Electrawinds SE

Société Européenne

51, Boulevard Grande Duchesse Charlotte; L-1331 Luxembourg

R.C.S. Luxembourg B 155.076

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

FOR THE PERIOD ENDED JUNE 30, 2016

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1. INTRODUCTION

The interim condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the related interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU). The interim condensed consolidated financial report should be read in connection with the annual report for 2015 and the additional information on the Company contained therein.

The interim condensed consolidated financial statements at June 30, 2016 are unaudited.

The present IFRS interim report outlines the business development of the six months of 2016 and reports on the first six months (January 1 – June 30, 2016) of Electrawinds SE fiscal year 2016 (January 1 – December 31, 2016).

2. MANAGEMENT REPORT OF ELECTRAWINDS SE

Post balance sheet events

Future divesting, earn-out and debt reduction activities

After the completed divestments of the BallycadWind Farm Ltd (2013), Electrawinds Biostoom NV (Q1 2014), the biomass activities in Serbia (Q1 2014) and part of the solar assets in Italy (2013), representing a total capacity of 48,8 Gross MW installed, the transfer of the wind activities to Tecteo (Q2 2014) as well as the sale of the Liquid Bio business to Biopower (Q4 2014), the sale of Evolis Wind NV to Saffelberg and the sale of Electrawinds Africa and Indian Ocean Islands (Pty) Ltd. to Tombolo Energy (Pty) Ltd. and Massinga Beach (Pty) Ltd. (Q4 2015), the following assets and projects are at this date in Electrawinds' portfolio:

- the SE Electrawinds, 100% owner of the NV Electrawinds;
- the NV Electrawinds;
- the subcompanies - largely fully owned by Electrawinds in the following countries:
  - In Italy: all wind and solar assets and projects in development;
  - In Bulgaria : all wind assets and all projects in development;
  - In Romania: 1 wind asset and all projects in development;
  - In Poland: 3 projects in development (2 of them in a very early stage).

The remaining part of the WCO debt, as well as additional costs incurred after the WCO procedure will be settled using the following sources of income:

- Expected income from the earn-out of projects Seeland and Wesley each for €0.2m;
- Expected income from the earn-out of project Mkuze SA for €1.0m;
- Expected income from the cancellation of the agreement for the purchase of land with the municipality of Cell Bun in the Genco Biomass project for €0.14m;
- Expected earn-out for the sale of the wind project Darskovo in Poland (final discussions with purchaser ongoing);
- Available cash and cash equivalents in the remaining operating subsidiaries, mainly Electrawinds Shabla JSCo and Electrawinds Shabla South JSCo, which can be upstreamed in the form of a dividend distribution or through repayment of intercompany loans.

Assessment of going concern

Through the execution of the reorganization plans, the Electrawinds Group as well as the Company have been able to secure their continuity and diminish their liabilities in a significant manner. In particular the Group holding companies have been able to extinguish their financial debt. The Company shall further focus on optimizing the remaining assets in its portfolio, with the determination of the usage of the proceeds through earn-outs to be further set forth in 2016 and through carefully planned and to be approved divestments for further debt reduction and general corporate purposes. The results on the divestments shall be timely communicated in line with the Company policy thereon.

It is the Board's assessment that the current and reasonably expected future results of these actions, should allow the Company to continue as a going-concern. However, in case the above actions would not timely materialize and/or only bring limited amounts of new capital to the Company, further mitigating measures would be needed such as the acceleration of the assets divestment program, deferral of the realization of new projects, further expenses reduction, renegotiation of financing terms with the banks etc. in order to be able to continue as going-concern.

RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

Preliminary remark: the results of operations, net assets and financial position are presented under the going concern assumption. The above listed sequence of events might further lead to a situation where this assumption can no longer be validated in the near future which might have a material adverse impact.

Results of operations

During the first six months of 2016, total sales decreased by €0.5m from €2.5m for the first six months of 2015 to €2.0m at the end of June 2016. The decrease in sales is mainly caused by the sale of Electrawinds Africa during 2015 which resulted in lower sales from continuing operations in 2016.

Earnings before interest, taxes, depreciations and amortizations (EBITDA) amounted to €0.5m at the end of the reporting period, a €0.2m decrease versus the comparable period of 2015 and largely attributable to the decrease in sales noted above.

The financial result amounted to €-0.6m compared to €-0.4m at June 30, 2015, mostly caused by negative foreign exchange results. Due to the decrease of average outstanding net debt, interest charges decreased by €0.2m from €0.6m to €0.4m.

The net result of the Group amounted to a loss of €-0.9m at the end of the reporting period compared to €-0.1m at the end of June 30, 2015.

Net earnings, earnings per share and capital market environment

As at June 30, 2016, the Group reports net earnings of €-0.9m (against €-0.1m in the comparable period of 2015). This negative evolution is mainly attributable to a decrease in sales and weaker financial results.

Balance sheet position

As of June 30, 2016, the total assets of the Electrawinds Group amounted to €19.6m, compared to €21.3m as at December 31, 2015.

Non-current assets amounted to €14.6m, compared to the year-end position of €15.1m, which represents a decrease of €0.5m, mainly due to depreciations.

Current assets decreased from €6.3m at year end to €5.1m. Other receivables decreased by €1.5m, mainly caused by the collection of the last installment outstanding on the sale of Electrawinds Africa.

Cash and cash equivalents decreased to €1.9m compared to €2.1m at December 31, 2015.

At the end of the reporting period, the equity amounted to €0.7m, against €1.5m at the end of December 2015.

Non-current liabilities decreased from €15.2m to €14.6m. This largely due to non-current bank debt which decreased by €0.5m to €7.6m.

Current liabilities amount to €4.3m or a decrease of €0.4m compared to December 31, 2015. The main drivers of this decrease are lower accounts payable balances outstanding at period end.

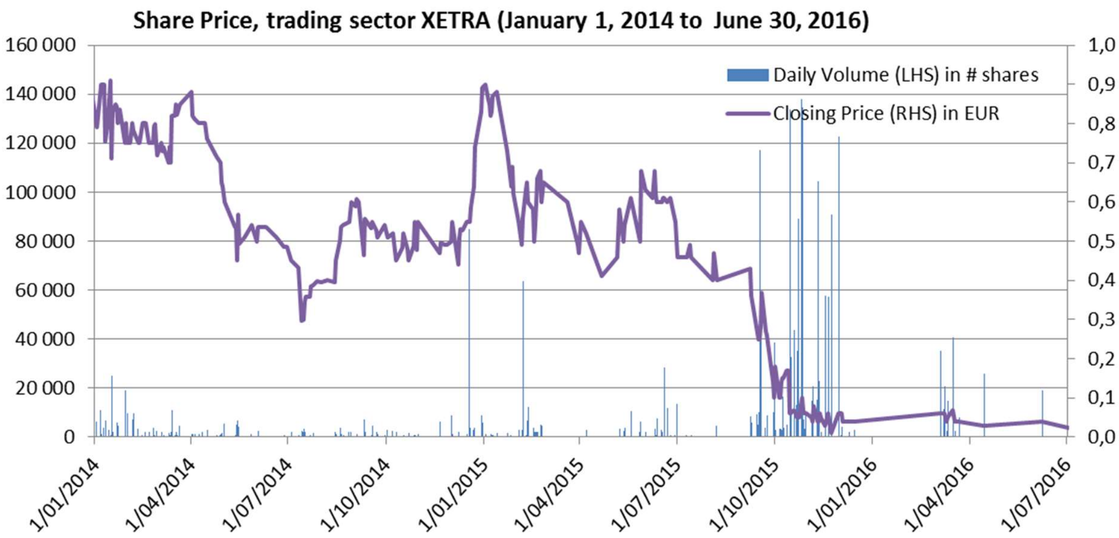
On the balance sheet date, current assets of €5.1m exceed current liabilities of €4.3m by €0.8m.

Cash flow

Cash from operating activities was €0.7m (June 30, 2015, €1.3m), the fall mostly resulting from reduced business activities compared to 2015. Cash used in financing activities amounted to €1.0m mainly as a result of repayments of loans and interest payments.

SHARE PRICE PERFORMANCE

Electrawinds' share price performance in the first semester of 2016 fluctuated between €0.07 and €0.02.



The average number of shares traded on XETRA amounted to 1,436 per day during the first six months of 2016.

EMPLOYEES

The headcount at year end 2015 and 30 June 2016 stood at 1.

OPPORTUNITIES AND RISK REPORT

The Electrawinds Group is exposed to numerous risks and opportunities as part of its business activity.

The focus of the risk management strategy through the Group is on early and systematic detection and control of risks and to benefit from opportunities resulting from operating activities or improved market conditions. The Electrawinds Group manages the risk throughout a set of measurements such as organizational structures, a framework of risk principles, risk measurement and monitoring processes. The underlying requirement is that the risks must always remain transparent and manageable.

For an in-depth description of opportunities and risks we refer to the consolidated financial statements of 2015.

OUTLOOK FULL YEAR 2016

Via the execution of the reorganization plans, the Electrawinds Group as well as the Company have been able to secure their continuity and diminish its liabilities in a significant manner. In particular the Group has been able to extinguish its financial debt. The Company shall further focus on optimizing the remaining assets in its portfolio, with the determination of the usage of the proceeds through earn-outs to be further set forth in 2016 and through carefully planned and to be approved divestments for further debt reduction and general corporate purposes. The results on the divestments shall be timely communicated in line with the Company policy thereon.

The daily management of the Company is currently under the supervision of the Chairman a.i. of the SE Electrawinds, namely the BVBA PDS Consulting, represented by Mr. Paul Desender and the new Chairman of the NV Electrawinds, the BVBA Clercus, represented by Mr. Guy De Clercq.

CORPORATE GOVERNANCE

The Board of Directors during H1 2016 was composed as follows:

- PDS Consulting BVBA, represented by Mr; Paul Desender, Chairman a.i.;
- NV Kayros Venture Partners, represented by Mr. Sean McCullough;
- Clercus BVBA, represented by Mr. Guy De Clercq;
- NV Winpar, represented by Mr. Luc Desender;
- NV Federale Participatie- en Investeringsmaatschappij, by Mr. Rudi Vander Vennet

FORWARD LOOKING STATEMENTS

This annual report contains forward-looking statements. In some cases, forward-looking statements can be identified by terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “should,” “will,” and “would,” or the negative of those terms or other comparable terminology. Forward-looking statements speak only as of their date and include statements relating to expectations, beliefs, future plans and strategies and anticipated results thereof, anticipated events or trends and similar matters that are not historical facts. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future, and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements including, but not limited to, the risk factors described in the Prospectus. Electrawinds SE does not intend, not shall it undertake, to update any of these forward-looking statements. Past performance is not necessarily indicative of future results.

FINANCIAL CALENDAR

30 November 2016	Publication of the interim condensed consolidated financial statements Q3, 2016
30 April 2017	Publication of the consolidated financial statements per 31 December 2016

3. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED JUNE 30

Electrawinds Group - unaudited			
'000€	**Notes**	**June 30, 2016**	**June 30, 2015**
Sales	7	**1 985**	**2 486**
Other operating income	7	**293**	**202**
Total operating revenues		**2 278**	**2 687**
Services and other goods		**-1 431**	**-1 389**
Employee benefits		**-49**	**-149**
Depreciation, amortisation & impairments	12/13/16	**-823**	**-577**
Other operating costs		**-269**	**-451**
Total operating costs		**-2 573**	**-2 566**
EBITDA		**529**	**698**
Operating result		**-294**	**121**
Share of result from equity accounted investments		**0**	**-4**
Interest charges	8	**-388**	**-565**
Other financial charges	8	**-246**	**-35**
Other financial income	8	**64**	**158**
EBT (earnings before taxes)		**-864**	**-324**
Income taxes	10	**-14**	**268**
Result for the year		**-878**	**-56**
Attributable to:			
Owners of the parent		-874	-51
Non-controlling interests		-4	-5
Earnings per share in €	9		
Basic earnings per share		-0,02	-0,00
Diluted earnings per share		-0,02	-0,00

The accompanying notes are an integral part of the consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30

'000€	June 30, 2016	June 30, 2015
Result for the period	**-878**	**-56**
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	95	-142
- Income tax effect		
Total comprehensive income for the period	**-783**	**-198**
Attributable to:		
Owners of the parent	-779	-193
Non-controlling interests	-4	-5

The accompanying notes are an integral part of the consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED JUNE 30

Electrawinds Group - unaudited '000€	Notes	June 30, 2016	December 31, 2015	June 30, 2015
Total non-current assets		**14 554**	**15 073**	**18 157**
Goodwill	11			10
Intangible assets	12	233	245	267
Property, plant and equipment	13	13 895	14 456	17 513
Investments accounted for using the equity method				-3
Other financial assets	15	282	233	237
Other long term receivables		143	138	134
Total current assets		**5 082**	**6 262**	**7 601**
Trade receivables	16	1 059	800	2 209
Other receivables	16	1 397	2 862	1 674
Prepaid expenses and accrued revenues		729	473	1 004
Cash and cash equivalents	17	1 896	2 127	2 713
Total assets		**19 636**	**21 335**	**25 758**

The accompanying notes are an integral part of the consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
FOR THE PERIOD ENDED JUNE 30

Equity and liabilities	Notes	June 30, 2016	December 31, 2015	June 30, 2015
Equity attributable to the owners of the parent				
Share capital	18	1 303	1 303	1 303
Share premium		501 952	501 952	501 952
Retained earnings		-449 159	-448 286	-446 064
Treasury shares	18	-53 339	-53 339	-53 339
Translation difference		21	-74	-278
Equity attributable to the owners of the parent		**777**	**1 556**	**3 574**
Non-controlling interests		-54	-51	-58
Total equity		**723**	**1 505**	**3 515**
Total non-current liabilities		**14 617**	**15 180**	**17 027**
Other non-current liabilities		**14 617**	**15 180**	**17 027**
Bank loans	20	7 585	8 073	9 092
Finance lease liabilities	20	3 659	3 748	3 839
Other liabilities	19	788	797	1 235
Derivative financial instruments (non-current)	21	1 291	1 277	1 402
Provisions		1 254	1 254	1 283
Deferred tax liabilities		40	31	176
Total current liabilities		**4 296**	**4 650**	**5 216**
Other current liabilities		**4 296**	**4 650**	**5 216**
Trade payables		2 006	2 346	2 762
Short-term financial liabilities	20	1 172	992	1 323
Advances				3
Income tax and VAT related liabilities		186	296	249
Payroll related liabilities		128	155	187
Other liabilities	22	549	533	301
Accruals and deferred revenues		255	327	389
Total equity and liabilities		**19 636**	**21 335**	**25 758**

The accompanying notes are an integral part of the consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30

000€	Share capital	Share premium	Retained earnings	Treasury shares	Translation differences	Total attributable to owners of parent	Non controlling interests	Total equity
Balance at December 31, 2014	**1 303**	**501 952**	**(446 012)**	**(53 339)**	**(136)**	**3 768**	**(54)**	**3 714**
Result of the period			**-2 274**			**-2 274**	**2**	**-2 272**
Other comprehensive income	**0**	**0**	**0**	**0**	**62**	**62**	**0**	**62**
Exchange differences on translations foreign operations					62	**62**		62
Balance at December 31, 2015	**1 303**	**501 952**	**(448 285)**	**(53 339)**	**(74)**	**1 556**	**(51)**	**1 505**
Other equity movements						**0**	**0**	**0**
Result of the period			**-874**			**-874**	**-4**	**-878**
Other comprehensive income	**0**	**0**	**0**	**0**	**95**	**95**	**0**	**95**
Exchange differences on translations foreign operations					95	**95**		95
Balance at June 30, 2016	**1 303**	**501 952**	**(449 159)**	**(53 339)**	**21**	**777**	**(54)**	**723**
Balance at December 31, 2014	**1 303**	**501 952**	**(446 012)**	**(53 339)**	**(136)**	**3 768**	**(54)**	**3 714**
Result of the period			**-51**			**110**	**-5**	**106**
Other comprehensive income	**0**	**0**	**0**	**0**	**-142**	**-142**		**-142**
Exchange differences on translations foreign operations					-142	**-142**		-142
Balance at June 30, 2015	**1 303**	**501 952**	**(446 064)**	**(53 339)**	**(278)**	**3 574**	**(58)**	**3 515**

The accompanying notes are an integral part of the consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED JUNE 30

Electrawinds Group '000€	Notes	June 30, 2016	June 30, 2015
Operating activities			
Operating result		**-294**	**121**
Adjustments for non-cash / non-operating items:		**711**	**379**
Depreciation of intangible assets	12	12	5
Depreciation of property, plant and equipment	13	494	536
Impairments and allowance accounts receivable	16	317	36
Other non cash items		-112	-198
Change in working capital		**262**	**825**
Trade and other receivables	16	888	866
Trade and other payables		-292	26
Prepaid expenses and accrued revenues		-256	29
Income tax and payroll related liabilities		-12	-96
Other liabilities		7	-1
Accrued charges and deferred income		-73	-
Income tax paid		**-5**	**-8**
Total cash from (used in) operating activities		**674**	**1 317**
Financing activities			
Proceeds from loans	20	-	601
Repayment of loans	20	-570	-1 127
Net Interest paid in cash		-388	-565
Other financial result in cash		-28	-23
Total cash from (used in) financing activities		**-986**	**-1 114**
Investing activities			
Acquisition of intangible assets	12	-	-
Purchase of property, plant and equipment	13	-	-
Proceeds from disposals of property, plant and equipment	13	64	37
Total cash from (used in) investing activities		**64**	**37**
Net foreign exchange difference		**17**	**3**
Net increase/(decrease) in cash and cash equivalents		**-231**	**243**
Cash and cash equivalents at the beginning of the period	17	**2 127**	**2 470**
Cash and cash equivalents at the end of the period	17	**1 896**	**2 713**

The accompanying notes are an integral part of the consolidated financial statements.

4. CORPORATE INFORMATION

Electrawinds SE (the 'Company' or the 'Group') and its subsidiaries is the successor Company of a reverse acquisition of Electrawinds SE (formerly named European Cleantech I SE) and Electrawinds NV with effect from October 11, 2012. The reverse asset acquisition was the result of a plan of arrangement whereby Electrawinds NV was acquired by Electrawinds SE with the former Electrawinds NV shareholders receiving de facto control of Electrawinds SE.

Electrawinds develops, constructs and operates renewable energy plants that produce green energy from wind, solar and biomass resources.

Electrawinds is organized in 3 operational segments according to the different technologies: Bio, Wind and Solar and one segment called "Development & Construction and Portfolio Management" or DCPM.

The Group's legal parent Company is Electrawinds SE, a Company incorporated as a Société Européenne under the law of Luxembourg. Electrawinds SE was incorporated on October 9, 2010 as European Cleantech I SE and renamed Electrawinds SE on December 20th, 2012. Electrawinds SE has its registered office at 51, Boulevard Grande Duchesse Charlotte, L-1331 Luxembourg. Electrawinds SE carried out its initial public offering on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapier-börse) on October 10, 2010.

On October 11, 2012, Electrawinds NV completed its reverse asset acquisition of Electrawinds SE pursuant to the terms and conditions of the share purchase and acquisition agreement. Further to detailed analysis in respect to the terms and conditions of the transaction between European Cleantech I SE and Electrawinds NV, management has determined the transaction as a reverse asset acquisition rather than a business combination. The acquisition did not meet the definition of a business combination in accordance with IFRS 3 'business combinations'. Instead, the acquisition has been treated in 2012 as a Group recapitalization, using the principles of reverse acquisition accounting in IFRS 3 'business combinations', since the substance of the transaction is that Electrawinds NV has effectively been recapitalized. The consolidated financial statements have been prepared as if Electrawinds NV had acquired Electrawinds SE and its controlled entities, not vice versa as represented by the legal position. Due to the reverse acquisition treatment, the prior period figures of the presented consolidated financial statements will not match with those of former European Cleantech I SE because the numbers represent the consolidated financial statements of Electrawinds NV.

The consolidated financial statements of the Group for the year ended December 31, 2015 are available upon request from the Company's registered office address or at www.electrawinds.eu.

5. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation – going concern

The interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet, next to its operational expenditures, the mandatory repayment terms of the banking facilities and as described in the liquidity risk disclosure.

As at June 30, 2016, the Group has incurred a net loss for the year of €0.9m. As of June 30, 2016 the Group's shareholders' equity amounts to €0.7m and total current assets exceed current liabilities by €0.8m.

Via the execution of the reorganization plan, the Group has been able to secure its continuity and diminish its liabilities in a significant manner. The Group shall further focus on usage of the proceeds through earn-outs to be further set forth in 2016 and through carefully planned and to be approved divestments for further debt reduction and general corporate purposes. The results on the divestments shall be timely communicated in line with the Company policy thereon. In view of the multiple possibilities, the elapsed time and risk reduction the Company and the Group have realized, the Board of Directors is confident that the going concern of the Company is not at stake today and in the near future.

New Standards, interpretations and amendments adopted by the Group

This report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting policies and methods of computation are followed in the interim financial statements as were followed in the annual financial statements of 2015, except for the adoption of new Standards and Interpretations effective as of 1 January 2016, noted below:

- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015)
- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 and IAS 38 Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 19 Employee Benefits – Employee Contributions (applicable for annual periods beginning on or after 1 February 2015)
- Amendments to IAS 27 Separate Financial Statements – Equity Method (applicable for annual periods beginning on or after 1 January 2016)

The adoption of these new Standards and Interpretations did not have a material impact on the financial reporting for the period ended June 30, 2016.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Seasonality

Revenues and costs are influenced by seasonal effects, primarily by weather conditions for the Wind and Solar segment that are strongly influenced during cold winter periods, due to the characteristics of the product.

Impairments

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2015.

Assets are assessed at each reporting date as to whether there is any indication that an asset may be impaired. If any such indication exists the Group shall estimate the recoverable amount of the asset.

We refer to note 14 for further details on the impairment testing.

6. SEGMENT INFORMATION FROM CONTINUING OPERATIONS

The Group is organized in 4 reporting segments:

Bio, Wind, Solar and DCPM. The division DCPM (Development, Construction and Portfolio Management) is the Group's developing and construction entity, gives financial, logistic and intellectual support to the Bio, Wind and Solar division and manages the portfolio of SPV's.
The executive management (chief operating decision makers) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net result and is measured consistently with operating profit or loss in the consolidated interim financial statements.

Transfer prices between operating segments are determined on arm's length basis in a manner similar to transactions with third parties.

Electrawinds SE (formerly European Cleantech I SE), which has been subject of the reverse asset acquisition on October 11, 2012, is assigned to the segment DCPM.

The operating segment information as per June 30, 2016:

'000€	Bio	Wind	Solar	DCPM	Intersegment	Group
External sales		1 623	269	93		1 985
Intersegment sales				65	-65	
Other operating income		500	16	-223		293
Total operating revenues		**2 123**	**285**	**-65**	**-65**	**2 278**
EBITDA	**-14**	**1 353**	**228**	**-1 037**	**0**	**530**
Operating result	**-14**	**632**	**158**	**-1 100**	**30**	**-294**
Result for the year	**-14**	**-124**	**13**	**-782**	**30**	**-878**
Segment assets	0	14 807	3 190	3 641	-1 685	19 953
Consolidated segment assets	**0**	**14 807**	**3 190**	**3 641**	**-1 685**	**19 953**
Segment liabilities (Debt, provisions)	16	16 441	3 919	-464	-683	19 230
Unallocated liabilities (Equity)	-16	-1 634	-728	4 105	-1 004	723
Consolidated segment liabilities	**0**	**14 807**	**3 190**	**3 641**	**-1 685**	**19 953**
Capital expenditure	0	0	0	0	0	0

The decrease of the sales of the Wind segment as of June 30, 2016 compared to June 30, 2015, is mostly attributable to the sale of Electrawinds Africa which contributed to sales and earnings of the Group for most of 2015. The decrease in sales in the DCMP segment is due to lower service sales noted in the first six months of 2016.

The operating segment information as per June 30, 2015:

'000€	Bio	Wind	Solar	DCPM	Intersegment	Group
External sales		1 913	275	298		2 486
Intersegment sales				141	-141	
Other operating income		1	2	199		202
Total operating revenues		**1 915**	**277**	**637**	**-141**	**2 687**
EBITDA	**-51**	**1 050**	**182**	**-483**	**0**	**698**
Operating result	**-66**	**619**	**125**	**-608**	**51**	**121**
Result for the year	**-66**	**136**	**-24**	**-155**	**51**	**-56**
Segment assets	0	17 964	3 445	16 320	-11 971	25 758
Consolidated segment assets	**0**	**17 964**	**3 445**	**16 320**	**-11 971**	**25 758**
Segment liabilities (Debt, provisions)	16	21 395	3 936	-2 083	-1 021	22 243
Unallocated liabilities (Equity)	-16	-3 431	-490	18 403	-10 951	3 515
Consolidated segment liabilities	**-1**	**17 964**	**3 445**	**16 320**	**-11 970**	**25 758**
Capital expenditure	0	0	0	0	0	0

Geographical information

In presenting information on the basis of geography, segment revenue is based on the geographical location of the customers and segments assets are based on the geographical location of the assets.

Geographical segment information as per June 30, 2016

Electrawinds Consolidated '000€	Belgium	France	Italy	Eastern Europe	Other	Group
External sales	1	0	1 144	840	0	1 985
Non-current assets	-985	0	8 710	6 829	0	14 554

Geographical segment information as per June 30, 2015

Electrawinds Consolidated '000€	Belgium	France	Italy	Eastern Europe	Other	Group
External sales	184	0	1 106	1 040	156	2 486
Non-current assets	-781	-4	9 254	7 424	2 264	18 157

7. TOTAL OPERATING REVENUES FROM CONTINUING OPERATIONS

Revenues '000€	June 30, 2016	June 30, 2015
Wind	**1 623**	**1 913**
Electricity sales	1 623	1 913
Solar	**269**	**275**
Electricity sales	269	275
DCPM	**93**	**298**
Electricity sales	75	91
Other sales	19	207
Total sales	**1 985**	**2 486**

Wind sales decreased mainly as a result of the sale of Electrawinds Africa in the course of 2015. Other sales in the DCPM segment decreased as a result of lower service revenues in Electrawinds NV.

Other operating income – from continuing operations

Other operating income amounts to €0.3m (June 30, 2015: €0.2m) and relates mostly to gains on the realization of receivables on Electrawinds Bulgaria and in Electrawinds Romania. The balance relates to re-invoicing of costs, insurance indemnities and other indemnities for damages.

8. FINANCIAL RESULT FROM CONTINUING OPERATIONS

Interest charges are composed as follows:

Interest charges '000€	June 30, 2016	June 30, 2015
Interest on bank loans	-231	-378
Interest on straight loans	0	-2
Leasing interest	-152	-165
Other interest	-5	-20
Total	**-388**	**-565**

Interest charges decreased mainly as a result of the sale of Electrawinds Africa in the course of 2015.

Other financial charges are detailed as below:

Other financial charges '000€	June 30, 2016	June 30, 2015
Fair value losses on financial instruments at FVTPL (IRS)	-14	0
Foreign currency exchange losses	-195	-1
Other financial charges	-37	-34
Total	**-246**	**-35**

The net change in fair value of financial liabilities at fair value through profit and loss reflects the change in market value of the interest rate swaps as of June 30, 2016.

Other financial income are detailed as below:

Other financial income '000€	June 30, 2016	June 30, 2015
Fair value gains on financial instruments at FVTPL	0	6
Interest income	62	11
Foreign currency exchange gains	3	141
Total	**64**	**158**

For details concerning the financial instruments, we refer to note 21.

9. EARNINGS PER SHARE

The calculation of basic EPS at June 30, 2016, is based on the loss attributable to the owners of the parent of €-0.9m (2015: €-0.05m) and the weighted average number of ordinary shares outstanding of 52,358,654 A shares and 958,333 B2 shares and 958,334 B3 shares respectively. For the previous year the notional weighted average numbers of ordinary shares outstanding amounted to 54,275,321.

	June 30, 2016	June 30, 2015
Profit of the year attributable to equity holders of the company (in '000€)	-874	-51
Weighted average number of ordinary shares outstanding	54 275 321	54 275 321
Basic earnings per share (EUR/share)	**-0,02**	**0,00**

Diluted EPS are calculated by increasing the average number of shares outstanding by the total number of potential shares arising from option rights. The Group has 11,500,000 outstanding public warrants. The warrants are not dilutive as the average market price of the ordinary shares is below the exercise price of the warrants.

Additionally, as described under note 23 Equity of the annual report 2015, B2 and B3 shares that are not converted into public shares on or prior to the fifth anniversary of the consummation of the reverse asset acquisition will no longer be convertible into public shares and will be redeemed.

As a result, the basic earnings per share equal the dilutive EPS.

10. INCOME TAXES FROM CONTINUING OPERATIONS

The major components of income tax expense in the interim condensed financial income statement are:

'000€	June 30, 2016	June 30, 2015
Current taxes	-5	-8
Deferred taxes	-9	276
Total income taxes	**-14**	**268**

11. GOODWILL

The carrying amount of goodwill as per June 30, 2016 amounts to €0.0m (2015: €0.0m).

The net carrying amount of goodwill can be analyzed as follows:

'000€	June 30, 2016	December 31, 2015
Gross carrying amount at the beginning of the reporting period	**1 279**	**1 941**
Change in consolidation scope		-662
Disposals		
Other movements		
Gross carrying amount at the end of the reporting period	**1 279**	**1 279**
Impairments at the beginning of the reporting period	**(1 279)**	**(1 931)**
Change in consolidation scope		662
Impairment loss recognised		-10
Impairments at the end of the reporting period	**(1 279)**	**(1 279)**
Net carrying amount	**0**	**0**

Based on the reviewed business plan, which includes a strategic restructuring and takes into account changed market conditions, the Group performed an impairment test on December 31, 2015.

Movements of the year 2015 related to the disposal of the goodwill related to Energy 5 (€0.7m) and the impairment of the remaining net goodwill balance on Greenco (€0.01m).

For further details, we refer to the annual report of 2015.

12. INTANGIBLE ASSETS

Movement table at June 30, 2016:

000€	Capitalized development
Acquisition value	
Balance at December 31, 2015	**2 084**
Balance at June 30, 2016	**2 084**
Amortisation	
Balance at December 31, 2015	**-1 838**
Amortisations of the year	-12
Balance at June 30, 2016	**-1 850**
Net carrying amount	
Balance at June 30, 2016	**233**

Electrawinds has ceased most of its investments in the development of core projects. There were no additions in the first six months of 2016.

Movement table at June 30, 2015:

000€	Capitalized development
Acquisition value	
Balance at December 31, 2014	**2 968**
Disposals	-1
Balance at June 30, 2015	**2 967**
Amortisation	
Balance at December 31, 2014	**-2 695**
Amortisations of the year	-5
Disposals	1
Balance at June 30, 2015	**-2 699**
Net carrying amount	
Balance at June 30, 2015	**267**

13. PROPERTY, PLANT AND EQUIPMENT

Movement table at June 30, 2016:

000€	Land & Buildings	Equipment	Furniture & Vehicles	Finance lease	Under construction	Other assets	Total
Acquisition values							
Balance at December 31, 2015	**14**	**23 613**	**77**	**5 753**	**13 461**		**42 918**
Disposals		-77		-2			-80
Currency translation adjustments		-6	-1				-7
Balance at June 30, 2016	**14**	**23 530**	**76**	**5 751**	**13 461**		**42 832**
Depreciation							
Balance at December 31, 2015	**-6**	**-12 731**	**-54**	**-2 248**	**-13 422**		**-28 461**
Depreciations of the year		-384	-8	-102			-494
Disposals		15					15
Currency translation adjustments		3	1				4
Balance at June 30, 2016	**-6**	**-13 096**	**-62**	**-2 350**	**-13 422**		**-28 936**
Net carrying amount							
At June 30, 2016	**8**	**10 433**	**15**	**3 400**	**39**		**13 895**

Electrawinds has ceased most of its investments in core projects. The overall decrease noted in property, plant and equipment is caused by depreciations that occurred during the period.

The movement table as of June 30, 2015 is as follows:

000€	Land & Buildings	Equipment	Furniture & Vehicles	Finance lease	Under construction	Other assets	Total
Acquisition values							
Balance at December 31, 2014	**14**	**26 790**	**549**	**5 405**	**13 493**		**46 251**
Disposals			-91		-32		-123
Other movements				-2			-2
Currency translation adjustments		116	1		3		120
Balance at June 30, 2015	**14**	**26 906**	**459**	**5 403**	**13 465**		**46 246**
Depreciation							
Balance at December 31, 2014	**-6**	**-12 436**	**-476**	**-1 923**	**-13 422**		**-28 263**
Depreciations of the year		-403	-17	-117			-536
Disposals			86				86
Other movements				2			2
Currency translation adjustments		-21	-1				-22
Balance at June 30, 2015	**-6**	**-12 860**	**-408**	**-2 038**	**-13 422**		**-28 733**
Net carrying amount							
At June 30, 2015	**8**	**14 046**	**51**	**3 364**	**43**		**17 513**

14. IMPAIRMENTS

Goodwill is tested for impairment at least annually (as at 31 December) and when circumstances indicate the carrying value may be impaired. The Group’s impairment test for goodwill is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2015. The remaining goodwill balance has been impaired as of 31 December 2015, resulting in a zero goodwill balance recorded per 30 June 2016.

Other long lived assets are assessed at each reporting date for any indication that such assets may be impaired. If any such indication exits the Group estimates the recoverable amount of the asset.

15. OTHER FINANCIAL ASSETS

Other financial assets amount to €0.3m (December 31, 2015: €0.2m) and mostly relate to cash guarantees.

16. TRADE AND OTHER RECEIVABLES

Trade and other receivables '000€	June 30, 2015	December 31, 2015
Trade receivables	**1 059**	**800**
V.A.T. receivable	843	1 086
Taxes and withholding taxes to be recovered	555	316
Other receivables	303	1 446
Guarantees paid in cash	13	13
Other receivables - amt written off	(317)	0
Other receivables	**1 397**	**2 862**

Other receivables as per June 30, 2016 decreased mainly as a result of the receipt of the last installment related to the sale of EW Africa which occurred during 2015. In addition an allowance of €0.3m was recorded during 2016 on a VAT receivable for which collection is not deemed probable.

All outstanding trade receivables have been pledged as a security for bank loans.

17. CASH AND CASH EQUIVALENTS

'000€	June 30, 2016	December 31, 2015
Short-term deposits	1 051	1 052
Cash at bank and in hand	845	1 075
Cash and cash equivalents	**1 896**	**2 127**

Part of the cash and cash equivalents is restricted since it serves to maintain a minimum level as security for certain short–term project finance debt obligations.

18. SHARE CAPITAL

The number of shares of Electrawinds SE has developed as follows:

	Total shares	A shares	B1 Shares	B2 Shares	B3 Shares
Number of shares January 1, 2010					
issuing of shares IPO October 20, 2010	14 375 000	11 500 000	958 333	958 333	958 334
Number of shares December 31, 2010	14 375 000	11 500 000	958 333	958 333	958 334
Number of shares January 1, 2011	14 375 000	11 500 000	958 333	958 333	958 334
Number of shares December 31, 2011	14 375 000	11 500 000	958 333	958 333	958 334
Number of shares January 1, 2012	14 375 000	11 500 000	958 333	958 333	958 334
Issuing of new A shares, October 11, 2012	37 507 102	37 507 102			
Conversion of B1 into A shares, October 11, 2012	0	958 333	-958 333		
Issuing of new A shares, December 20, 2012	2 393 216	2 393 216			
Number of shares December 31, 2012	54 275 318	52 358 651	0	958 333	958 334
Number of shares December 31, 2013	54 275 318	52 358 651	0	958 333	958 334
Number of shares December 31, 2014	54 275 318	52 358 651	0	958 333	958 334
Number of shares December 31, 2015	54 275 318	52 358 651	0	958 333	958 334
Number of shares June 30, 2016	54 275 318	52 358 651	0	958 333	958 334

The share capital of Electrawinds SE has developed as follows:

	EUR
Balance at January 1, 2010	
Capital increase from IPO (October 20, 2010)	345 000
Balance at December 31, 2010	345 000
Balance at January 1, 2011	345 000
Balance at December 31, 2011	345 000
Balance at January 1, 2012	345 000
Capital increase from the issuing of A shares October 11, 2012	900 170
Capital increase from the issuing of A shares December 20, 2012	57 437
Balance at December 31, 2012	**1 302 608**
Balance at December 31, 2013	**1 302 608**
Balance at December 31, 2014	**1 302 608**
Balance at December 31, 2015	**1 302 608**
Balance at June 30, 2016	**1 302 608**

Treasury shares:

	Number of shares	000€
At December 31, 2010	0	0
At December 31, 2011	0	0
Purchase of treasury shares in the reverse asset acquisition	5 328 608	53 339
At December 31, 2012	**5 328 608**	**53 339**
At December 31, 2013	**5 328 608**	**53 339**
At December 31, 2014	**5 328 608**	**53 339**
At December 31, 2015	**5 328 608**	**53 339**
At June 30, 2016	**5 328 608**	**53 339**

The book value of the treasury shares is deducted from equity. Treasury shares are recognized at cost which is the consideration paid in cash.

19. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities include other (nonbank) debts for €0.8m and mostly relates to the remaining debt resulting from the WCO transaction.

20. FINANCIAL DEBT

'000€	Leasing	Bank debt	Total Non Current Borrowings	Leasing - current portion	Short term bank and other financial debt	Bank debt - current portion	Total Current Borrowings	Total
At December 31, 2015	**3 748**	**8 073**	**11 820**	**169**	**0**	**823**	**992**	**12 812**
Repayments			0	-83		-488	-570	-570
Transfers	-89	-488	-576	89	49	488	626	49
Other movements			0			125	125	125
At June 30, 2016	**3 659**	**7 585**	**11 244**	**175**	**49**	**948**	**1 172**	**12 416**
At December 31, 2014	**3 917**	**9 518**	**13 434**	**158**	**0**	**1 187**	**1 345**	**14 779**
New debts			0			601	601	601
Repayments	-78	-426	-504			-623	-623	-1 127
At June 30, 2015	**3 839**	**9 092**	**12 930**	**158**	**0**	**1 165**	**1 323**	**14 253**

The aggregate financial debt as per June 30, 2016 amounted to €12.4m compared to €14.3m at December 31, 2015.

During the first six months of 2016, the Group repaid €0.5m bank debts and €0.1m leasing debt.

The majority of the covenants are tested at year end, with few tested at half year. The test of the latter were within the required range.

21. DERIVATIVE FINANCIAL INSTRUMENTS

As per June 30, 2016, the outstanding derivative financial instruments represent a liability on the statement of financial position of €1.3m, (June 30, 2015: €1.4m) and increased compared to December 31, 2015 by €0.014m, resulting in a financial gain of €0.014m.

'000€	Fair value December 31, 2015	Divestitures	Change in fair value	Fair value June 30, 2016
Interest rate derivatives	-1 277	0	-14	-1 291
Total	**-1 277**	**0**	**-14**	**-1 291**

Outstanding derivative financial instruments per June 30, 2015 are as follows:

'000€	Fair value December 31, 2014	Divestitures	Change in fair value	Fair value June 30, 2015
Interest rate derivatives	-1 408	0	-6	-1 402
Total	**-1 408**	**0**	**-6**	**-1 402**

The hierarchy of the financial instruments did not change compared to December 31, 2015. For further details about the hierarchy, we refer to the annual report of 2015. The Group did not enter into new derivative financial instruments during the period ended 30 June 2016.

22. OTHER LIABILITIES

Other liabilities decreased by €2.1m compared to 31 December 2015. These liabilities primarily decreased as a result of the earn-out on Refuel for €2.2m

23. LIST OF CONSOLIDATED SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

A. Subsidiaries

Company	Country of incorporation	Ownership June 30, 2016	Ownership December 31, 2015	Segment
Electrawinds SE	LU			DCPM
Electrawinds NV	BE	100,00%	100,00%	DCPM
Greenco NV	BE	100,00%	100,00%	DCPM
Electrawinds Italia SpA	IT	100,00%	100,00%	DCPM
Electrawinds Evolis Biomassa NV	BE	100,00%	100,00%	DCPM
Electrawinds Poland LTD	PL	100,00%	100,00%	DCPM
Electrawinds Pontedera srl	IT	100,00%	100,00%	Wind
SC Electrawinds - RSA	RO	100,00%	100,00%	DCPM
Athmosphère SRL	IT	100,00%	100,00%	DCPM
Electrawinds Shabla South JSCo	BG	100,00%	100,00%	Wind
Chimconsult SRL	RO	100,00%	100,00%	Wind
Electrawinds Shabla JSCo	BG	100,00%	100,00%	Wind
Energo Services CVBA	BE	100,00%	100,00%	DCPM
Electrawinds Vran srl	RO	100,00%	100,00%	DCPM
Electrawinds Genco Biomass srl	RO	75,00%	75,00%	DCPM
Electrawinds Wesley Proprietary Ltd	SA	85,71%	85,71%	DCPM
Electrawinds UK Ltd	GB	100,00%	100,00%	DCPM
Enfinity San Severo srl	IT	75,00%	75,00%	DCPM
Enfinity Alexina srl	IT	75,00%	75,00%	DCPM
Electrawinds Solar srl	IT	100,00%	100,00%	Solar
Caledon Wind Energy Trading Pty Ltd	SA	100,00%	100,00%	DCPM
Reg 4 srl	IT	100,00%	100,00%	Solar

B. Joint ventures

Company	Country of incorporation	Ownership June 30, 2016	Ownership December 31, 2015	Segment
Biomelec SAS	FR	50,00%	50,00%	Bio

24. RELATED PARTIES

The Group's subsidiaries have related party relationships with each other and with the Company. These involve trading and other intra-Group transactions all of which are carried out on an arm's length basis. Related party relations also exist with Board members and managers who have an interest in the equity of the Company. A related party relationship exists with Directors and other senior managers who receive remuneration from the Group.

25. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has loans and other receivables, trade and other receivables, and cash and short-term deposits that are derived directly from its operations. The Group also enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's risk management is coordinated at its headquarters, in close co-operation with the Board of Directors. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

Liquidity risk:
Liquidity risks arise where payment obligations cannot be fulfilled or refinanced, can only be partially fulfilled, or become overdue due to a lack of liquidity.

Within a 12-month period following the reporting period, debt maturities fall due for a total principal amount of €4.3m (December 31, 2015: €4.7m) at consolidated Group level. On the balance sheet date, current assets of €5.1m exceed current liabilities of €4.3m by €0.8m.

Through the execution of the reorganization plans, the Electrawinds Group as well as the Company have been able to secure their continuity and diminish its liabilities in a significant manner. In particular the Group holding companies have been able to extinguish their financial debt. The Company shall further focus on optimizing the remaining assets in its portfolio, with the determination of the usage of the proceeds through earn-outs to be further set forth in 2016 and through carefully planned and to be approved divestments for further debt reduction and general corporate purposes.

Given the above, it is the Board's assessment that the current and reasonably expected future results of these actions, should allow the Company to continue as a going-concern and control the liquidity risk.

26. CONTINGENT ASSETS AND LIABILITIES

The Group is involved in a number of claims and legal proceedings with various suppliers related to damages.

Barry Callebaut Belgium nv has initiated legal proceedings before court against Electrawinds NV for the non-execution of a biomass project. The total claim amounted to €11.6m (excluding interest since 4/02/2009). During 2012, the court rejected the claim of Barry Callebaut Belgium NV, but they appealed. The claim of Barry Callebaut was afterwards increased up to €14.5m (excluding legal interest since 4/02/2009). On 14 December 2015 the court determined the valid claim to amount to €0.3m which will be payable similar to other pre-WCO debt meaning that the actual amount of the liability will be reduced to €0.1m. An accrual has been accounted for per June 30, 2016 for this amount.

Best Consulting Solutions SRL initiated legal proceedings before court against Electrawinds NV. BCS SRL claims a total amount of €0.8m or 1.5% of the total investment in the transaction between Electrawinds NV and ECT. On 2 October 2015 the court determined the valid claim to be €0.025m. BCS agrees with this decision. An accrual has been accounted for per June 30, 2016 for this amount.

Clifford Chance initiated a claim amounting to €0.4m against Electrawinds NV as a result of its disapproval of the WCO reorganization plan and its resulting debt haircut of 38% of the face value of all outstanding payables. During 2016 the commercial court ruled in favor of Clifford Chance requiring the Group to pay an amount of €233k plus interest. This liability has been settled on 28 June 2016. The remaining outstanding debt to Clifford Chance amounts to €45k an represents the debt still payable under the WCO procedure.

The Group is involved in legal proceedings regarding the termination of an employee in Electrawinds Italy. The amount claimed by the counterparty amounts to €0.13m, the Group deems a negative outcome as not probable.

In June 2015 Electrawinds NV initiated a claim towards Elicio NV for non compliance with certain obligations resulting from the asset transfer agreement concluded on May 27, 2014. The initial claim amounts to €0.9m and represents the estimated damages incurred by Electrawinds NV under the agreement. On its turn Elicio NV has filed a counterclaim in the amount of €0.04m for operating charges incurred. On June 1, 2016 a court proceeding was initiated by the Group for the claim amount mentioned above. The Group estimates that any financial adverse effects are not probable.

In addition to the above mentioned proceedings, the Group is subject to other claims and legal proceedings incidental to the normal conduct of its business. Management considers these claims to be unjustified and the probability that they will require settlement at the Group's expense to be remote. This evaluation is consistent with external independent legal advice. Therefor no provisions have been made.

Further information on these contingencies is omitted so as not to prejudice the Group's position in related disputes.

27. OFF BALANCE SHEET COMMITMENTS

In the context of project finance arrangements, it is customary to grant securities over the project's assets and material contracts, often complemented by a share pledge over the shares of the project company. In this respect the assets owned by project companies in the Wind, Bio and Solar segment are pledged to project financiers. As a result, the entirety of the Group's assets had been pledged in favor of the group's senior and subordinated lenders on project and holding level.

28. EVENTS AFTER THE REPORTING PERIOD

We refer to the management report for a description of all post balance sheet events.

29. RESPONSIBILITY STATEMENT

In accordance with article 4(2) of the Luxembourg law of January 11, 2008 relative aux obligations de transparence concernant l'information sur les émetteurs dont les valeurs mobilières sont admises à la négociation sur un marché réglementé (the 'Transparency Law') the undersigned confirm that to the best of their knowledge, the condensed set of financial statements covering the period ended June 30, 2016, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the undertakings included in the consolidation taken as a whole as required under article 4(3) of the Transparency Law. Furthermore, the undersigned confirm that to the best of their knowledge, the interim management report covering the period ended June 30, 2016 includes a fair review of important events that have occurred during the first six months of the current financial year, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties that it faces.

Luxembourg, August 31, 2016

On behalf of the Board of Directors of Electrawinds SE

PDS Consulting BVBA, represented by
Mr. Paul Desender, Chairman a.i.

Clercus BVBA, represented by Mr. Guy De Clercq,
Director

More financial info

Electrawinds SE
51, Boulevard Grande Duchesse Charlotte
1331 Luxembourg

investor.relations@electrawinds.eu

www.electrawinds.be
ewi.electrawinds.eu