective fair values. A positive difference remaining after the purchase price allocation is capitalised as goodwill.

#### Debt consolidation

Receivables and liabilities between the consolidated companies are netted in accordance with section 303 of the German Commercial Code.

#### Expense and income consolidation

Expenses and income between consolidated entities are netted in accordance with section 305 HGB.

#### Elimination of intercompany profits and losses

Intercompany profits and losses from intragroup transactions pursuant to section 304 of the German Commercial Code (HGB) are eliminated and deferred tax assets and liabilities resulting from consolidation recognised in profit or loss are taken into account. Intragroup sales as well as all intragroup income have been netted against the relevant expenses without being recognised in profit/loss.



### At-equity accounting

The equity method is used to measure joint ventures and associated companies which are under the joint management (joint ventures) or controlling influence (associated companies) of EnviTec Biogas AG. For investments accounted for using the equity method in the consolidated financial statements, the acquisition costs are increased or decreased annually by the changes in equity corresponding to EnviTec's share in the equity capital. Upon the initial consolidation of investments using the equity method, differences resulting from the initial consolidation are treated according to the principles of full consolidation. No such differences were recognised as of 31 December 2019. The changes in pro-rated equity which are recognised in profit or loss are shown separately in the income statement.

## 3. Accounting and valuation principles

The consolidated financial statements were prepared in accordance with the general provisions of section 264 et seqq. HGB for large corporations as defined in section 267 para. 3 sentence 2 HGB, the provisions for consolidated financial statements stipulated in section 290 et seqq. HGB as well as the complementary provisions of the German Stock Corporation Act.

The financial statements of the entities covered by the consolidated financial statements as well as the companies valued at equity are based on uniform accounting and valuation principles.

Receivables and liabilities generally arise on a euro basis, which means that no currency translation is required. The financial statements of the consolidated companies are prepared in euros save for five exceptions. Equity is translated at historical rates, assets and liabilities in the foreign-currency financial statements are translated at the mean rates on the balance sheet date. Expense and income items are translated at average annual exchange rates. Exchange differences are recognised in equity. For details, please refer to the statement of changes in equity. The foreign-currency financial statements of the companies valued at equity are translated using the closing rate method.

The accounting, valuation and reporting methods remained unchanged from the previous year.

### 3.1. Intangible assets

Purchased intangible assets are capitalised at cost. If they have a determinable useful life, they are written off over a period of up to ten years using the straight-line method, unless the actual depreciation requires a different depreciation period.

Goodwill is written off using the straight-line method over 5 to 20 years. Goodwill was capitalised in the consolidated financial statements of EnviTec Biogas AG only for acquisitions whose purpose is the operation of one or several biogas plants. The useful lives reflect the lifecycles of the acquired companies. Due to the subsidisation period laid down in the corresponding laws, goodwill is written off over the remaining term of the subsidy (more than 5 years).

### 3.2. Tangible assets

Property, plant and equipment are carried at acquisition or production cost less accumulated straight-line depreciation – with the exception of land and leasehold rights – and impairment losses.

Acquisition costs comprise the purchase price, ancillary costs and subsequent acquisition expenditure as well as cost reductions.

Production cost includes all direct costs attributable to the production process and a reasonable portion of the production-related overheads. Financing costs are not recognised.

Systematic depreciation of property, plant and equipment is performed according to the straight-line method or, where permissible, according to the declining balance method.

The useful lives on which depreciation is based reflect the estimated/anticipated useful lives for the Group and are shown in the table below:

	Useful life
Buildings	20 to 40 years
Other buildings	10 to 20 years
Technical equipment	6 to 20 years
Machinery and appliances	6 to 12 years
Operating and office equipment	3 to 11 years
Vehicles	5 to 8 years
IT-equipment	3 to 5 years

### 3.3. Financial assets

Financial assets are recognised at cost or at the lower value as of the reporting date.

### 3.4. Inventories

Raw materials and supplies are recognised at cost or at the lower value as of the reporting date.

Work in progress is recognised at production cost. Production cost includes material and manufacturing costs as well as appropriate overheads. Interest on borrowings is not included in the valuation. The lower of cost or market principle was considered in the valuation.

Payments on account made are recognised at their nominal amount.

Payments on account received for work in progress are set off from work in progress to the extent that they do not exceed the latter.

### 3.5. Receivables and other assets

Receivables and other assets are recognised at their nominal value or at the lower value as of the balance sheet date. Itemised allowances are established where required. Adequate general allowances are established for the general default risk of trade receivables.

### 3.6. Cash in hand and cash at banks

Cash in hand and cash at banks are recognised at their nominal values.

### 3.7. Prepaid expenses

Taking into account section 250 para. 1 HGB, prepaid expenses for payments made prior to the reporting date were recognised at the nominal value if they represented expenses for a certain period after this date.

### 3.8. Deferred taxes

Deferred taxes were recognised for temporary differences between the commercial balance sheet and the tax balance sheet as well as for tax losses carried forward that can be offset within five years. A tax rate of 28.08% is applied throughout the Group.

### 3.9. Provisions

The provisions cover all discernible risks and contingent liabilities. They were recognised at their settlement values required according to prudent commercial judgement. Provisions with a remaining term of more than one year are discounted at the average market rate of the past seven fiscal years for the respective maturities.

### 3.10. Liabilities

Liabilities were recognised at their respective settlement amount.

### 3.11. Deferred income

Taking into account section 250 para. 2 HGB, deferred income received prior to the reporting date was recognised at the nominal value if it represented income for a certain period after this date.

## 4. Disclosures on the consolidated balance sheet

The required disclosures regarding the items of the consolidated balance sheet are provided below.

### 4.1. Fixed assets

The fixed asset items changed as follows:

	As at 01/01/2019	Additions 2019	Additions due to initial con- solidation	Disposals 2019	Disposals due to deconsoli- dation	Re- classifica- tions 2019	As at 31/12/2019	As at 01/01/2019	Additions 2019	Disposals 2019	Disposals due to deconsolidation	Reclassifications 2019	As at 31/12/2019	As at 31/12/2019	As at 31/12/2018
<b>in EUR</b>	<b>Acquisition and production costs</b>							<b>Depreciation/amortisation</b>					<b>Carrying amounts</b>		
<b>FIXED ASSETS</b>															
<b>I. Intangible assets</b>															
1. Concessions, industrial property rights and assets as well as licenses for such rights and assets	5,571,050	19,848	0	44,842	0	0	5,546,057	4,417,434	357,926	44,837	0	0	4,730,524	815,533	1,153,616
2. Goodwill	11,625,923	115,534	0	0	0	0	11,741,457	4,894,520	825,744	0	0	0	5,720,264	6,021,193	6,731,403
3. Payments on account	6,000,000	51,597	0	1,020,000	0	0	5,031,597	0	0	0	0	0	0	5,031,597	6,000,000
	<b>23,196,973</b>	<b>186,979</b>	<b>0</b>	<b>1,064,842</b>	<b>0</b>	<b>0</b>	<b>22,319,111</b>	<b>9,311,954</b>	<b>1,183,670</b>	<b>44,837</b>	<b>0</b>	<b>0</b>	<b>10,450,788</b>	<b>11,868,323</b>	<b>13,885,019</b>
<b>II. Tangible assets</b>															
1. Land and leasehold rights and buildings, including buildings on third-party land	44,313,359	502,029	0	1,145,230	0	56,976	43,727,135	15,712,414	2,354,487	379,727	0	0	17,687,174	26,039,961	28,600,945
2. Technical equipment and machinery	130,770,622	6,017,188	0	252,677	0	3,065,784	139,600,917	75,884,486	11,250,716	201,226	0	0	86,933,976	52,666,941	54,886,136
3. Other fixtures, tools and equipment	23,139,605	2,343,114	0	902,174	0	-11,676	24,568,870	14,966,384	2,031,291	632,304	0	0	16,365,370	8,203,499	8,173,221
4. Payments on account and plants under construction	2,991,745	2,014,305	0	271,153	168,268	-3,111,085	1,455,544	409,343	0	0	0	0	409,343	1,046,201	2,582,402
	<b>201,215,331</b>	<b>10,876,636</b>	<b>0</b>	<b>2,571,233</b>	<b>168,268</b>	<b>0</b>	<b>209,352,465</b>	<b>106,972,627</b>	<b>15,636,494</b>	<b>1,213,257</b>	<b>0</b>	<b>0</b>	<b>121,395,864</b>	<b>87,956,602</b>	<b>94,242,704</b>
<b>III. Financial assets</b>															
1. Shares in at-equity investments	14,648,218	1,914,374	0	1,193,397	0	0	15,369,196	804,297	0	0	0	0	804,297	14,564,899	13,843,921
2. Equity holdings	335,119	0	0	0	0	0	335,119	0	0	0	0	0	0	335,119	335,119
3. Receivables from companies in which an interest is held*	5,090,315	1,592,007	0	1,013,000	0	0	5,669,322	691,815	0	0	0	0	691,815	4,977,507	4,398,500
4. Other loans*	12,307,029	64,334	0	365,796	0	0	12,005,567	2,013,896	4,040,000	340,400	0	0	5,713,496	6,292,070	10,293,133
	<b>32,380,682</b>	<b>3,570,715</b>	<b>0</b>	<b>2,572,193</b>	<b>0</b>	<b>0</b>	<b>33,379,204</b>	<b>3,510,009</b>	<b>4,040,000</b>	<b>340,400</b>	<b>0</b>	<b>0</b>	<b>7,209,609</b>	<b>26,169,595</b>	<b>28,870,673</b>
	<b>256,792,985</b>	<b>14,634,331</b>	<b>0</b>	<b>6,208,268</b>	<b>168,268</b>	<b>0</b>	<b>265,050,780</b>	<b>119,794,590</b>	<b>20,860,164</b>	<b>1,598,494</b>	<b>0</b>	<b>0</b>	<b>139,056,261</b>	<b>125,994,521</b>	<b>136,998,396</b>

\* The figures in the "reclassifications" column relate to transfers from current assets to fixed assets and vice versa.

**4.2. Goodwill**

Systematic depreciation amounted to kEUR 826 in the reporting period.

**4.3. Receivables and other assets**

Other assets include receivables from refunds of input tax and advance tax payments in the amount of kEUR 6,294 (previous year: kEUR 4,047), which legally arise only after the reporting date.

**4.4. Prepaid expenses**

Prepaid expenses include discounts in the amount of kEUR 120 (previous year: kEUR 235). Besides discounts, the prepaid expense item essentially includes the payment of loan processing fees, leases and ground rent as well as insurance premiums for periods after the reporting date.

**4.5. Deferred taxes**

Deferred taxes are determined on the basis of temporary differences between the values recognised of assets and liabilities and their tax values as well as for tax losses carried forward.

The company's tax rate of 28.08% was used for the valuation (15.825% corporate income tax including solidarity surcharge and 12.25% trade tax). The trade tax rate is derived from the average trade tax factor of 350%.

Deferred tax assets and liabilities are shown in the table below:

	31/12/2019	31/12/2018	Change
<b>Deferred tax assets</b>			
Tax losses carried forward	1,595	1,798	-203
Technical equipment and machinery	2,235	2,389	-154
Trade receivables	1,847	2,747	-900
	<b>5,677</b>	<b>6,934</b>	<b>-1,257</b>
<b>Deferred tax liabilities</b>			
Work in progress	1,584	2,202	-618
Technical equipment and machinery	108	139	-31
	<b>1,692</b>	<b>2,341</b>	<b>-649</b>

**4.6. Equity capital**

The company's share capital totals EUR 15,000,000.00. The balance sheet shows own shares of a nominal value of EUR 150,000.00 separately from the equity capital. The portion of the purchase price of the own shares that exceeds the nominal amount of EUR 1,752,000.00 has been offset against the revenue reserves. The share capital is divided into 15,000,000 bearer shares with a par value of EUR 1.00 per share.

**Changes in accumulated profits**

	KEUR
Consolidated net profit	7,320
Profit carried forward as of 1 January 2019	28,817
Payout to shareholders	-14,850
Profit attributable to minority shareholders	-1,422
Increase in shares in subsidiaries recognised in equity	-8
<b>Consolidated accumulated profit as of 31 December 2019</b>	<b>19,857</b>

**4.7. Liabilities**

Liabilities are composed as follows:

	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term more than 5 years	Total
<b>EUR</b>				
<b>31/12/2019</b>				
Liabilities to banks	23,089,425.55	28,622,133.81	6,697,651.18	58,409,210.54
Trade liabilities	12,691,153.70	0.00	0.00	12,691,153.70
Liabilities towards companies in which an interest is held	2,009,625.74	0.00	0.00	2,009,625.74
Liabilities to shareholders	4,336,251.76	0.00	0.00	4,336,251.76
Other liabilities	13,654,887.34	0.00	0.00	13,654,887.34
	<b>55,781,344.09</b>	<b>28,622,133.81</b>	<b>6,697,651.18</b>	<b>91,101,129.08</b>
thereof tax liabilities	3,144,882.45			
thereof social security liabilities	175,769.68			
<b>EUR</b>				
<b>31/12/2018</b>				
Liabilities to banks	11,115,734.16	37,463,676.42	11,697,187.65	60,276,598.23
Trade liabilities	14,911,759.92	0.00	0.00	14,911,759.92
Liabilities towards companies in which an interest is held	1,662,552.81	0.00	0.00	1,662,552.81
Liabilities to shareholders	1,792,022.26	0.00	0.00	1,792,022.26
Other liabilities	13,903,274.40	0.00	0.00	13,903,274.40
	<b>43,385,343.55</b>	<b>37,463,676.42</b>	<b>11,697,187.65</b>	<b>92,546,207.62</b>
thereof tax liabilities	2,422,269.39			
thereof social security liabilities	117,389.69			

**Collateral furnished**

Liabilities to banks in the amount of kEUR 50,077 are secured by the assignment of property, plant and equipment, the assignment of claims under existing contracts as well as a pledge on business assets. The items of property, plant and equipment furnished as collateral have a carrying amount of kEUR 53,339.

**4.8. Derivative financial instruments****Currency risks**

The company uses currency forwards to hedge the foreign currency risk. Where legally permissible, hedging relationships within the meaning of section 254 HGB are recognised. These are recognised to hedge individual receivables or liabilities or a group of receivables and liabilities. Currency forwards have the same amount, currency and maturity as the hedged items.

The individual hedge relationships are therefore classified as effective over the entire hedging period.

As of 31 December 2019, the company had currency forwards in the amount of kGBP 979.



## 5. Disclosures on the consolidated income statement

The required disclosures regarding the items of the consolidated income statement are provided below.

### Sales revenues

A breakdown of sales revenues by activities and geographic markets is provided below, reflecting the income and expense consolidation:

in KEUR	Activities							
	Plant Construction		Service		Own Plant Operation		Total	
Geographic market	2019	2018	2019	2018	2019	2018	2019	2018
Germany	7,653	5,577	35,017	29,869	94,626	99,018	137,296	134,464
Italy	2	0	5,170	3,611	15,686	15,515	20,858	19,126
Great Britain	27,245	9,857	1,696	1,550	0	0	28,941	11,407
Czechia	0	0	4,837	2,999	0	0	4,837	2,999
France	8,504	9,545	0	0	0	0	8,504	9,545
Denmark	6,022	4,125	772	0	0	0	6,794	4,125
USA	24	0	0	15	0	0	24	15
China	5,010	3,268	0	51	0	0	5,010	3,319
Greece	0	153	0	0	0	0	0	153
Others	588	997	704	611	0	0	1,292	1,608
	55,048	33,522	48,196	38,706	110,312	114,533	213,556	186,761

\* incl. sales revenues of the holding company

Sales revenues include sales of shares in project companies in the amount of kEUR 6,121.

### Depreciation/amortisation

Depreciation/amortisation in the 2019 consolidated financial statements prepared in accordance with the German Commercial Code comprises systematic amortisation of capitalised goodwill in the amount of kEUR 826.

Moreover, impairment losses of kEUR 1,265 were recognised at two fully consolidated subsidiaries due to the sharp drop in the price of biomethane.

## 6. Explanations regarding the cash flow statement

Cash and cash equivalents at the beginning and the end of the cash flow statement comprise cash in hand, cash deposits at the Bundesbank, cash at banks and cheques (kEUR 11,422) as well as liabilities to banks payable on demand (kEUR 3,367).

No material non-cash investment and financing transactions occurred in the fiscal year nor were there any additions to cash and cash equivalents resulting from company acquisitions. The sale of a subsidiary provided the Group with cash in the amount of kEUR 4,150. This contrasted with cash disposals in the amount of kEUR 72.

The proceeds from partnership drawings for at-equity investments relate to drawings of minor importance which had no effect on the investment structure.

As of the reporting date on 31 December 2019, access to cash and cash equivalents in the amount of kEUR 2,174 (previous year: kEUR 2,344) was restricted. These are reserve holdings set aside as per obligations under various debt capital agreements in connection with the construction of biogas plants.

## 7. Other disclosures

### Contingent liabilities and other financial obligations

#### Contingent liabilities

As of the reporting date, the Group had extended a guaranty in the amount of kEUR 415 (previous year: kEUR 518) towards DKB for obligations of a subsidiary accounted for using the equity method.

The risk of claims being raised under this guaranty is below 50%.

As of the reporting date, the Group had furthermore extended a guaranty in the amount of kEUR 200 (previous year: kEUR 200) towards Sparkasse Rotenburg-Bremervörde for obligations of a subsidiary accounted for using the equity method.

The risk of claims being raised under this guaranty is below 50%.

In addition, a guaranty in the amount of kEUR 150 (previous year: kEUR 150) in favour of Nord LB existed from the Group's point of view for an entity accounted for using the equity method. Here, too, the risk of claims being raised under this obligation is below 50%.

Moreover, the Group extended a guaranty in the amount of kEUR 150 (previous year: kEUR 150) in favour of Nord LB for an entity accounted for using the equity method.

Here, too, the risk of claims being raised under this obligation is below 50%.

From the Group's perspective, another guaranty in favour of DKB in the amount of kEUR 131 (previous year: kEUR 100) was granted for an entity accounted for using the equity method. Here, too, the risk of claims being raised under this obligation is below 50%.

Furthermore, a guaranty in the amount of kEUR 225 (previous year: kEUR 225) was issued towards Kreis-sparkasse Steinfurt in favour of an entity accounted for using the equity method from the Group's point of view. Here, too, the risk of claims being raised under this obligation is below 50%.

Otherwise, a guaranty towards Nord LB in the amount of kEUR 500 (previous year: kEUR 500) existed from the Group's point of view in favour of an entity accounted for using the equity method. Here, too, the risk of claims being raised under this obligation is below 50%.

Moreover, a guaranty towards Nord LB in the amount of kEUR 125 (previous year: kEUR 125) existed from the Group's point of view in favour of an entity accounted for using the equity method. Here, too, the risk of claims being raised under this obligation is below 50%.

From the Group's perspective, a guaranty in the amount of kEUR 500 (previous year: kEUR 500) was moreover issued towards BNP Paribas in favour of an entity accounted for using the equity method. Here, too, the risk of claims being raised under this obligation is below 50%.

#### Other financial obligations

Other financial obligations are shown below:

in KEUR	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term more than 5 years	Total
From rental agreements	751	82	330	339
From license agreements	1.653	1.653	0	0
From lease agreements	212	106	106	0
From purchase commitments	5	5	0	0
<b>Total</b>	<b>2.621</b>	<b>1.846</b>	<b>436</b>	<b>339</b>

In addition, some of the own plants have rental agreements of minor importance.

**Auditor's fees**

The following fees were recognised as expenses for the services provided by the auditors of the consolidated financial statements, Michael Kohl GmbH Wirtschaftsprüfungsgesellschaft:

	2019 in KEUR
Audits of financial statements	100
Other services	0
<b>Total</b>	<b>100</b>

**Related party disclosures**

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

**Staff**

The table below shows the average staff numbers of the worldwide member companies of the EnviTec Group in 2019:

	2019	2018
Blue-collar staff	37	53
White-collar staff	396	374
<b>Total</b>	<b>433</b>	<b>427</b>

**Governing bodies of the company**

**Executive Board**

The Executive Board was composed of the following members in the past fiscal year:

Olaf von Lehmden, Businessman, Chief Executive Officer (CEO) since 1 July 2007

Jörg Fischer, Weyhe, Businessman, Chief Financial Officer (CFO) since 1 July 2007

Jürgen Tenbrink, Steinfurt, Engineer, Chief Technology Officer (CTO) since 1 July 2010

No other mandates are held by the members of the Executive Board.

The compensation of the Executive Board consists of the following components

- > Fixed compensation in the form of a monthly salary
- > Variable compensation based on the operating result of the EnviTec Group and the achievement of personal targets

As compensation for a competition prohibition imposed on them following the regular end of their activity as a member of the Executive Board, the members of the Executive Board will receive an ex gratia payment equal to 50% of the fixed compensation last received for a period of up to one year. In the event of premature termination of their activity as a member of the Executive Board, the ex gratia payment depends on the circumstances of the termination pursuant to section 75 of the German Commercial Code.

The following compensation was paid to the members of the Executive Board in the fiscal year 2019:

in EUR	Fixed		Variable		Other *		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Olaf von Lehmden	154,537	154,537	78,141	33,333	19,989	2,070	252,667	189,940
Jörg Fischer	142,800	142,800	57,120	33,333	10,163	10,491	210,083	186,624
Jürgen Tenbrink	130,287	130,287	52,920	33,333	12,383	11,177	195,590	174,797

\*Other compensation includes benefits in money's worth resulting from the use of company cars as well as the portions of the D&O insurance attributable to the Executive Board members

**Supervisory Board**

Appointees to the Supervisory Board in the reporting period:

- > Mr Tobias Schulz (Chairman), Businessman, Managing Director of SCHULZ Systemtechnik, Visbek Member of the Supervisory Board of Boom Software AG, Leibnitz (Austria)
- > Mr Michael Böging, Businessman, Managing Director of Unternehmensgruppe Weiße Köpfe GmbH, Emstek
- > Mr Franz-Josef Holzenkamp (Vice Chairman), Businessman, Agricultural Entrepreneur, Chairman of the Supervisory Board of AGRAVIS Raiffeisen AG, Member of the Supervisory Board of LVM Krankenversicherungs-AG, Member of the Supervisory Board of LVM Lebensversicherungs-AG, Member of the Supervisory Board of LVM Landwirtschaftlicher Versicherungsverein Münster a.G.

In the fiscal year 2019, expenses did not include fixed compensation for the Supervisory Board activity at EnviTec Biogas AG (previous year: EUR 0).

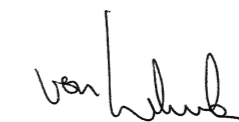
Other compensation (meeting attendance fees and re-funds of expenses) was not paid (previous year: EUR 0).

**8. Profit appropriation**

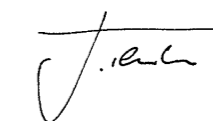
The Executive Board and the Supervisory Board of EnviTec Biogas AG will propose a dividend of EUR 1.00 per share to the shareholders at the ordinary Annual General Meeting on 7 July 2020. Including own shares held by the company, this is equivalent to a total dividend payout of kEUR 14,850.

Given that the profit distribution requires the approval of the Annual General Meeting, no liability has been recognised in the balance sheet.

Lohne, 25 May 2020



Olaf von Lehmden



Jürgen Tenbrink



Jörg Fischer

# FINANCIAL CALENDAR

**27 MAY 2020**  
ANNUAL ACCOUNT 2019

**07 JULY 2020**  
ANNUAL GENERAL MEETING

**30 SEPTEMBER 2020**  
INTERIM REPORT 1ST HALF YEAR 2020

# IMPRINT

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