ANNUAL ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2014

Electrawinds SE – Société Européenne

51 Boulevard Grande Duchesse Charlotte

L-1331 Luxembourg

RCS Luxembourg: B 155.076

Share capital: €1.302.608

TABLE OF CONTENTS

RESPONSIBILITY STATEMENT

In accordance with Article 3(2) c) of the Transparency Law the undersigned confirm that, to the best of their knowledge, the Annual Accounts in accordance with Luxembourg Law give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company. The undersigned further declare that, to the best of their knowledge, the Management Report includes a fair review of the development and performance of the business and the position of the Company, together with the description of the principal risks and uncertainties it faces.

Luxembourg, December 31st, 2015

On behalf of the Board of Directors
Electrawinds SE

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

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

MANAGEMENT REPORT OF ELECTRAWINDS SE

ELECTRAWINDS SE GROUP

This management report shows the stand alone annual accounts of the financial year ending 31 December 2014 for Electrawinds SE.

Electrawinds SE (hereafter the "Company" or "Electrawinds") is a Company incorporated as a Sociéte Européenne under the law of Luxembourg and is listed in the regulated market on the Prime Standard of the Frankfurt Stock Exchange (WKN: A1C4HF – ISIN: LU0538936351). The Company's address is 51 Boulevard Grande Duchesse Charlotte; L-1331 Luxembourg.

Electrawinds SE is a holding company and holds a group of subsidiaries in the energy industry operating green energy production facilities. For further detail in relation to the subsidiaries, please refer to the consolidated annual accounts 2014.

STRATEGIC POSITIONING

The Company's purpose is the creation, holding, development and realization of a portfolio consisting of interests and rights of any kind and of any other form of investment and entities in Luxembourg and other foreign countries, whether such entities exist or are able to be created, especially by way of subscription, acquisition by purchase, sale or exchange of securities or rights of any kind, such as equity instruments or debt instruments.

The main objective of Electrawinds SE is to hold directly or indirectly operating subsidiaries and projects entities, wherein Electrawinds SE, directly or indirectly, has a majority of the voting rights and is able to govern financial and business policies.

For further details please refer to the consolidated annual report 2014 and the consolidated articles of association under http://ewi.electrawinds.eu/articles-of-association.asp.

FUTURE OBJECTIVES

As the Electrawinds SE legal parent, the Company is to remain and act as the holding Company listed on the regulated market of the Frankfurt Stock Exchange.

MAJOR EVENTS DURING THE REPORTING PERIOD

As of the date of this report (31 December 2015), material uncertainty exists on the application of the going concern assumption for Electrawinds SE, through several of its direct or indirect subsidiaries, including Electrawinds NV, in which Electrawinds SE holds 100% of the shares.

The major events listed below started unfolding throughout fiscal year 2013 and continued to affect the financial position and operations of the Electrawinds Group throughout the reporting period ended December 31, 2014. The rundown of these events is recapped below and mainly relates to asset divestments, debt- and cost reduction actions implemented in order to provide the necessary liquidity to continue as a going concern.

On 9 December 2013 the Board of Directors decided to apply for a judicial reorganization for Electrawinds SE and Electrawinds NV, the latter being a subsidiary of the Company and its most significant investment, under the law of 30 January 2009 (Wet Continuïteit Ondernemingen / Loi Continuité Entreprise, 'WCO') and a filing was made in this respect.

On 26 December 2013 the court decided to grant protection against creditors for a period of 3 months till 27 March 2014 in order to work out a reorganization plan which had to be submitted by 20 February 2014. This reorganization plan was rejected.

Biostoom transaction

- On 20 January 2014 the Board of Directors approved the offer of Bionerga to divest its 80% stake in Electrawinds Biostoom NV for €37.5m. As divestment proceeds were pledged to the senior creditors, an agreement had to be reached with the senior creditor in order to avoid that all proceeds would be used for senior debt reimbursement (as a consequence of the default & acceleration situation). These proceeds were used to repay the €10m Vlaamse Energieholding (V.E.H.) bridge loan facility, substantially reduce the 4 bank credit facilities of Electrawinds NV with the remainder of €3.75m left to fund the operational expenditures until the end of the WCO-period.

Zelena transaction

- On 28 February 2014 Electrawinds NV divested its stake (64%) in Energo Zelena a 150k ton rendering facility in Serbia, to Saffelberg Investments against the transfer of a related credit facility and guarantees. This transaction comprised of the entities Energo Zelena d.o.o., Zelena NV and Electrawinds BV.

Other major events

- On 25 March 2014 the commercial Court approves the extension of protection against creditors with 1 month.
- On 27 March 2014 a new reorganization plan based on a Tecteo proposal and related agreements with the different stakeholders is filed. This plan is submitted to a vote amongst creditors on 17 April 2014.

Tecteo / Elicio transaction

- On 22 April 2014 the Commercial Court confirms the positive vote of 17 April 2014 and hereby validates the reorganization plan referred to above.
- On 28 May 2014, after appeal periods have ended, legal closing takes place with the signing of an Asset Transfer Agreement which transfers certain assets & liabilities from Electrawinds NV and Electrawinds SE to Elicio NV, the NewCo incorporated by Tecteo in this respect. In accordance with Belgian law part of this agreement needed to be further formalized as a transfer of branch, certain employees included.
- On 14 July 2014 the transfer of branch from the NV Electrawinds to Elicio NV is formalized. As a result of this judicial reorganization Electrawinds NV has transferred a large part of its wind assets and projects in development in Belgium, France, Kenya and 1 wind project in Romania - with a full or partial ownership in subcompanies representing a capacity of 166 Gross MW installed - and a large amount of liabilities to the newly created entity, Elicio NV, which is part of the Belgian Tecteo Group, as well as certain employees.

WCO transaction

- In addition to the reduction of the financial debt of Electrawinds NV, its trade payables were reduced under the WCO procedure. These can be summarized as follows:
    - Repayment of trade payables towards ordinary creditors at a rate of 38% of the total outstanding amount and the repayment of payables towards SPVs of the total outstanding amount at a rate of 15%, for a total amount of €4.5m (€1.5m after WCO), repayable in five annual installments starting on 15 December 2014 until 15 December 2018 (€312.830 per year).

- Part of the trade payables in respect of the SPVs was transferred to Elicio NV.

- Similarly, supplier debt of Electrawinds SE was reduced as part of the WCO procedure to 50% of the initial outstanding amount leaving €82k to be repaid in five annual installments starting on 15 December 2014 until 15 December 2018 (€16k per year).

BioPower transaction

- On 29 October 2014 an agreement was signed in relation to the sale of the whole bioliquids segment of the Group to the Biopower Holding, a Company incorporated under the laws of the Grand Duchy of Luxembourg and controlled by Mr. Bertrand Bornhauser, the controlling shareholder of Mindest Holding, a Company organized under the laws of Switzerland having its registered office at Chemin du Foron 16, CH-1226 Thonex. The bioliquids segment consists of:
  - Electrawinds-Biomassa NV;
  - Electrawinds Storage NV;
  - Electrawinds Biomasse Mouscron SA;
  - 70% of the shares in Electrawinds Refuel B.V., together with 100% of the shares in its fully owned subsidiary Electrawinds Greenfuel B.V.;
  - 20% of the outstanding sharecapital in AD Biodiesel SAS;
  - 50% of the shares of Electrawinds Greenpower Oostende SA.

Evolis Wind transaction

- On 15 December 2014 the Electrawinds NV transferred its 100% stake in Evolis Wind NV to Saffelberg following the closing of the share transfer agreement entered into on 23 May 2014 between both parties.

The main consequence of the reorganization plan and relating WCO procedure (see infra) is the significant reduction in Electrawinds NV's external financial debt from €133.9m as of 31 December 2013 to just €1.3m after completion of the judicial reorganization. This reduction in external financial debt of approximately €133m is realized as follows:

- Repayment on February 4, 2014 of financial debt following the sale of Electrawinds Biostoom NV to Bionerga NV as mentioned above for an amount of €33.8m, including a transfer of €10.5m (due to Vlaamse Energie Holding NV).
- Reimbursement on February 22, 2014 of financial debt to KBC Bank related to the sale of the Zelena activities mentioned above for an amount of €8.8m.
- Transfer on 28 May 2014 of financial debt to Elicio related to the sale of the wind energy activities as mentioned above for an amount of €90.4m, broken down as follows:
  - €13.9m debt towards senior creditors (KBC Bank, ING Belgium, Fortis and Belfius Bank), transferred.
  - €15.3m debt towards Groenkracht CVBA, transferred.
  - €49.7m debt (incl. interest) towards DGInfra + / GIMV.
  - €11.3m debt (incl. interest) towards PMV, transferred.
  - €0.2m leasing debts to Belfius Lease Services, transferred.
- The remaining amount of bank debt of €1.3m was further reduced in agreement with the banks to an outstanding balance of €1m, which has been paid in two installments, on or around 30 September 2014 and 31 March 2015.

Similar to Electrawinds NV, Electrawinds SE (the Company) entered into a judicial reorganization allowing it to waive its outstanding financial debt payable to FPIM NV of €2.5m and obtain a waiver for the remaining financial debt of €1.25m payable to Groenkracht CVBA, following the divestment of the Wind activities of the Electrawinds Group.

The external debt held by the SPV's was also transferred to the new owners resulting in an additional decrease in the overall financial debt.

POST BALANCE SHEET EVENTS

South-Africa and Indian Ocean Islands

- After a careful due diligence and negotiations with several interested parties, a share purchase agreement has been signed on 1 November 2015 between Electrawinds NV and the South-African company Tombolo Energy (Pty) Ltd. for the sale of 100% of the shares of Electrawinds Africa and Indian Ocean Islands (Pty) Ltd. (100% owned by Electrawinds NV). There are no conditions precedent to be fulfilled. The share purchase agreement comprises the operational wind project of 1.8MW (1 wind turbine type Vestas) in Port Elisabeth and 100% of the shares of Electrawinds Coega (Pty) Ltd., Electrawinds Coega Sonop (Pty) Ltd. and Seweco (Pty) Ltd.
  Initially, the board of directors had, based on prior negotiations with different parties, approved a sales price of €1.1m. For all shares of Electrawinds' South-African holding company, Tombolo Energy (Pty) Ltd. will pay 40.000.000 ZAR, or, at an exchange rate of ZAR/EUR 15,5, €2.580m with first installments 9 December 2015 (already paid) and a second installment per 15 January 2016.

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. (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.

- 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:
  - Remaining income from the sale of the shares of the South African wind activities;
  - Expected income from the earn-out of project Blacksmith for €0.3m;
  - Expected income from the earn-out of project Mkuze SA for €1.0m;
  - 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.

ASSESMENT OF GOING CONCERN

Via the execution of the above 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.
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.

FUNDAMENTALS OF ELECTRAWINDS SHARES

Capital Markets information / Investor Relations

Introduction

The reverse asset acquisition which closed on October 11, 2012 resulted in a listing for Electrawinds on the Prime Standard segment on the Frankfurt Stock Exchange ("FSE"). Prior to that date, European CleanTech I SE (renamed into Electrawinds SE) was a listed 'special purpose acquisition company' with the sole purpose of merging with an operating business active in cleantech. This process was approved during an EGM held on September 28, 2012 and closed in October. In order to reflect this new structure for the existing and prospective shareholders of European CleanTech I SE, several initiatives have been taken; including:

- Establishment of an investor relation function within Electrawinds and the creation of a dedicated investor relations mailbox, investor.relations@electrawinds.eu, to interact with investors:
- Creation of a website, ewi.electrawinds.eu, as a platform to share information with (prospective) investors:
- Approval by an EGM held on December 20, 2012 to change the name of the company from European CleanTech I SE into Electrawinds SE
- At the same time, the ticker symbol has been changed from ECT to EWI
- The publication of an Investor Presentation at the occasion of a Analyst Meeting held on December 13, 2012. As of the date of this report, we are not aware of any sell-side equity analyst publishing broker notes on Electrawinds SE.

Throughout the course of 2016 further efforts will be undertaken to fulfill the ongoing requirements as an issuer listed on the Prime Standard segment of the Frankfurt Stock Exchange which requires the highest level of transparency.

Outstanding securities

As of the date of this report and further detailed in the table below, the Company has the following outstanding securities:

- Shares:

- 52,358,651 Class A shares outstanding, of which 5,328,608 shares are held as treasury shares.
- 1,916,667 Class B shares which are convertible into Class A Shares under certain conditions and which have limited economic rights if not converted into A-Shares as explained in note 25 of the financial consolidated statements.

- Warrants:
  - 11,500,000 Class A Warrants with an exercise price of €11.5
  - 972,906 Class B Warrants with an exercise price of €11.5

Shares outstanding of the Company [a]	31/12/2015
A-Shares (excl. treasury shares)	47.030.043
B-1 Shares [b]	
B-2 Shares [b]	958.333
B-3 Shares [c]	958.334
Total Shares outstanding	**48.946.710**
A-Shares held as treasury shares	5.328.608
Total incl. treasury shares (voting rights denominator)	**54.275.318**

a) Each share entitles the holder thereof to one vote

b) Converted upon the consummation of the Business Combination

b) Convertible into A-shares at a Trigger Price of €11.00

c) Convertible into A-shares at a Trigger Price of €12.00

Trigger Price: Volume-weighted average public share price, on 20 out of 30 consecutive trading days equals or exceeds €11.00 and €12.00 respectively

Warrants outstanding of the Company [a]	31/12/2015
Class A Warrants	11.500.000
Class B Warrants	972.906
Financial Warrants [b]	
ESOP Warrants [b]	
Total Warrants outstanding	**12.472.906**

a) Assuming cashless conversion; Strike-price €11.50; Cap €17.00

b) Warrants issued by Electrawinds NV, but the underlying security acquired upon the exercise of the warrant is exchangable into Class A-shares of the Company. The warrants have expired in the course of 2013.

As on the date of this report only 11,500,000 Class A shares as well as 11,500,000 Class A warrants are admitted for trading. Preparations have been initiated during 1H2013 to file a listing prospectus in order to request a listing on the Frankfurt Stock Exchange for the other 40,858,651 Class A shares, but this operation has not been finalized as this operation was linked to the capital reinforcement.

A-Shares issued by the Company	
Shares out. & admitted for trading	7,129,725
Shares out. & not yet admitted for trading	39,900,318
Subtotal: A-Shares outstanding	**47,030,043**
Treasury shares & admitted for trading:	4,370,275
Treasury shares & not yet admitted for trading:	958,333
Total	**52,358,651**

The securities admitted for trading have the following details:

	Class A Shares	Class A Warrants
Ticker	EWI	EWIW
WNK	A1C4HF	A1E016
ISIN	LU0538936351	LU0538952044
#of securities adm for listing	11’500’000	11’500’000
Stock market segment	Regulated market Prime Standard	
Listing venue	Frankfurt Stock Exhange	
Designated Sponsor	Close Brothers Seydler Bank	
Specialist	Baader Bank	

Shareholder Structure

Directors and shareholders owning at least 5% of the voting rights, are required to notify this to the Company. The notifications received by the Company and published on ewi.electrawinds.eu have been summarized in the table below:

Shareholder Electrawinds SE	A Shares	B Shares	Total voting rights	% of Total voting rights
Winpar NV (see note #1)	14 684 353		14 684 353	27,06%
Luc Desender & Dominique Decoster	3 065 554	183 300	3 248 854	5,99%
Altizz Vermögensverwaltungsgesellschaft GmbH & Co.KG	0	81 326	81 326	0,15%
European CleanTech I Holding S.à.r.l.	889 607	66 960	956 567	1,76%
Federale Participatie - en Investeringsmaatschappij NV	3 105 127	44 000	3 149 127	5,80%
Belfius Bank	1 700 163		1 700 163	3,13%
Paul Vandekerckhove & Beatrice Steverlynck	1 829 446		1 829 446	3,37%
Mannheims Beteiligungs GmbH	0	34 854	34 854	0,06%
Paul Desender & Patricia Callewaert	325 022	889 606	1 214 628	2,24%
Subtotal of shareholders who have submitted a voting rights notification	25 599 272	1 300 046	26 899 318	49,56%
Other shareholders	13 225 299	97 000	13 322 299	24,55%
Total # of voting rights excl.Treasury shares)	38 824 571	1 397 046	40 221 617	
Electrawinds SE (formerly European CleanTech I S.E.) - Treasury shares	13 534 080	519 620	14 053 700	25,89%
Total # of voting rights	52 358 651	1 916 666	54 275 317	100,00%
of which admitted on the Frankfurt Stock Exchange	11 500 000		11 500 000	

RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

RESULTS OF OPERATIONS

Electrawinds SE, as a holding company, is subject to operating expenses and does not have any sales profit. Other operating income amounted to €3.8m which mainly consists of debt waivers in the reorganization plan that was approved on April 22nd 2014. First, Groenkracht CVBA has waived its receivable of €1.250m plus interest on the Company. Second, the €2.500m loan from Federale Participatie en Investeringsmaatschappij NV, plus interest, was waived as part of the divestment of the Wind activitities of the Electrawinds Group. Third, an amount of €161k supplier debt was waived for 50%, resulting in a gain for the Company of €81k. Finally a receivable of €290k on Electrawinds NV was accounted for.

Charges for the Company were attributable to rent of offices space, costs in connection with legal publications, D&O insurances and travel expenses.

An impairment loss of €0m (2013: €455.7m) was accounted for on the shares of the affiliated undertakings. An impairment was accounted for on the receivables of affiliated undertakings for an amount of €0.3m (2013: €3.5m).

The revaluation of A Warrants (€0m) (2013: €1.6m), interest income on the intercompany loan to Electrawinds NV €0.3m (2013: €0.2m) and interest charges of €0.1m (2013: €0.2m) resulted in a positive financial result of €0.2m (2013: €1.6m).

The net result amounted to €3.3m (2013: €457,9m).

BALANCE SHEET POSITION

Total assets are amounting to €0.1m compared to €0.2m in 2013. Financial debt and accrued interest charges decreased with €3.8m and €0.2m due to the debt waiver in the reorganization plan of 22 April 2014. The increase in the other current liabilities mainly results from an increase in the current account payable towards Electrawinds NV and an accrual for taxes payable.

EMPLOYEES

As at December 31, 2014 there are no employees in the Company.

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.

The financial investment in Electrawinds NV has been fully impaired in the Electrawinds SE annual accounts per year-end 2013. The historical acquisition cost of €455.7m is composed as follow:

- Contribution in kind on 11/10/2012 for a total value consideration of €375m plus €14.6m against cash payment for 94,2% of Electrawinds' NV outstanding shares.

- Contribution in kind on 20/12/2012 for a total value consideration of €23.9m for 5,8% of Electrawinds' NV outstanding shares.

and

- Capital increase on 26/10/2012 by Electrawinds SE in Electrawinds NV for an amount of €42.1m.

Based on the above transactions the total carrying value per end of 2014 of the financial investments for 100% shareholding in Electrawinds NV amounts to €0 (2013: €0). As Electrawinds NV is the operational holding of the Electrawinds SE Group holding all operational and development assets, one can also compare the carrying value of the financial investment in Electrawinds NV to the market capitalization of Electrawinds SE. Based on the closing share price of 2014, the market capitalization amounted to €42m (2013: €43m).

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

EXPECTED DEVELOPMENT

Outlook y2015 – H1 2016

Via the execution of the reorganization plan Electrawinds has been able to secure its continuity and diminish its liabilities in a significant manner.

Electrawinds shall further focus on carefully selected core markets and optimize the remaining assets in its portfolio, with the determination of the usage of the proceeds resulting from the income out of earn-outs that are further to be set forth in H1 2016 for further debt reduction and general corporate purposes and Electrawinds shall continue to follow this course during the following months.

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

Electrawinds SE recognizes the importance of, and is committed to, high standards of corporate governance.

Electrawinds' corporate governance covers the organization of the control and management of the Group. The term is also used in a narrower sense, to refer to the relationship between shareholders and management, and in particular the operation of the Company's board. Electrawinds has developed an effective model of corporate governance that enables the Company to take advantage of opportunities that may arise, whilst at the same time instituting the necessary controls over the associated risks. The rules and standards of corporate governance are considered to be important factors in the creation of prosperous market economies.

The main characteristics of the Company's internal control and risk management systems can be found in the Consolidated Annual accounts.

TAKE OVER LAW

The following disclosures are made in compliance with Article 11 of the Luxembourg Act of May 19, 2006 (the "Takeover Law")

Shares

The Company's issued share capital is amounting to €1.3m represented by 54,275,318 shares as set out below:

Class of shares	Number of shares	%
Class A	52,358,651	96.47%
Class B2	958,333	1.77%
Class B3	958,334	1.77%
Total	**54,275,318**	**100.00%**

11,500,000 Class A shares are listed on the regulated market of the Frankfurt Stock Exchange of which 5,328,608 Class A shares are held by the Company as treasury shares.

The Class B2 and Class B3 shares are automatically converted into Class A shares when the conditions as set out in article 17 of the Coordinated Bylaws of December 21, 2012 are fulfilled. A copy of the articles of association can be found on http://ewi.electrawinds.eu/articles-of-association.asp

Rights attached to shares

Each Share entitles the holder thereof to one vote.
All Shares carry equal rights as provided for by Luxembourg Law and as set forth in the Articles, including rights to receive dividends (if declared) or liquidation proceeds. However, each Class A Share is entitled to the same fraction of (and the Class B Shares are entitled to none of) any dividend distribution in excess of EUR 0.01. (Article 29)

In accordance with the Luxembourg Law of January 11, 2008, as amended (the "Transparency Law"), holders of voting rights in the Company are required to notify the Company and the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) without undue delay, and no later than within four trading days, of the level of their holdings if they reach or pass certain downward or upward thresholds. The thresholds, as set out in Article 8 of the Transparency Law, are 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% and 66 2/3% of the Shares. The notification obligation also applies in defined cases in which a person is entitled to acquire, dispose of or exercise voting rights, as set out in Article 9 of the Transparency Law.

Restriction on voting rights

Each share issued and outstanding in Electrawinds SE represents one vote.
The Articles do not provide for any voting restrictions. Shareholder votes are exercisable by the persons who are shareholders on the record date as further set out in Article 8.4 of the Articles, and proxies must be received by the Company a certain time before the date of the relevant shareholder meeting, as set out in Article 12 of the Articles. In accordance with the Articles, the Company's Board of Directors may determine such other conditions as must be fulfilled by shareholders who take part in any meeting of shareholders in person or by proxy.
The Company recognizes only one holder per Share. In case a Share is owned by several persons, they must designate a single person to be considered as the sole owner of such Share in relation to the Company. The Company is entitled to suspend the exercise of all rights attached to a Share held by several owners until one owner has been designated.
In accordance with Article 28 of the Transparency Law, the exercise of voting rights related to the Shares exceeding the fraction that should have been notified under the respective provisions is suspended. The

suspension of the exercise of voting rights is lifted the moment the shareholder makes the relevant notification.

Special control rights

There are no special control rights attaching to any of the shares, other than in respect to the declaration of dividend and interim dividend as set out in Article 29 and Article 30 of the Articles of Association.

Share transfer restrictions

The Class B2 and B3 shares are subject to restrictions as set out in Articles 17 and 18 of the Articles of Association.

Contractual transfer restrictions

Other than the provisions set out in Article 8 of the articles of association, Electrawinds SE is not aware of any factors, including agreements between shareholders, which may result in a restriction on the transfer of securities or voting rights.

Significant shareholdings

The details of the shareholders holding 5% or more of the shares as notified to Electrawinds SE are published under the voting rights notification on the investor relations website, http://ewi.electrawinds.eu/voting-rights-notifications.asp. Furthermore the Company holds 5,328,608 Class A shares, or 9.82% of the total outstanding shares, as treasury shares.
The current major shareholders known to Electrawinds SE are set out as below:

Shareholder Electrawinds SE	Amount of shares notified	%
Winpar NV	14 684 353	27,06%
Luc Desender & Dominique Decoster	3 248 854	5,99%
Federale Participatie- en Investeringsmaatschappij NV	3 149 127	5,80%
Treasury Shares	14 053 700	25,89%

System of control of the employee share scheme where control rights are not exercised directly by the employee

Electrawinds SE does not currently operate such employee share scheme.

Appointment of Board Members, Amendments to the Articles of Association

The appointment of Board members are subject to Luxembourg law and Articles 21 and 22 of the Articles of Association. The Articles are amended in accordance with Luxembourg law and Article 14 of the Articles.

Powers of the Board of Directors

The Board of Directors is vested with the broadest powers to take any actions necessary or useful to fulfill the Company's corporate object, with the exception
of the actions reserved by law or by regulation or the Articles to the general meeting of shareholders.
The Board of Directors is authorized to issue Class A Shares and Class B Shares regardless of whether such Shares are paid for in cash or in kind, to grant options to subscribe for Shares and to issue any other instruments convertible into Shares within the limit of the authorized share capital of the Company, to such

persons and on such terms as the Board sees fit, and specifically to proceed to such issue without reserving a preferential subscription right for the existing shareholders during a period of time of five years from the date of publication of the resolution of the exceptional general meeting of shareholders taken on December 20, 2012 in Luxembourg.

The effect of a takeover bid on significant agreements

Electrawinds SE is not party to any significant agreement which takes effect, alters or terminates upon a change of control of the Company following a takeover bid.

Agreements with Directors and employees

No agreements exist between Electrawinds SE and its Board of Directors or employees that provide for compensation if the Board members or employees resign or made redundant without valid reason, or if their employment ceases due to a takeover bid for the Company.

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

The publication of the outstanding financial statements Q4 2014 are targeted by the 31st of January 2016 and the financial statements in relation to Q1 and H1 2015 are targeted by the 31st of March 2016.

After the publications mentioned above the Company will be entirely up to date in relation to the publication of financial statements.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

A. The following standards and interpretations became applicable for the annual period beginning on 1 January 2014:

- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 *Disclosure of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 27 *Separate Financial Statements* (2011) (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 *Investments in Associates and Joint Ventures* (2011) (applicable for annual periods beginning on or after 1 January 2014)
- *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* (applicable for annual periods beginning on or after 1 January 2014)
- IFRIC 21 *Levies* (applicable for annual periods beginning on or after 17 June 2014)
- Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* (applicable for annual periods beginning on or after 1 July 2014)
- Annual Improvements 2010-2012 Cycle (applicable for annual periods beginning on or after 1 July 2014)
- Annual Improvements 2011-2013 Cycle (applicable for annual periods beginning on or after 1 July 2014)

The IFRS accounting standards adopted as from 2014 did not have a material impact on the annual accounts.

B. The following new standards and interpretations which have been issued but have not yet come into effect at the date of approval of these annual accounts were not applied by the Group prospectively to the 2014 financial year:

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* (applicable for annual periods beginning on or after 1 February 2015)
- Annual Improvements 2010-2012 Cycle (applicable for annual periods beginning on or after 1 February 2015)
- Annual Improvements 2011-2013 Cycle (applicable for annual periods beginning on or after 1 January 2015)
- Annual Improvements 2012-2014 Cycle (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* (applicable for annual periods beginning on or after 1 January 2016)

- Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 *Presentation of Financial Statements* (applicable for annual periods beginning on or after 1 January 2016)
- IFRS 9 *Financial Instruments* (applicable for annual periods beginning on or after 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (applicable for annual periods beginning on or after 1 January 2018)

These improvements are effective for annual periods beginning on or after 1 January 2015.

Management is currently assessing the impact of these new pronouncements.

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014

Electrawinds SE			
'000€	**Notes**	**December 31, 2014**	**December 31, 2013**
Other operating income		**3 813**	**0**
Total operating revenue		**3 813**	**0**
Administrative expenses		**-324**	**-220**
Employee benefits		**0**	**-2**
Depreciation, amortisation & impairments	9	**-277**	**-459 251**
Provisions		**-41**	**0**
Total operating costs		**-642**	**-459 473**
Operating result		**3 171**	**-459 473**
Other financial charges	3	**-75**	**-203**
Other financial income	3	**277**	**1 790**
EBT (earnings before taxes)		**3 373**	**-457 886**
Income taxes		**-62**	**-12**
Result for the year		**3 311**	**-457 898**
Attributable to:			
Owners of the parent		3 311	-457 898
Non-controlling interests		0	0
Earnings per share in €	5		
Basic earnings per share		0,068	-9,355
Diluted earnings per share		0,054	-7,481

The accompanying notes form an integral part of the annual accounts

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31

Electrawinds SE			
'000€	**Notes**	**December 31, 2014**	**December 31, 2013**
Result for the period		3 311	-457 898
Total comprehensive income for the period		**3 311**	**-457 898**
attributable to:			
Owners of the parent		3 311	-457 898
Non-controlling interests			

The accompanying notes form an integral part of the annual accounts

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31

Electrawinds SE			
'000€	**Notes**	**December 31, 2014**	**December 31, 2013**
Total non-current assets			
Shares in affiliated undertakings	4		
Total current assets		**51**	**212**
Other receivables		51	50
Prepaid expenses and accrued revenues			157
Cash and cash equivalents			5
Total assets		**51**	**212**
Equity and liabilities			
Equity attributable to the owners of the parent			
Share capital		1 303	1 303
Share premium		504 855	504 855
Retained earnings		-453 595	-456 906
Treasury shares		-53 339	-53 339
Equity attributable to the owners of the parent		**-776**	**-4 087**
Non-controlling interests			
Total equity	**6**	**-776**	**-4 087**
Total non-current liabilities		**156**	**115**
Other non-current liabilities		**156**	**115**
Other liabilities	7	115	115
Provisions		41	
Total current liabilities		**670**	**4 184**
Other current liabilities		**670**	**4 184**
Financial debt	8		3 750
Trade payables		133	96
Other liabilities		537	143
Accruals and deferred revenues			195
Total equity and liabilities		**51**	**212**

The accompanying notes form an integral part of the annual accounts

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31

Electrawinds SE Statement of changes in equity 000€	**Note**	**Share capital**	**Share premium**	**Retained earnings**	**Treasury shares**	**Total attributable to owners of parent**	**Total equity**
Balance at January 1, 2013		**1 303**	**504 855**	**993**	**-53 339**	**453 811**	**453 811**
Result of the period				-457 898		-457 898	-457 898
Balance at December 31, 2013		**1 303**	**504 855**	**-456 906**	**-53 339**	**-4 087**	**-4 087**
Result of the period				3 311		3 311	3 311
Balance at December 31, 2014	**6**	**1 303**	**504 855**	**-453 595**	**-53 339**	**-776**	**-776**

The accompanying notes form an integral part of the annual accounts

STATEMENT OF CASH FLOWS

000€	Notes	December 31, 2014	December 31, 2013
Operating activities			
Profit before taxation for the year		3 311	-457 886
Adjustments for:			
Change in fair value of financial liabilities	3/7	0	-1 610
Depreciations, amortizations and impairments	9	277	459 251
Share based payment transaction expense		0	2
Other		157	0
Interest income from financial assets	3	-277	180
Interest charges from financial assets	3	75	-194
Provisions		41	0
Taxes		62	0
Deferred tax liability		0	-41
Gain on debt restructuring		-3 813	0
Subtotal		**-167**	**-298**
Decrease/(Increase) in trade and other receivables		0	-3 732
(Decrease)/Increase in trade and other payables		166	187
Cash generating from/(used) in operations		**-1**	**-3 843**
Income tax paid		-4	-4
Net cash from/(used) in operating activities		**-5**	**-3 847**
Cash flows from investing activities		**0**	**0**
Change in financial debt	8	0	3 750
Cash flows from financing activities		**0**	**3 750**
Net increase/(decrease) in cash and cash equivalents		-5	-97
Cash and cash equivalents at the beginning of the period		**5**	**102**
Cash and cash equivalents at the end of the period		**0**	**5**

The accompanying notes form an integral part of the annual accounts

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation

Electrawinds SE is a company incorporated as a Sociéte Européenne under the law of Luxembourg and is listed in the regulated market on the Prime Standard of the Frankfurt Stock Exchange (WKN: A1C4HF – ISIN: LU0538936351). The Company's address is 51 Boulevard Grande Duchesse Charlotte; L-1331 Luxembourg. Electrawinds SE is the holding company of the Electrawinds Group which operates in the clean energy sector. This report presents the stand alone accounts of the financial year ending on the 31st of December 2014.

The presentation currency is in EUR, the level of rounding in the presentation of amounts is in thousands of EUR.

The annual accounts of the Company are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted for use in the European Union. All standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) effective year end 2014 and adopted by the European Union are applied by Electrawinds SE.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors of the Company to exercise its judgment in the process of applying the accounting policies.

The Board of Directors of the Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
The annual accounts have been prepared in accordance with the valuation rules and accounting policies described below.

Going concern

We have assessed the appropriateness of our use of the going concern assumption in the preparation of the annual accounts, taking into account the 12 month period starting from the approval of the annual accounts by the Board of Directors held on 30 June 2015. The going concern assessment of the Company which main asset is its 100% holdings in the share capital of Electrawinds NV, depends on the going concern perspectives of this subsidiary and consequently of the Electrawinds Group.

As at 31 December 2014, the main subsidiary of the Company, Electrawinds NV, has incurred a net gain for the year of €52.706m. As at 31 December 2014, Electrawinds NV's shareholders' equity amounts to €9.358m. These figures are based on the unaudited stand-alone financial statements of Electrawinds NV.

During December 2013, the Company has applied for protection against its creditors and has filed a judicial reorganization plan (the Belgian equivalent to Chapter 11 in the USA) for both Electrawinds SE and its subsidiary Electrawinds NV. This plan was ultimately approved by the majority of the creditors on 17 April 2014 and the Commercial Court in Ostend has validated this plan on 22 April 2014, including a transition period to fulfill any and all further formalities.

Via the execution of the above 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.

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 mitigations 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.

1.2 Affiliated undertakings

Shares in affiliated undertakings are valued in the annual accounts at their acquisition cost. Value adjustments are made in respect of shares in affiliated undertakings to recognize a permanent reduction in their value.

1.3 Financial instruments – initial recognition and subsequent measurement

(a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets. The Company determines the classification of its financial assets at initial recognition.

Financial assets are measured initially at fair value plus transaction costs except for those assets carried at fair value through profit and loss which are initially measured at fair value.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. The Company has not designated any derivative as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance cost in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance costs.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) **Impairment of financial assets**

The Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired at each reporting date. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

(c) **Financial liabilities**

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. The Company did not assign any derivatives as effective hedging instruments.

Borrowings and other interest-bearing financial liabilities are measured at amortized cost using the effective interest rate method.

At initial recognition, any fees, transaction costs, premiums and discounts are deducted from the nominal value of the related borrowings or financial liabilities. The premiums and transaction costs are included in the calculation of the effective interest rate and amortized over the expected life of the instrument.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the income statement.

Derivative financial instruments

The Company can use derivative financial instruments such as interest rate swaps and forward commodity contracts to hedge its interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently revalued at fair value.

All derivative financial instruments are accounted for at fair value through profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(e) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm’s length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

1.4 Income taxes

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Company operates and generates taxable income.

Deferred tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.5 Receivables

At initial recognition, trade receivables are recognized at fair value which generally corresponds to the nominal value. An impairment loss is recognized based on the risk of uncollectable amounts.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with maturities of three months or less.

1.7 Equity – cost of equity transactions

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

1.8 Treasury shares

The purchase by any Group entity of Electrawinds' SE equity instruments results in the recognition of treasury shares. The consideration paid is deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in share premium.

1.9 Share based payments

Employee benefits that are paid in shares are recognized as cost in accordance with IFRS 2 – *Share-based payments*.
Warrants are measured at grant date using a Black and Scholes model. The model takes into account the characteristics of the plan (exercise price, exercise period), and market assumptions at grant date (risk free interest rate, share price, volatility, expected dividends). The employee cost related to share options is recognized over the vesting period together with a direct recognition in equity.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

1.10 Earnings per share

The Company calculates both basic and diluted earnings per share in accordance with IAS 33, Earnings per share. Under IAS 33, a basic earnings per share is computed using the weighted average number of shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares outstanding during the period plus the dilutive effect of warrants outstanding during the period. As diluted earnings per share cannot be higher than basic earnings per share, diluted earnings per share are kept equal to basic earnings per share in case of negative net earnings.

2 Critical accounting estimates and judgments

The preparation of annual accounts in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.1 Share based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

2.2 Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

3 FINANCIAL RESULT

The financial result is as follows:

Electrawinds SE **Income statement - Financial result** **000€**	**December 31, 2014**	**December 31, 2013**
Interest income on intercompany loans (EW NV)	277	180
Interest charges on related party loans	-75	-194
Net change in fair value of financial liabilities at fair value through profit and loss	0	1 610
Other financial charges	0	-9
Total	**202**	**1 587**

4 SHARES IN AFFILIATED UNDERTAKINGS

The movements for the financial year ended December 31, 2014 are as follows:

Electrawinds SE		
000€	**December 31, 2014**	**December 31, 2013**
Acquisition cost at the beginning of the reporting period	**455 665**	**455 665**
Additions	0	0
Acquisition cost at the end of the reporting period	**455 665**	**455 665**
Amounts written off at the beginning of the reporting period	**-455 665**	**0**
Amortizations	0	-455 665
Amounts written off at the end of the reporting period	**-455 665**	**-455 665**
Net book value at the end of the reporting period	**0**	**0**

Details relating to the undertakings which the Company holds in its share capital are as follows:

In '000€

Name	Country of origin	% of ownership	Last balance sheet date	Net equity*	Gain for the financial year 2014*
Electrawinds NV	Belgium	100,00%	December 31, 2014	9,358	52,706

* According to Belgian GAAP

The financial investment in Electrawinds NV has been fully impaired in the Electrawinds SE annual accounts per year-end 2013. The historical acquisition cost of €455.7m is composed as follow:

- Contribution in kind on 11/10/2012 for a total value consideration of €375m plus €14.6m against cash payment for 94,2% of Electrawinds' NV outstanding shares;
- Contribution in kind on 20/12/2012 for a total value consideration of €23.9m for 5,8% of Electrawinds' NV outstanding shares;

and

- Capital increase on 26/10/2012 by Electrawinds SE in Electrawinds NV for an amount of €42.1m.

Based on the above transactions the total carrying value per end of 2014 of the financial investments for 100% shareholding in Electrawinds NV amounts to €0 (2013: €0m).

5 EARNINGS PER SHARE

The calculation of basic earnings per share (EPS) at December 31, 2014 was based on the profit attributable to ordinary equity holders of the parent entity of €3.4m (2013: €-457.9m) and the weighted average number of ordinary shares outstanding of 48,946,710 (2013: 48,946,710).

	December 31, 2014	December 31, 2013
Profit of the year attributable to equity holders of the company (in '000€)	3 311	-457 898
Weighted average number of ordinary shares outstanding	48 946 710	45 946 710
Basic earnings per share (EUR/share)	**0,068**	**-9,355**

The calculation of the dilutive earnings per share at December 31, 2014 was based on the profit attributable to ordinary equity holders of the parent entity adjusted for the fair value effect of the Public Warrants. The ESOP warrants and financial warrants have expired in the course of 2013.

	December 31, 2014	December 31, 2013
Profit of the year attributable to equity holders of the company (in '000€)	3 311	-457 898
Less fair value change of public warrants	0	-1 610
Subtotal	**3 311**	**-459 508**
Total number of ordinary shares	54 275 318	54 275 318
Effect public warrants (A)	11 500 000	11 500 000
Effect of founding warrants (B)	972 906	972 906
Treasury shares	-5 328 608	-5 328 608
ESOP warrants	0	0
Financial warrants	0	0
Total number of ordinary shares (dilutive)	**61 419 616**	**61 419 616**
Diluted earnings per share (EUR/share)	**0,054**	**-7,481**

6 EQUITY

Share capital of Electrawinds SE

The share capital of Electrawinds SE has developed as follows:

	EUR
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**

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, Ocober 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

The share capital as per December 31, 2014 consists of 54,275,318 shares. The total number of shares can be divided into 52,358,651 A shares, of which 11,500,000 shares are listed on the Frankfurter Börse, including 5,328,608 A shares held by the company in treasury as a result of the business combination, 958,333 B2 shares and 958,334 B3 shares.

At the consummation of the business combination on October 11, 2012 Electrawinds SE issued 37,507,102 new A shares and transfered them to the former owners of Electrawinds NV. The company acquired at this phase 94.2% of the shares of Electrawinds NV.

Furthermore, as a consequence of the business combination, all 958,333 B1 shares automatically have been converted into A shares at a ratio of 1 B1 share for 1 A share.

In the course of the acquisition of Electrawinds NV, 5,328,608 A shares, which have been validly redeemed for a price of €10.01 per A share, have been transferred to the company as treasury shares. The treasury shares were deducted from equity according to IAS 32.

On December 20, 2012 the company issued 2,393,216 new A shares and transferred them to the previous owners of Electrawinds NV. The company acquired the remaining 5,8% of the shares of Electrawinds NV.

Conversion into public shares

The sponsor shares are redeemable shares in the sense of the Luxembourg Company Law and have the same rights as the public shares, except as described below.
The Sponsor Shares will be automatically converted into Public Shares, at a ratio of one Public Share for each Sponsor Share as follows:

• the 958,333 class B2 redeemable Shares, with no nominal value, being one third of the Sponsor Shares (representing 1.77% of the Company's current share capital) will be converted into Public Shares if the Daily VWAP (as defined below) on any twenty (20) out of any thirty (30) consecutive Trading Days (as defined below) following the date of the consummation of an initial business combination of the Company equals or exceeds €11.00;
• the 958,334 class B3 redeemable Shares, with no nominal value, being one third of the Sponsor Shares (representing 1.77% of the Company's current share capital) will be converted into Public Shares if the Daily VWAP (as defined below) on any twenty (20) out of any thirty (30) consecutive Trading Days (as defined below) following the date of the consummation of an initial business combination of the Company equals or exceeds €12.00.

For this purpose, the ''**Daily VWAP**'' is the per Public Share volume-weighted average price on Xetra as reported by Bloomberg in respect of a Trading Day (or if such volume-weighted average price is unavailable from Bloomberg, the volume weighted average share price of the Public Shares on such Trading Day determined by an internationally recognized investment bank selected by the Company). If the applicable Daily VWAP threshold is met prior to the consummation of an initial business combination of the Company, the conversion will take place on the date of consummation of an initial business combination of the Company. ''**Trading Day**'' refers to any day (other than a Saturday or Sunday) on which the Frankfurt Stock Exchange is open for business.

Dividend rights

In the event that distributions are made after the date of the consummation of an initial business combination of the Company, (i) each Public Share and each Sponsor Share shall be entitled to receive the same amount to the extent such amount does not exceed one eurocent (€0.01) per Share and (ii) each Public Share shall be entitled to the same fraction of (and the Sponsor Shares shall be entitled to none of) any distribution in excess of one eurocent (€0.01). In the event that distributions are made prior to the date of the consummation of an initial business combination, each share shall be entitled to receive the same fraction of the annual net profits.

Voting rights

Each Sponsor B Share is entitled to one vote at any ordinary or extraordinary general meeting of Shareholders, except under circumstances in which the Articles provide otherwise. Any Sponsor B Shares that are not converted to Public Shares on or prior to the fifth anniversary of the consummation of an initial business combination of the Company will no longer be convertible into Public Shares and will be redeemed within six (6) months of such date at a price equal to €0.024 per Sponsor Share (subject to availability of sufficient funds).

Transfer restrictions

Each of the Sponsors and the Additional Investor has agreed not to sell or otherwise transfer the Sponsor Shares and its or his portion of the Public Shares that may be issued upon conversion of the Sponsor Shares for a period of twelve (12) months following the consummation of an initial business combination of the Company (subject to certain limited exceptions described herein) without the prior consent of the Managers.

Redemption provisions

The Sponsor B Shares will be redeemed by the Company at a redemption price equal to their par value within six (6) months of the fifth anniversary of the consummation of the Business Combination if they have not previously been converted into Public Shares.

Listing

The Sponsor B Shares are not and will not be listed on a stock exchange.

Authorized capital

The company's authorized capital amounts to 140,000,000 shares, divided into 138,083,333 A shares, 958,333 B2 shares and 958,334 B3 shares, without nominal value.

Authorized capital	**in shares**	**in €**
Authorized capital on December 31, 2011	84,000,000	2,016,000
Authorized capital on December 31, 2012	140,000,000	3,360,000
Authorized capital on December 31, 2013	140,000,000	3,360,000
Authorized capital on December 31, 2014	140,000,000	3,360,000

The share premium account is as follows:

At December 31, 2011	107 342
Share based payments transactions	285
Issuance of share capital	398 046
Transaction costs related to issue of share capital	-6 018
Purchase of treasury shares transaction cost	2 587
Founder B warrants	2 613
Other equity movements	**397 513**
At December 31, 2012	504 855
At December 31,2013	504 855
At December 31, 2014	504 855

Immediately prior to the IPO, the Company raised further funds through a private placement of 4,968,678 class B warrants ('Sponsor Warrants") with the founding shareholders. As long as the Sponsor Warrants are held by the founding shareholders or their affiliates, they will not be redeemable and they may be exercised on a cashless basis at the holder's option. According to these conditions Sponsor Warrants are treated as equity under IFRS 2.

The class B warrants, subscribed by the founding shareholders, are measured as at the grant date, October 18, 2010, using a binominal model for an amount of €2.633k.

Treasury shares:

	Number of shares

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

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

Public warrants

The other non-current liabilities contain a financial liability resulting from fair value measurement of the public warrants of €0.1m (2013: €0.1m).

These public warrants are outstanding on the Frankfurt Stock Exchange since the IPO of European CleanTech I SE in 2010 and have been recognized at fair value (€2.9m) as a liability of Electrawinds at the moment of the consummation of the business combination between European CleanTech I SE and the Electrawinds-group back in October 2012.

As at December 31, 2013, the market price of one public warrant on the Frankfurt Stock Exchange (Frankfürter Wertpapierbörse) was at €0.01, hence a fair value adjustment of €1.6m was recorded at December 31, 2013 in other financial income. As at December 31, 2014, the market price of one public warrant on the Frankfurt Stock Exchange (Frankfürter Wertpapierbörse) was still at €0.01.

7 OTHER NON-CURRENT LIABILITIES

Electrawinds SE **Non current financial liabilities** **000€**	**December 31, 2014**	**December 31, 2013**
Financial liability resulting from Public Warrants at the beginning of the period	115	1 725
Net change in fair value of financial liabilities at fair value through profit and loss	0	-1 610
Financial liability resulting from Public Warrants at the end of the period	**115**	**115**
Underwriting fees		
Total	**115**	**115**

The other non-current liabilities contain a financial liability resulting from fair value measurement of the public warrants of €0.1m (2013: €0.1m).

8 FINANCIAL DEBT

The financial debt amounted to €0m (2013: €3.750m). The €3.750m consisted of two bridge loan agreements. The first bridge loan agreement was made with Groenkracht CVBA on the 7th of May 2013 for an amount of €1.250m. The second bridge loan agreement was made with Federale Participatie en Investeringsmaatschappij NV for an amount of €2.500m. At 31 December 2014, Groenkracht has waived the receivable of €1.250m plus interest it has with the Company. The FPIM loan, including interest, has also been waived as part of the divestment to Nethys/Tecteo of the Wind activitities of the Electrawinds Group towards these parties. These transfers have received commercial court approval as per April 22, 2014.

9 DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

Total depreciations, amortizations and impairments amounted to -0.3m (2013: €-459.3m). An impairment loss of €0 (2013: €455.7m) was accounted for on the shares of the affiliated undertakings. An impairment was accounted for on the receivables of affiliated undertakings for an amount of €0.3m (2013: €3.6m).

10 SHARE BASED PAYMENTS

Class B Warrants

Immediately prior to the IPO of European Cleantech I SE on October 18, 2010 the Company raised further funds through a private placement of 4 968 678 Class B warrants with the founding shareholders, for an aggregate subscription price of €4,968,678 (1€ per Class B warrant). As long as the Class B Warrants are held by the founding shareholders or their affiliates: they will not be redeemable and they may be exercised on a cashless basis at the holder’s option. According to these conditions Class B Warrants are treated as equity under IFRS 2.

Class B warrants are exchangeable into Class A shares at an exercise price of €11.5.

These Class B warrants, subscribed by the founding shareholders, are measured as at the grant date, October 18, 2010, using a binominal model for an amount of €2,6m.

A Release agreement regarding Class B warrants, dated October 11, 2012 reduced the number of Class B warrants from 4,968,678 warrants to 972,906 Class B warrants. The subscription price is set at €5.10704836849. As of date of these annual accounts, none of the Class B warrants have been exercised, furthermore 3,995,722 warrants have been forfeited

11. FINANCIAL RISK MANAGEMENT

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

Market risk

The company as a holding company as no specific market risks. However the underlying participation faces foreign exchange risks, volume risks, price risks, electricity price variances and interest rate risks.

Equity price risk

The Company’s listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the senior management of the Company on a regular basis. The Company’s Board of Directors reviews and approves all equity investment decisions.
At reporting date, the exposure to listed equity securities at fair value was €4.7m (2013: €4.9m). A decrease or increase by 10% of the trading price has an impact of €0.5m (2013: €0.5m) only on equity (treasury shares), but does not have an effect on profit or loss.

Public warrant fair value risk

The Company’s public warrants are accounted for as financial liability recognized at fair value through the income statement. The fair value of the public warrants is based on the quoted market price at reporting date. A change in the market price of the public warrants will impact the income statement and the equity as well as the amount of the liability. An increasing market price for the public warrants would result in a higher liability and a loss in the comprehensive income.
Sensitivity analysis
The closing price for the public warrants for the year ended December 31, 2014 was quoted at €0.01 (2013: €0.01). An increase in the market price of 10% would result in a loss and a negative impact of €0.012m (2013: €0.012m) whereas a decrease of 10% in the market price would result in a gain and a positive equity impact of €0.012m (2013: €0.012m).

Regulatory support

As producer of “renewable energy” the company is entitled to “green certificates”. This portion of the underlying affiliates revenues is subject to governmental energy policy.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

Trade receivable risk

For the risk control assessment of customers, the Company takes into account past experience, its financial positions and other objective parameters. Accounts receivable are regularly monitored.
The Company evaluates the concentration of risk with respect to trade receivables as low.

Financial instruments and cash deposits

The credit risk for cash and cash equivalents and derivate financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

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.

The Company has no significant non-current and current liabilities, however the underlying affiliates have within a 12-month period following the end of the reporting period, debt maturities falling due for a total principal amount of €1.1m at consolidated group level (based on unaudited consolidated financial statements).

We refer to the Management Report for an assessment and conclusion on the liquidity- and related going concern risk.

12 POST BALANCE SHEET EVENTS

After a careful due diligence and negotiations with several interested parties, a share purchase agreement has been signed on 1 November 2015 between Electrawinds NV and the South-African company Tombolo Energy (Pty) Ltd. for the sale of 100% of the shares of Electrawinds Africa and Indian Ocean Islands (Pty) Ltd. (100% owned by Electrawinds NV). There are no conditions precedent to be fulfilled. The share purchase agreement comprises the operational wind project of 1.8MW (1 wind turbine type Vestas) in Port Elisabeth and 100% of the shares of Electrawinds Coega (Pty) Ltd., Electrawinds Coega Sonop (Pty) Ltd. and Seweco (Pty) Ltd. Initially, the board of directors had, based on prior negotiations with different parties, approved a sale price of €1.1m. For all shares of Electrawinds' South-African holding company, Tombolo Energy (Pty) Ltd. will pay 40.000.000 ZAR, or, at an exchange rate of ZAR/EUR 15,5, €2.580m with first installments per 9 December 2015 (already paid) and a second installment per 15 January 2016.

13 ULTIMATE CONTROLLING PARTIES AND RELATED PARTIES DISCLOSURES

The Company has no ultimate controlling party.