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Kraftanlagen München GmbH	Accounting /	Annual financial statements for the business year	07/16/2020
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Kraftanlagen München GmbH

Munich

Annual financial statements for the business year from January 1, 2019 to December 31, 2019**Independent auditor's report**

To Kraftanlagen München GmbH

Examination Opinions

We have prepared the annual financial statements of Kraftanlagen München GmbH, Munich - consisting of the balance sheet as of December 31, 2019 and the income statement for the financial year from January 1 to December 31, 2019 as well as the notes, including the presentation of the accounting and Evaluation methods - checked. In addition, we have audited the management report of Kraftanlagen München GmbH for the financial year from January 1 to December 31, 2019. In accordance with German legal regulations, we have not checked the content of the corporate governance declaration published on the website given in the management report in accordance with Section 289f (4) of the German Commercial Code (information on the quota of women), which is part of the management report.

In our opinion, based on the knowledge gained during the audit

- the attached annual financial statements comply in all material respects with the German commercial law regulations applicable to corporations and, in compliance with the German principles of proper accounting, give a true and fair view of the company's assets and financial position as of December 31, 2019 and its earnings position for the financial year from January 1 to December 31, 2019 and
- the attached management report gives an overall accurate picture of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal regulations and accurately presents the opportunities and risks of future development).

In accordance with Section 322, Paragraph 3, Clause 1 of the German Commercial Code (HGB), we declare that our audit has not led to any objections to the correctness of the annual financial statements and the management report.

Basis for the examination results

We carried out our audit of the annual financial statements and the management report in accordance with Section 317 of the German Commercial Code (HGB), taking into account the generally accepted German auditing principles established by the Institute of Auditors (IDW). Our responsibility under these regulations and principles is further described in the "Auditor's Responsibility for the Audit of the Annual Financial Statements and Management Report" section of our auditor's report. We are independent of the company in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe

Other Information

The legal representatives are responsible for the other information. The other information includes the above-mentioned corporate governance declaration in accordance with Section 289f (4) of the German Commercial Code (information on the quota of women).

Our audit opinions on the annual financial statements and management report do not cover the other information, and accordingly we do not issue an audit opinion or any other form of audit conclusion thereon.

In connection with our audit, it is our responsibility to read the other information and, in doing so, to assess whether the other information

- have material inconsistencies with the annual financial statements, management report or our knowledge obtained during the audit, or
- otherwise appear materially misrepresented.

If, on the basis of the work we have carried out, we come to the conclusion that there has been a material misrepresentation of this other information, we are obliged to report this fact. We have nothing to report in this context.

Responsibility of the legal representatives and the supervisory board for the annual financial statements and the management report

The legal representatives are responsible for the preparation of the annual financial statements, which comply in all essential respects with the German commercial law regulations applicable to corporations, and for ensuring that the annual financial statements, in compliance with the German principles of proper bookkeeping, give a true and fair view of the assets, finance - and the company's earnings position. Furthermore, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with the German principles of proper accounting to enable the preparation of the annual financial statements.

When preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue business operations. Furthermore, they are responsible for disclosing matters relating to the going concern of the company, if relevant. In addition, they are responsible for accounting for the going concern

basis of accounting, unless actual or legal circumstances conflict with this.

In addition, the legal representatives are responsible for the preparation of the management report, which as a whole provides an accurate picture of the company's position and is consistent with the annual financial statements in all material respects, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the precautions and measures (systems) that they have considered necessary to enable the preparation of a management report in accordance with the applicable German legal regulations and to be able to provide sufficient suitable evidence for the statements in the management report.

Auditor's responsibility for the audit of the annual financial statements and the management report

Our objective is to obtain sufficient certainty as to whether the annual financial statements as a whole are free from material - intended or unintentional - misrepresentation and whether the management report as a whole gives an accurate picture of the company's position and, in all material matters, with the annual financial statements as well as in line with the knowledge gained during the audit, complies with German legal regulations and correctly presents the opportunities and risks of future development, as well as issuing an auditor's report that includes our audit opinions on the annual financial statements and the management report.

Adequate security is a high level of security, but no guarantee that an audit carried out in accordance with Section 317 of the German Commercial Code (HGB) in accordance with the German principles of proper auditing established by the Institute of Auditors (IDW) will always reveal a material misrepresentation.

Misrepresentations can result from violations or inaccuracies and are regarded as material if it could reasonably be expected that they individually or collectively influence the economic decisions of the addressees made on the basis of these annual financial statements and management report.

During the examination, we exercise due discretion and maintain a critical attitude. Furthermore

- we identify and assess the risks of material - intentional or unintentional - misrepresentations in the annual financial statements and the management report, plan and carry out audit procedures in response to these risks and obtain audit evidence that is sufficient and suitable to serve as a basis for our audit opinions. The risk that material misrepresentations are not detected is higher in the case of violations than inaccuracies, since violations can involve fraudulent cooperation, forgeries, intentional incompleteness, misleading representations or the overriding of internal controls;
- We gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate under the given circumstances, but not with the aim of providing an audit opinion on the effectiveness of these Delivering systems to society;
- we assess the appropriateness of the accounting methods used by the legal representatives as well as the acceptability of the estimated values presented by the legal representatives and the related information;
- we draw conclusions about the appropriateness of the going concern accounting principle applied by the legal representatives and, on the basis of the audit evidence obtained, whether there is any material uncertainty in connection with events or circumstances, the significant doubts about the company's ability to continue as a going concern can raise. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant information in the annual financial statements and in the management report in the auditor's report or, if this information is inappropriate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our auditor's report. Future events or circumstances can, however, mean that the company can no longer continue its business activities;
- We assess the overall presentation, structure and content of the annual financial statements, including the information, as well as whether the annual financial statements represent the underlying business transactions and events in such a way that the annual financial statements, in compliance with German generally accepted accounting principles, provide a true and fair view of the asset, financial and the company's earnings position;
- we assess the consistency of the management report with the annual financial statements, its compliance with the law and the picture it provides of the company's position;
- we perform audit procedures on the future-oriented information presented by the legal representatives in the management report. On the basis of sufficient, suitable audit evidence, we particularly review the significant assumptions on which the future-oriented information is based on the legal representatives and assess the appropriate derivation of the future-oriented information from these assumptions. We do not issue an independent audit opinion on the future-oriented information or the underlying assumptions. There is a considerable unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, we discuss with those responsible for monitoring the planned scope and timing of the audit as well as significant audit findings, including any deficiencies in the internal control system that we discover during our audit.

Stuttgart, April 30, 2020

Ernst & Young GmbH
auditing company

Kern, auditor

Schabert, auditor

Balance sheet as of December 31, 2019

assets

inTEUR	attachment	December 31, 2019	December 31, 2018
Capital assets	1		
Intangible assets		430	335
Property, plant and equipment		11,672	12,263
Financial assets		28,002	30,424
		40,104	43,022
Current assets			
Stocks	2	7,248	310

inTEUR	attachment	December 31, 2019	December 31, 2018
Receivables and other assets	3	39,686	64,323
Cash and cash equivalents	4th	72,360	32,439
		119.294	97.072
Prepaid expenses		1,268	1,433
Deferred tax assets	5	10,000	7,000
		170,666	148,527
liabilities			
Equity			
Subscribed capital	6th	25,000	25,000
Capital reserve	7th	140,475	124.194
Balance sheet loss	8th	-158,694	-143,460
		6,781	5,734
accruals	9	77,150	64,220
liabilities	10	86,735	78,573
		170,666	148,527

Income statement for the 2019 financial year

inTEUR	attachment	2019	2018
Sales	11	362,885	236,441
Reduction of the inventory of unfinished products		-84,691	-51,681
Overall performance		278.194	184,760
Other company income	12th	2,984	751
Cost of materials	13th	-187.044	-165.364
Personnel expenses	14th	-67,592	-64,300
Depreciation	15th	-2,486	-2,544
Other operating expenses	16	-40.506	-26,696
Investment result	17th	5.151	-11,181
Interest income	18th	-2,646	-2,398
Depreciation on financial assets		-3,000	0
Taxes on income and earnings	19th	2.115	-6,557
Result after taxes		-14,830	-93,529
Other taxes		-404	-256
Annual deficit		-15,234	-93,785
Loss carryforward		-143,460	-49,675
Balance sheet loss		-158,694	-143,460

Appendix for the 2019 financial year of Kraftanlagen München GmbH, Munich

Register information

The company is registered under the company Kraftanlagen München GmbH with its registered office in Munich in the commercial register of the Munich Local Court under the number HR B 106176.

General Information

As in the previous year, the annual financial statements as of December 31, 2019 were prepared in accordance with the relevant accounting and valuation regulations under commercial law and the provisions of the GmbH Act, taking into account the principles of proper accounting and the articles of association.

The rules for large corporations apply to the company. In the interest of a clearer presentation, individual items are summarized in both the balance sheet and the income statement and explained in the notes.

As before, we have chosen the total cost method for the income statement.

All amounts in the annual financial statements are shown in thousands of euros (EUR thousand). For computational reasons, there may be rounding differences in tables and references to the mathematically exact values.

Accounting and valuation methods

The following accounting and valuation methods were still decisive for the preparation of the annual financial statements.

In detail, the evaluation is based on the following principles:

Capital assets

Intangible assets are capitalized at acquisition cost and depreciated using the straight-line method over their expected useful life.

Tangible assets are valued at acquisition or production cost less scheduled depreciation from the month of acquisition or commissioning. Additions to fixed assets, the use of which is limited in time, are depreciated on a straight-line basis from this point in time.

Extraordinary depreciation is carried out if an entry with the lower fair value is required. If the reasons for a lower valuation no longer exist, with the exception of goodwill, a corresponding write-up is made.

The acquisition or production costs of independently usable, movable assets subject to wear and tear are recognized in full as an expense in the year of acquisition or production, provided that their acquisition or production costs do not exceed EUR 250. If the acquisition or production costs of such assets are between EUR 250 and EUR 800, these assets are written off in full in the year of acquisition and shown as a disposal.

In the case of financial assets, the equity interests are shown at acquisition cost or the lower fair value and the loans are always shown at their nominal value. Interest-free or low-interest loans are discounted to their present value.

Current assets

The raw materials and supplies are valued at acquisition cost or the lower applicable value.

Work in progress is valued at production costs. The manufacturing costs include, in addition to the material, manufacturing and special costs of production, the overhead costs, the cost of depreciation of the fixed assets, insofar as this is caused by the production. Appropriate parts of the costs of general administration, expenses for social facilities, voluntary social benefits and expenses for company pension schemes are also included. Interest on borrowed capital is not part of the manufacturing costs.

Foreseeable losses from customer orders are taken into account as part of the loss-free valuation of the stocks. If the loss exceeds the value of the work in progress, a provision is made for impending losses from pending transactions.

Customer down payments received are openly deducted from the work in progress and the down payments made up to the amount of the capitalized production costs.

Receivables and other assets are valued at their nominal values or taking into account all identifiable risks. The general risk of default is taken into account by creating a general bad debt allowance.

Cash and cash equivalents are generally stated at their nominal values.

Prepaid expenses

Prepaid expenses are recognized in the amount of the outstanding consideration.

Deferred taxes

Deferred taxes are formed on temporary differences between the commercial and tax valuations of assets, debts and deferred items as well as tax loss carryforwards that are very likely to be offset within the next five years. To determine the deferred taxes, these are valued using the company-specific tax rates at the time the differences are reduced. The amounts of the resulting tax burden and relief are not discounted. Active and passive tax deferrals are netted. The items shown are released as soon as the tax burden or relief has occurred or is no longer to be expected.

Provisions and liabilities

The pension provisions have been created according to actuarial principles using the projected unit credit method (PUC method).

The "mortality tables 2018G" by Prof. Dr. Klaus Heubeck used. The amount of the provision was determined taking into account trend assumptions with regard to future salary and pension levels.

In detail, the following assumptions are based:

in percent pa	2019	2018
Discount rate	2.71	3.21
Salary trend	2.50	2.50
BBG trend	2.50	2.50
Pension trend	1.00	1.00
Fluctuation	5.00	5.00

The calculation of the provision for the widow's / widower's pension was carried out partly according to the so-called collective method, which was based on a probability of marriage resulting from the calculation bases used, and partly according to the so-called individual method, i.e. based on the actual data of the / r spouse.

Provisions for partial retirement agreements were calculated according to actuarial principles on the basis of the following parameters: discount rate 0.58% and salary trend 2.50%.

The tax provisions and other provisions take into account all uncertain obligations and impending losses from pending transactions as well as expenses for maintenance that were not made in the financial year, which will be made up for within three months in the following financial year. They are set in the amount of the settlement amount necessary according to a reasonable commercial assessment (ie including future cost and price increases). Provisions with a term of more than one year have been discounted.

In the case of vacation provisions, the valuation is based on the view of the Institut der Wirtschaftsprüfer (IDW) as obligations in kind at full costs.

The liabilities are stated at the settlement amount.

Currency conversion

Assets and liabilities denominated in foreign currencies are generally converted using the mean spot exchange rate on the reporting date. In the case of a remaining term of more than one year, the realization principle (Section 252, Paragraph 1, No. 4, Clause 2 HGB) and the acquisition cost principle (Section 253, Paragraph 1, Sentence 1, HGB) are observed.

Notes to the balance sheet

1. Fixed assets

The development of the individual items of the fixed assets is shown in the fixed asset schedule, including the depreciation for the financial year.

InTEUR	As of 01/01/2019	Acquisition and production costs		As of December 31, 2019
		Accesses	Departures	
Intangible assets				
Usage rights	6,619	273	495	6,397
Property, plant and equipment				
Land and buildings	14,581	0	0	14,581

InTEUR	Acquisition and production costs			
	As of 01/01/2019	Accesses	Departures	As of December 31, 2019
Technical equipment and machinery	2,480	9	64	2,425
Other equipment, factory and office equipment	34,505	1,636	1,656	34,485
Payments on account and assets under construction	0	105	0	105
	51,566	1,750	1,720	51,596
Financial assets				
Shares in affiliated companies	70.902	559	0	71,461
Loans to affiliated companies	0	375	0	375
Holdings	231	0	231	0
Loans to companies with which there is a participation relationship	125	0	125	0
	71,258	934	356	71,836
Total fixed assets	129,443	2,957	2,571	129,829

InTEUR	Accumulated depreciation			
	As of 01/01/2019	Depreciation reporting year	Change in depreciation in connection with disposals	As of December 31, 2019
Intangible assets				
Usage rights	6,284	178	495	5,967
Property, plant and equipment				
Land and buildings	7,032	345	0	7,377
Technical equipment and machinery	1,986	59	64	1,981
Other equipment, factory and office equipment	30,285	1,904	1,623	30,566
Payments on account and assets under construction	0	0	0	0
	39,303	2,308	1,687	39,924
Financial assets				
Shares in affiliated companies	40,834	3,000	0	43,834
Loans to affiliated companies	0	0		0
Holdings	0	0	0	0
Loans to companies with which there is a participation relationship	0	0	0	0
	40,834	3,000	0	43,834
Total fixed assets	86,421	5,486	2,182	89,725

InTEUR	Book values	
	As of December 31, 2019	As of December 31, 2018
Intangible assets		
Usage rights	430	335
Property, plant and equipment		
Land and buildings	7.204	7,549
Technical equipment and machinery	444	494
Other equipment, factory and office equipment	3,919	4,220
Payments on account and assets under construction	105	0
	11,672	12,263
Financial assets		
Shares in affiliated companies	27,627	30,068
Loans to affiliated companies	375	0
Holdings	0	231
Loans to companies with which there is a participation relationship	0	125
	28.002	30,424
Total fixed assets	40.104	43,022

Information on the shareholdings of Kraftanlagen München GmbH, Munich, in accordance with Section 285 No. 11 and No. 11 a HGB

	Share of the parent company in%	currency	Equity 2019	Annual results 2019
I. Affiliated companies in Germany				
1. Jakob Ebling, Heating, Ventilation, Sanitary GmbH, Nierstein ¹	100	KEUR	1,414	0
2. ECM engineering company for energy and environmental technology GmbH, Munich ¹	100	KEUR	128	0
3. FINOW Rohrsysteme GmbH, Eberswalde ¹	100	KEUR	4,647	0
4. GAH Pensions GmbH, Heidelberg ¹	100	KEUR	260	0
5. IA Tech GmbH, Jülich	100	KEUR	-212	-76

	Share of the parent company in%	currency	Equity 2019	Annual results 2019
6. Kraftanlagen Hamburg GmbH, Hamburg ¹	100	KEUR	1,150	0
7. Kraftanlagen Heidelberg GmbH, Heidelberg ¹	100	KEUR	800	0
8. Kraftanlagen Power Plants GmbH, Munich ¹	100	KEUR	1,000	0
9. Kraftanlagen Service GmbH	100	KEUR	17th	-8th
II. Affiliated companies abroad				
10. Diamond Lite SA, Herisau, Switzerland	100	TCHF	184	35
11. IPIP SA, Ploiesti, Romania	99.86	TRON	512	2,675
12. KAROM Servicii Profesional in Industrie SRL, Ploiesti, Romania ³	51	TRON	5,074	1,602
13. Kraftanlagen Romania SRL, Ploiesti, Romania ^{2 5}	100	TRON	15,242	4,086
14. Swiss Decommissioning & Nuclear Services AG, Olten, Switzerland ⁴	100	TCHF	81	-7

¹ Control and profit transfer agreement with Kraftanlagen München GmbH, Munich

² The shares are held by Kraftanlagen München GmbH, Munich (99.98%) and ECM Ingenieur- Unternehmen für Energie- und Umwelttechnik GmbH, Munich (0.02%) ³ The shares are held by Kraftanlagen Romania SRL, Ploiesti ⁴ The shares are held by Kraftanlagen Heidelberg GmbH, Heidelberg ⁵ Equity and annual results according to IFRS

2. Inventories

in EUR thousand	December 31, 2019	December 31, 2018
Raw materials and supplies	274	310
Uncompleted services	81,970	166,661
Advance payments made	0	47,680
Advance payments received on order	-74,996	-214,341
	7,248	310

Customer-specific, not yet completed production orders are shown under "Work in progress".

Advance payments received on orders are openly deducted from the work in progress and the advance payments made. The down payments made include down payments to subcontractors. The services of the subcontractors are indirectly related to the customer down payments received.

3. Receivables and other assets

in TEUR	December 31, 2019	December 31, 2018
Requests from deliveries and services	20,497	16,120
Claims against consortia	198	199
Receivables from affiliated companies	3,296	7,622
Other assets	15,695	40,382
	39,686	64,323

The receivables from affiliated companies are mainly receivables from central liquidity management in the amount of EUR 557 thousand (previous year: EUR 6,418 thousand), receivables from advance payments of EUR 521 thousand (previous year: EUR 2,241 thousand) and trade receivables in the amount of EUR 1,763 thousand (previous year: EUR 1,768 thousand). These receivables are reduced by trade payables of EUR 85 thousand (previous year: EUR 93 thousand)

The other assets essentially contain tax refund claims.

All receivables and other assets have a remaining term of up to one year.

4. Cash and cash equivalents

in EUR thousand	December 31, 2019	December 31, 2018
Cash on hand	2	12th
Bank balances	72,358	32,427
	72,360	32,439

Of the liquid funds, EUR 1,066 thousand (previous year: EUR 1,066 thousand) are restricted.

5. Deferred Taxes

Due to mandatory valuation regulations or exercised valuation options, there are temporary differences between the commercial and tax balance sheets. The main reasons for these valuation differences are differences in inventories and pension provisions. There is also a tax loss carryforward. As in the previous year, the amounts of future tax relief are valued at a tax rate of 32%. There were no deferred tax liabilities as of the balance sheet date. The recognized deferred tax assets are subject to a distribution block in accordance with Section 268 (8) of the German Commercial Code (HGB).

6. Subscribed capital

The fully paid-in capital amounts to EUR 25,000 thousand (previous year: EUR 25,000 thousand).

All shares are held by Bouygues Construction SA, Guyancourt / France.

7. Capital reserve

The capital reserve was increased by an assigned claim (contribution in kind) of EUR 16,281 thousand. The contribution in kind was allocated to the capital reserve in accordance with Section 272 (2) No. 4 HGB, which increased to EUR 140,475 thousand as a result.

8. Balance sheet loss

in EUR thousand	December 31, 2019	December 31, 2018
Loss carryforward	-143,460	-49,675
Annual deficit	-15,234	-93,785
Balance sheet loss	-158,694	-143,460

9. Provisions

inTEUR	December 31, 2019	December 31, 2018
Provisions for pensions and similar obligations	36,164	36,263
Tax provisions	1,305	874
Other provisions	39,681	27,083
	77,150	64,220

Kraftanlagen München GmbH grants its employees various forms of company pension scheme.

The difference between the valuation of the pension provisions based on the corresponding average market interest rate from the past ten financial years and the valuation of the provisions based on the corresponding average market interest rate from the past seven financial years is KEUR 2,970 (previous year: KEUR 3,507) and is subject to § 253 para 6 HGB a distribution block.

Plan assets of EUR 3,040 thousand (previous year: EUR 2,708 thousand) were offset against the pension provisions. The plan assets exist in the form of reinsurance policies that are valued at fair value. The fair value of a reinsurance claim consists of the so-called business plan coverage capital of the insurance company plus any existing credit from premium refunds (so-called surplus sharing). The acquisition costs for these plan assets amounted to EUR 3,109 thousand (previous year: EUR 2,789 thousand). There is therefore no block on distribution in accordance with Section 268 (8) of the German Commercial Code (HGB). The expenses from the compounding of pension obligations, the change in the discount rate as well as the income and expenses from the valuation of the offset assets are shown in the financial result. The settlement amount of the provisions for pensions and similar obligations is KEUR 39,204 (previous year: KEUR 38,971).

The tax provisions essentially contain domestic and foreign taxes on income and earnings not related to the accounting period.

The other provisions essentially relate to obligations from remaining services to be provided for orders that have already been billed (EUR 28,946 thousand), personnel provisions (EUR 6,994 thousand) and impending losses from pending transactions (EUR 1,597 thousand).

10. Liabilities

inTEUR	December 31, 2019	December 31, 2018
Liabilities to credit institutions	1,347	1,098
Advance payments received on orders	0	10,346
liabilities from goods and services	12,007	7,536
Liabilities to affiliated companies	64,209	54,921
Liabilities to companies with which there is a participation relationship	0	41
Other liabilities	9,172	4,631
(of which from taxes)	(9,002)	(4,371)
(of which in the context of social security)	(69)	(2)
	86,735	78,573

Advance payments received on orders are openly deducted from the work in progress and the advance payments made on the assets side. The remaining amount is shown as a liability from prepayments received for orders.

The liabilities to affiliated companies are mainly liabilities from central liquidity management with EUR 45,856 thousand (previous year: EUR 46,219 thousand) and trade payables of EUR 4,755 thousand (previous year: EUR 1,798 thousand) less the receivables from concluded profit and loss transfer agreements of EUR 3,338 thousand (Previous year: liability of EUR 8,158 thousand).

In addition, liabilities to affiliated companies include liabilities to the shareholder of EUR 24,031 thousand (previous year: EUR 8,702 thousand). EUR 20,000 thousand result from a loan being granted. EUR 7,000 thousand of the shareholder loan is a subordinate liability of the company within the meaning of Section 39 (2) of the Insolvency Code.

All liabilities have a remaining term of up to one year. In the previous year, all liabilities had a remaining term of up to one year.

With the exception of retention of title and comparable rights customary in the industry, no securities have been provided for liabilities.

Notes on the income statement**11. Sales**

The sales of Kraftanlagen München GmbH are broken down into business units as follows:

in EUR thousand	2019	2018
Energy and power plant technology	213,667	108,185
Industrial plants	85,353	79,055
Supply technology	56,655	39,785
Rest	7,210	9,416
	362,885	236,441

The overall performance is distributed geographically as follows: Germany 93%, Switzerland 3%, Austria 3%, other countries 1%.

12. Other operating income

inTEUR	2019	2018
Income from the release of provisions	2,530	108
Income from foreign currency translation	151	288

inTEUR	2019	2018
Book profits from asset sales	76	75
Insurance Compensation Income	7th	2
Remaining other operating income	220	278
	2,984	751

The income from the reversal of provisions essentially results from the reversal of a restructuring provision.

13. Cost of materials

inTEUR	2019	2018
Expenses for raw materials and supplies and for purchased goods	50,757	76,610
Expenses for purchased services	136.287	88,754
	187.044	165.364

14. Personnel expenses and employees

inTEUR	2019	2018
Wages and salaries	54,168	52,044
Social security and pension and support expenses (of that for pensions)	13,424 (2,993)	12,256 (2,209)
	67,592	64,300
in minds	2019	2018
Annual average employees without trainees:		
Salaried employees	418	432
Wage earners	538	515
	956	947

15. Depreciation

inTEUR	2019	2018
on intangible fixed assets	178	223
on property, plant and equipment	2,308	2,321
	2,486	2,544

16. Other operating expenses

in EUR thousand	2019	2018
Allocation to provisions for an impending fine from antitrust proceedings	15,000	0
Travel, entertainment and entertainment expenses	5,924	6.238
Rent, lease, leasing and maintenance costs	5,753	6.093
Expenses for data processing	2,624	2,807
Legal, consulting and examination costs	1,847	1,839
Insurance expenses	1.009	973
Currency translation expenses	336	222
Restructuring costs	156	2,000
Losses from the disposal of fixed assets	28	17th
Other operating expenses	7,829	6,507
	40.506	26,696

The increase in other operating expenses essentially results from the creation of a provision for a mostly likely public law proceeding. The addition to the provision is an expense of extraordinary magnitude and importance in the amount of EUR 15,000 thousand.

17. Income from investments

inTEUR	2019	2018
Income from profit and loss transfer agreements	7,483	4.116
Expenses from profit and loss transfer agreements	-2,332	-15,297
	5.151	- 11,181

The reported income and expenses originate from affiliated companies.

18. Interest income

inTEUR	2019	2018
Other interest and similar income	138	262
(of which from affiliated companies)	(131)	(242)
Interest and similar expenses	-2,784	-2,660
(of which from affiliated companies)	(-1,118)	(-908)
(of which expenses from the compounding of provisions)	(-1,210)	(-1,386)
	-2,646	-2,398

As there was no interest income from the plan assets, as in the previous year, no income was offset against the expenses from the compounding of provisions in accordance with Section 264 (2) sentence 2 HS 2 HGB.

19. Income taxes

in EUR thousand	2019	2018
Actual income tax expense	-885	-399
Actual tax return on income and earnings	0	234
Income (previous year expense) deferred taxes	3,000	-6,392
	2,115	-6,557

20. Appropriation of earnings

The management proposes to the shareholders' meeting that the balance sheet loss be carried forward to a new account.

Other Information**21. Contingent Liabilities**

inTEUR	December 31, 2019	December 31, 2018
Contingent liabilities from guarantees	57,301	35,685
of which for affiliated companies	(57,247)	(35,671)
Contingent liabilities from warranty contracts	9,437	9,371
of which for affiliated companies	(9,374)	(9,308)
	66,738	45,056

Furthermore, as in the previous year, there are contingent liabilities from joint and several liability from participation in working groups.

The risk of a claim from guarantees and warranty agreements for the liabilities of affiliated companies is assessed as below average due to the existing profit and loss transfer agreements. In the case of non-affiliated companies, due to the good asset, financial and earnings position, the risk of utilization is assessed as low.

22. Other Financial Obligations

in EUR thousand	December 31, 2019
due 2020	3,931
due 2020-2024	9,250
due after 2024	898
	14,079

The obligations mainly relate to rental, leasing and maintenance contracts. The total amount of other financial obligations was EUR 14,463 thousand in the previous year.

23. Auditor fees

The auditor's fees are not stated in accordance with Section 285 No. 17 HGB, as they are stated in the consolidated financial statements of Bouygues Construction SA, 01 Avenue Eugene Freyssinet, Guyancourt / France, in which the company is included.

24. Relationships with related persons and companies

In addition to its subsidiaries, Kraftanlagen München GmbH has relationships with related companies and persons in Germany and abroad. All business relationships with related companies and persons are carried out under normal market conditions.

25. Organs of Kraftanlagen München GmbH, Munich**Supervisory board****Olivier-Marie Racine**

Chairman

Deputy CEO, Bouygues Construction SA, Guyancourt / France

Michael Seis

Deputy Chairman of the Supervisory Board

Managing Director of IG Metall, Heidelberg administrative office

(until August 31, 2019; from September 16, 2019)

Jacky Gillmann

Chairman of the Board of Directors of Losinger Marazzi AG, Bern / Switzerland

Pascal Grange

Deputy CEO, Bouygues Construction SA, Guyancourt / France

(until September 30, 2019)

Thomas Martin

Trade union secretary of IG Metall, Waiblingen administrative office

(until August 31, 2019; from September 16, 2019)

Olivier Montfort

Secretary General, Bouygues Energies & Services, Versailles, France

(from October 1st, 2019)

Peter Reithner

Branch manager Munich for the industrial pipeline construction segment of Kraftanlagen München GmbH, Munich

(until August 31, 2019; from September 16, 2019)

Cyrille Renault

Finance Director, Bouygues Energies & Services, Paris / France (from October 1st, 2019)

Barbara Schlautkötter

Chairwoman of the group works council, Kraftanlagen München GmbH, Munich

(from September 16, 2019)

Stephane Schneider

General Director, Bouygues Energies & Services Switzerland AG, Zurich / Switzerland

(until September 30, 2019)

Dr. Eberhardt Stabreit

Lawyer, Berlin

Julien Toqueboeuf

Bouygues Construction SA, Guyancourt / France

Chief Financial Officer for the Bouygues Energies & Services business unit

Ahmet Uzun

Design engineer in the field of nuclear waste disposal at Kraftanlagen Heidelberg GmbH, Heidelberg

(until August 31, 2019)

Alfons Weber

Head of the Energy and Power Plant Technology segment at Kraftanlagen München GmbH, Munich

(until August 31, 2019; from September 16, 2019)

Dieter Ziehe

Company controller of Kraftanlagen München GmbH, Munich

(until August 31, 2019)

Managing directors

Stephane Stoll

Business graduate

Chief Executive Officer, CEO

Joachim Gessner

Business graduate

Commercial director and labor director, CFO

Alexander Gremm

Graduate engineer (FH)

Managing Director Operations, COO

26. Board remuneration

The total remuneration of the management in the reporting year amounted to EUR 1,787 thousand (previous year: EUR 333 thousand). The total remuneration of the former members of the management in the reporting year amounted to EUR 195 thousand (previous year: EUR 209 thousand). For this group of people, provisions for current pensions and pension entitlements in the amount of EUR 4,546 thousand (previous year: EUR 4,320 thousand) had been set up on the balance sheet date.

The members of the Supervisory Board were granted remuneration of EUR 35 thousand in the year under review (previous year: EUR 41 thousand).

The reversal of the provision for the previous year was taken into account for all remuneration in the reporting year.

27. Consolidated Financial Statements

Bouygues Construction SA, 01 Avenue Eugene Freyssinet, Guyancourt / France, prepares the consolidated financial statements for the smallest group of companies. The consolidated financial statements are published by the Greffe du Tribunal de Commerce, Versailles / France.

Bouygues SA, 32 Avenue Hoche, Paris / France, prepares the consolidated financial statements for the largest group of companies. The consolidated financial statements are published by the Greffe du Tribunal de Commerce, Paris / France.

The consolidated financial statements of Bouygues Construction SA, Guyancourt / France, are prepared in accordance with IFRS and published in German in the electronic Federal Gazette. The company is thus exempt from preparing consolidated financial statements in accordance with Section 291 of the German Commercial Code (HGB).

28. Supplementary report

On January 28, 2020, the shareholder's loan of EUR 20,000 thousand was repaid in full. The indirect participation in KAROM Servicii Profesional in Industrie SRL, Ploiest / Romania, was sold in February. No other events of particular importance occurred after the end of the financial year.

The coronavirus crisis has so far not had any significant impact on society. It cannot be said with sufficient certainty whether this will continue to be the case in the future. We also refer to the statements in the management report.

Munich, March 31, 2020

Managing directors

Stephane Stoll

Joachim Gessner

Management report of Kraftanlagen München GmbH, Munich

(hereinafter: KA-M or company) for the 2019 financial year

1. Basics of doing business

1.1 Business content

The company's business activities include the provision of services in demanding plant and pipeline construction at home and abroad. This includes project planning, planning, manufacture, delivery, creation, operation and maintenance of systems and subsystems in conventional and nuclear power generation, industrial and public media supply as well as chemistry and petrochemistry.

KA-M provides its extensive services in energy, industrial and plant engineering in the business units of energy and power plant technology, industrial plants and supply technology, thus serving customers from industry and the energy sector as well as the municipal sector regionally and worldwide, with a focus on Central Europe. KA-M offers services from a single source, from the study to the approval process, planning, delivery, production and assembly to handover. The company develops flexible, efficient and sustainable solutions for its clients. Their services also include maintenance and servicing of the systems after they have been commissioned.

KA-M is the management company of the Kraftanlagen Group (KAG) and, with its 14 subsidiaries, forms a service network in its target markets. A complete list of all affiliated companies can be found in the appendix.

In the 2018 financial year, KA-M was acquired by Bouygues Construction SA, Guyancourt, France, and allocated to the "Bouygues Energy & Services" business segment. The incorporation of the KAG into the Bouygues Group gives the company and its affiliated companies the opportunity to address a larger market and a wider range of customers.

The annual financial statements of KA-M are included in the consolidated financial statements of Bouygues Construction SA, 01 Avenue Eugene Freyssinet, Guyancourt / France. This prepares the consolidated financial statements for the smallest group of companies, which are disclosed to the Greffe du Tribunal de Commerce, Versailles / France. Bouygues SA 32, avenue Hoche - F-75378 Paris cedex 08 (Reg-Nr. 572 015 246 Paris), France, prepares the consolidated financial statements for the largest group of companies that are disclosed to the Greffe du Tribunal de Commerce, Paris / France becomes. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the European Union, and the consolidated financial statements of Bouygues Construction S. A. is published in German in the Federal Gazette. For this reason, Kraftanlagen München GmbH is exempt from the obligation to prepare consolidated financial statements and a group management report in accordance with Section 291 of the German Commercial Code (HGB).

The company is based in Munich and has a branch in Schwechat, Austria (FN 226272 d).

1.2 Research and Development

The company does not conduct any research and development activities.

1.3 Control

In addition to its operational activities, Kraftanlagen München GmbH also performs the functions of group management. The management of KA-M leads the group and is committed to increasing the company's value over the long term.

The aim of our business activities is to sustainably secure and expand market shares through qualitative growth and to increase the earnings base.

The organization, managers and employees of the company are based on the principles and values of the Kraftanlagen Group and the Bouygues Group. Committed and responsible action in a climate of mutual respect, trust and fairness applies within the framework of the ethical goals.

The company has anchored the term sustainability in its corporate policy since 2015. Sustainable action is an essential component of our company's success. We understand this to mean economic performance, social and societal responsibility, compliance with ethical principles and considerate treatment of our environment. Kraftanlagen München GmbH has published a declaration of conformity in accordance with DNK (German Sustainability Code). Kraftanlagen München has published the corporate governance declaration at <https://www.kraftanlagen.com/ueber-uns/goals-und-responsibility/>.

KA-M is directly or indirectly connected to all major domestic subsidiaries through control and profit and loss transfer agreements and has included them in a central financial and liquidity management system (cash pooling). To manage the company, incoming orders, work in hand, total output, operating profit (EBIT) and cash on hand are used as indicators. These are suitable parameters for measuring the success of the company, which in particular depict the long-term nature of the project business and the success of project management.

In order to achieve these goals, KA-M has set up an efficient control system that includes the subsystems strategic and operational planning, early warning system, internal monitoring and control system, controlling and quality management. As part of the strategic and operational planning, the long- and medium-term orientation, development and goals of the company are defined annually and the concrete operational goals are set, the achievement of which is checked with the help of standardized forecast calculations.

For society, the health and safety of all employees are at the forefront of trade, with the aim of absolutely avoiding accidents. We would like to thank all employees for their performance in 2019 and for their willingness to face the increased demands of the market with great individual and collective commitment. Our thanks for a good cooperation also go to the elected representatives of the workforce, with whom we have always been able to discuss personal, social and economic matters with confidence.

2. Economic report

2.1 Economic development

The German economy continued to grow in 2019 for the tenth year in a row. However, the economy is being dampened by a difficult external economic environment, as a result of which growth has lost further momentum compared to the two previous years. In addition to trade disputes, sanctions and punitive tariffs, the uncertainties surrounding the Brexit negotiations were the drivers of this development. According to the data announced at the press conference of the Federal Statistical Office on January 15, 2020, the economic situation in Germany in 2019 was again characterized by economic growth that fell short of expectations at the beginning of the year.

According to this, the price-adjusted gross domestic product (GDP) increased by 0.6% compared to 2018. The positive growth impulses of KA-Men mainly from within Germany. Private consumer spending increased by 1.6% and government consumer spending by 2.5%. The growth was thus slightly higher than in the last three years. Investment activity also continued to grow compared to the previous year. The price-adjusted gross fixed capital formation rose significantly - 3.8% more was invested in buildings (especially civil engineering and residential buildings), while investments in equipment (machines and vehicles) rose by only 0.4% compared to the previous year.

Exports of goods and services also increased in 2019 (0.9%), albeit less than the previous year. Imports recorded a stronger increase of 1.9% in the same period. As a result, the external balance slowed GDP growth by 0.4 percentage points.

Economic output in Germany was achieved by an average of 45.3 million people in employment in 2019, the highest level since reunification. According to initial calculations, this corresponds to an increase in the number of employees of 0.9%; that is around 400,000 more than in the previous year. The upward trend thus continued in the past year.

For 2020, based on the federal government's autumn forecast, an increase in GDP of 1.0% compared to 2019 was initially expected. All economic research institutes are now expecting a recession due to the coronavirus crisis. An exact estimate is not possible due to the current uncertainties regarding the continuation of this crisis.

2.2 Market development of the segments

The market environment of the Kraftanlagen Group was again shaped in 2019 by the dynamic and sometimes disruptive changes in the energy market. The energy turnaround, with the decision to phase out coal-fired power generation by 2038, combined with the digitalization of the entire energy industry, will lead to a strong decentralization of energy sources and thus also to new business areas and business models. Here the Kraftanlagen Group is constantly developing in the areas of "Power to X", hydrogen economy and consulting. The aim is to open up new business areas for the company and the group in the new market environment.

Conventional energy plant construction in Germany and Europe, on the other hand, continues to stagnate at a low level, as few new major projects are being implemented due to overcapacities, low electricity prices and the expansion of renewable energies. The share of renewables in electricity generation in Germany in 2019 is now 46.0 percent - and decarbonization is being pushed forward by the EU and the federal government. The EU countries were able to agree on tightening the rules for emissions trading. After a significant increase in the middle of the year, the oil price closed at \$ 67 per barrel in December 2019, slightly higher than at the end of 2018.

The market for industrial CHP systems in Germany was stable, but is repeatedly exposed to regulatory changes. Due to the tenders carried out in December 2019 (1-50 MW class) with an average subsidy of 5.12 ct / kWh, higher price pressure due to more competition is expected in this area. As could already be observed in 2018, sector coupling (electricity, heat, transport) was a major market trend in Germany in 2019. Sector coupling currently appears to be the most promising way of decarbonising the transport and heating sectors with renewable electricity. The trend was confirmed by the passing of the Energy Collection Act and thus the extension of the CHP subsidy until 2025. Accordingly - subject to the effects of the coronavirus crisis - an upturn in demand for highly flexible CHP systems is to be expected in the future.

The German industrial service is still on the upswing. With a plus of 5.2%, the industry increased its sales more strongly than since 2012. The reasons were the accumulated investment backlog in production facilities and the good economic development. For the 2020 financial year, the ten leading service providers expected an increase in sales of 11.8% before the outbreak of the coronavirus crisis - slowed only by the shortage of skilled workers and high regulatory hurdles for the use of temporary workers. After the outbreak of the crisis, an increase in sales is essentially ruled out and an - at least temporary - decline has become probable.

The demand in industrial supply technology (semiconductor industry, automobile construction, private sector, etc.) remained high due to a solid economy, although the clear shortage of skilled workers hampered existing growth potential. For the remainder of the 2020 financial year, it is currently not possible to reliably estimate the development in the field of industrial supply technology due to the coronavirus crisis.

Energy and power plant technology - Due to the stagnation of classic energy plant construction (without nuclear power generation) in Europe at a still low level, the individual larger project opportunities were specifically processed and the existing major projects in Moerdijk and Kiel were also carried out. Additional growth areas have been specifically developed through projects in the power-to-heat area and intensified activities in the hydrogen technology area. The operating performance based on internal evaluations in accordance with international accounting principles, including a proportionate income recognition, was EUR 46.5 million (previous year EUR 67.3 million) due to the ongoing major projects.

Supply technology - The market situation in industrial supply technology (automotive, semiconductor industry, energy, trade, etc.) has not changed in key areas since 2018 and continues to develop positively thanks to stable demand. However, despite high demand, there is significant price pressure and the increasing shortage of skilled workers poses major challenges for the industry. Existing growth opportunities could therefore only be used to a limited extent. Due to the stable market situation, the operating performance based on internal evaluations according to international accounting principles including a proportionate income realization was EUR 39.6 million (previous year: EUR 47.0 million) slightly below the previous year's level.

Industrial systems - Demand in the area of services for industrial systems remained stable, despite weaker economic data. In contrast, the noticeable shortage of skilled workers and the ongoing price pressure are dampening the mood, as growth potential cannot be fully exploited. An attempt is made to counter the increased price pressure by means of a mix of existing framework agreements with customers in the (petro) chemical industry and several turnaround, conversion and modernization projects. The increase in operating performance compared to the previous year is mainly due to the handling of larger projects in our domestic and foreign facilities. In addition, it was possible to acquire new customers, particularly in the field of underground pipeline construction, through various operating facilities, and the further development to become a general contractor (EPC) was consolidated through corresponding reference projects. Operating performance based on internal evaluations in accordance with international accounting principles including a proportionate income realization (hereinafter: IFRS operating performance) amounted to EUR 105.4 million (previous year: EUR 82.0 million).

2.3 Order situation and employees

in EUR million	2019	2018	Change abs.	Changes in %
Incoming orders	301.6	154.8	146.8	94.8
Worklist	204.6	72.7	131.9	> +100
Employees 12/31 (number)	984	1006	-22	-2.2
thereof trainees	28	32	-4	-12.5

The increase in incoming orders and thus in the worklist is due to the cycles in the area of major projects.

The trainees counted 28 people at the end of the year, which corresponds to 2.8% of the total workforce.

2.4 Profit situation

in EUR million	2019	2018	Change abs.	Changes in %
sales	362.9	236.4	126.5	53.5
Overall performance	278.2	184.8	93.4	50.5
Cost of materials	-187.0	-165.4	-21.6	-13.1
Personnel expenses	-67.6	-64.3	-3.3	-5.1
Depreciation, operating expenses and income, other taxes	-40.5	-28.7	-11.8	-41.1
Operating profit	-16.9	-73.6	56.7	77.0
Investment result	5.2	-11.2	16.4	> +100

in EUR million	2019	2018	Change abs.	Changes in %
Interest income	-2.6	-2.4	-0.2	-8.3
Depreciation on financial assets	-3.0	0.0	-3.0	> -100
Taxes on income and earnings	2.1	-6.6	8.7	> +100
Annual result	-15.2	-93.8	78.6	83.8

Sales revenues increased by over 50% compared to the previous year. This is due to the completion of major projects, which, as expected, did not have a positive impact on the annual result. The overall performance in 2018 was unusually low, as there were large write-downs of work in progress to the lower fair value. The overall performance in 2018 and that of the reporting year are therefore only comparable to a limited extent. Compared to 2017 (EUR 231.2 million) this was 20.3% higher. The cost of materials has risen significantly due to the sharp rise in operating performance in the area of industrial plants. On average over the year, the number of employees has increased by 1%. In line with the tense situation on the labor market and the higher employee bonuses due to the positive earnings development before special items, personnel expenses rose significantly. Since it is very likely that proceedings under public law will have to be conducted, the company has taken precautions by creating a provision. This increased other operating expenses by EUR 15.0 million. Without this effort, the operating result would be almost balanced. The investment result developed positively. The profit transfer from Kraftanlagen Heidelberg GmbH, Heidelberg, made a significant contribution to this. Since the profitability of a subsidiary, will decrease in the future due to changed market conditions, this participation was written down by EUR 3.0 million. Taxes on income and earnings were positive, as tax planning will lead to a greater reduction in valuation differences between the commercial and tax balance sheets over the next five years. As a result, the deferred tax assets were increased by EUR 3.0 million with an effect on income. Without the extraordinary increase in other operating expenses by EUR 15.0 million, the net loss for the year would have been EUR -0.2 million. The goal set, a balanced result, would have been achieved. Taxes on income and earnings were positive, as tax planning will lead to a greater reduction in valuation differences between the commercial and tax balance sheets over the next five years. As a result, the deferred tax assets were increased by EUR 3.0 million with an effect on income. Without the extraordinary increase in other operating expenses by EUR 15.0 million, the net loss for the year would have been EUR -0.2 million. The goal set, a balanced result, would have been achieved. elevated. Without the extraordinary increase in other operating expenses by EUR 15.0 million, the net loss for the year would have been EUR -0.2 million. The goal set, a balanced result, would have been achieved. elevated. Without the extraordinary increase in other operating expenses by EUR 15.0 million, the net loss for the year would have been EUR -0.2 million. The goal set, a balanced result, would have been achieved. elevated. Without the extraordinary increase in other operating expenses by EUR 15.0 million, the net loss for the year would have been EUR -0.2 million. The goal set, a balanced result, would have been achieved.

2.5 Financial position

in EUR million	2019	2018	Change abs.	Changes in %
Capital assets	40.1	43.0	-2.9	-6.7
Stocks	7.2	0.3	6.9	> +100
Receivables, other assets, RAP	41.0	65.8	-24.8	-37.7
Cash and cash equivalents	72.4	32.4	40.0	> +100
Deferred tax assets	10.0	7.0	3.0	42.9
Total assets	170.7	148.5	22.2	14.9
Equity	6.8	5.7	1.1	19.3
in% of total assets	4.0	3.8	0.2	-
accruals	77.2	64.2	13.0	20.2
liabilities	86.7	78.6	8.1	10.3

The main reason for the reduction in fixed assets is the depreciation of a participation in the amount of EUR 3.0 million. The advance payments received are openly deducted from the work in progress and advance payments made. Any excess amount is shown as a liability. In the year under review, 91.5% of work in progress and advance payments were financed (previous year: 104.8%). As a result, liabilities have decreased by EUR 10.3 million. The reason was that the degree of completion of the work in progress increased and major projects were completed. Receivables, other assets and prepaid expenses have decreased significantly, because there was a large incoming payment for the other receivables. The stock of liquid funds has more than doubled. Decisive for this were the reduction in outstanding debts and a shareholder loan, which was increased by EUR 13 million. Due to the expected higher taxable income in the next five years, future tax savings, and thus the balance sheet item deferred tax assets, increased by EUR 3.0 million. Despite a negative annual result of EUR -15.2 million (previous year EUR -93.8 million), which was more than offset by a contribution in kind by the shareholder in the amount of EUR 16.3 million, equity increased to EUR 6.8 Million increased. The balance sheet total has not least due to the strong increase in liquid funds. As a result, the equity ratio, measured against the balance sheet total, has only risen to 4.0%.

Other provisions increased by EUR 21.3 million as a result of completed projects and the remaining work to be performed for them. This was essentially offset by the lower provisions for personnel expenses and restructuring measures. The liabilities increased mainly due to the shareholder loan, which increased by EUR 13.0 million.

2.6 Financial position

At the end of the financial year, KA-M's financial position is as follows:

in EUR million	2019	in% of total assets	2018	in% of total assets	Change abs.	Changes in %
Long-term assets	40.1	23.4	43.0	29.0	-2.9	-6.7
Short-term assets	130.6	86.6	105.5	71.0	25.1	23.8
of which cash and cash equivalents	72.4	42.4	32.4	21.8	40.0	> +100
Total assets	170.7	-	148.5	-	22.2	14.9
Equity	6.8	4.0	5.7	3.8	1.1	19.3
long term commitments	36.2	21.2	36.3	24.4	-0.1	-0.3
Medium term commitments	0.0	0	7.0	4.7	-7.0	-100
short term commitments	127.7	74.8	99.5	67.0	28.2	28.3
Credit line	27.0		12.0		10	83.3
- utilization	20th		7th		13th	> +100
Guarantee line	246.0		316.5		-70.5	-22.3
- utilization	131.0		135.2		-4.2	-3.1

in EUR million	2019	in% of total assets	2018	in% of total assets	Change abs.	Changes in %
- Utilization in%	53.3		42.7			

Equity and long-term obligations (pension obligations) increased by EUR 1.0 million to EUR 43.0 million. They thus cover 107.2% (previous year 97.7%) of non-current assets. The shareholder loan of EUR 20.0 million existing on the reporting date was repaid in full at the end of January 2020. Liquid funds amount to 55.4% of current assets and have more than doubled compared to the previous year due to the reduction in other assets and the increased shareholder loan. EUR 10.3 million trade receivables were assigned by way of a silent assignment. That is EUR 1.7 million more than in the previous year. With the exception of the sale of trade accounts receivable, the company did not take any financing measures outside the group. The company maintains a cash pool with almost all of its domestic subsidiaries. As of the balance sheet date, these had given the company a net amount of EUR 46.4 million (previous year: EUR 36.2 million). Loans of EUR 1.1 million (previous year: EUR 3.4 million) were granted to foreign subsidiaries. The guarantee lines at various banks and insurance companies were reduced to EUR 246.0 million due to the lower utilization, and 53.3% had been used on the reporting date (previous year: 42.7%). During the reporting year, the company was

3. Report on risks and opportunities

The task of the Kraftanlagen München GmbH risk management system is to identify and manage the risks associated with business policy and to optimally exploit strategic potential. With risk management, KA-M promotes risk awareness at all management and staff levels as well as among all employees. The system is an integral part of the management processes and helps to avoid risks as far as possible, or at least to recognize them early, to evaluate them and to avert the resulting dangers for the company. Thus, all precautions have been taken to ensure that the goals set are achieved.

The risk management system is based on the general risk policy principles of the Kraftanlagen Group decided by the management; it is coordinated at the headquarters in Munich and is essentially based on the following subsystems:

- Strategic and operational planning
- early warning system
- Internal monitoring and control system (ICS)
- Controlling system
- Quality management

As part of the strategic and operational planning, the long-term and medium-term orientation, development and goals of the company are defined and reviewed annually, and the concrete operational goals for the following year are set. There is also an annual risk inventory. These findings are then summarized in a risk matrix, the extent of damage and responsibilities are defined, and measures are derived. A quarterly review of the achievement of the qualitative and quantitative annual targets takes place as part of the standardized forecast calculation.

With the monthly reporting, the management and all management levels are informed about the current economic situation. The actual situation is analyzed at all levels and compared with the target situation, if necessary measures are defined and their planned implementation is tracked as part of the monthly controlling and steering process.

Risk management and the reliability of the monitoring and control systems are checked regularly. Any suggestions are taken up to optimize the system.

In addition, ICS training courses were held, particularly with regard to compliance and measures to increase risk awareness.

In addition, a detailed internal audit of all major projects in progress was carried out in the first few months after the takeover by Bouygues Construction SA. The integration of the internal control system of Kraftanlagen München GmbH into the system of Bouygues Construction SA was continued in the year under review. A new function (Risk Controlling) has also been created for this purpose. This is also intended to further improve and professionalize risk management and the ICS.

The risks of the project business were identified as the main industry-specific risks, ie risks from the drafting of contracts, the calculation, the financing and the execution of the orders. The management routinely checks all projects above a certain size in a structured process for commercial, technical and contractual risks. The review encompasses all stages of the project from acquisition to order processing and execution through to the handling of any warranty cases. This enables possible contract and project risks to be identified in good time and reduced as far as possible. Practically relevant and effective methods are used for the individual case.

We take warranty risks into account by demanding subcontractor guarantees and anticipating balance sheet risks. Appropriate insurance policies are taken out to cover liability risks and damage claims.

Market and customer risks

Our customers have high quality standards for our services. We have to live up to this claim in order to maintain or improve our position on the market. Depending on the industry, there is a certain dependency on individual major and key customers, especially in the energy and chemical / petrochemical industries. The investment propensity of these customers depends heavily on the economic and political environment in the respective sub-markets and has a decisive influence on the order situation and capacity utilization of the company. As a result of the energy turnaround and the successive decommissioning of coal-fired power plants, larger projects will be postponed to gas-fired power plants.

By aligning KA-M to business areas with good earnings and return prospects as well as a good market position and growth opportunities at home and abroad, as well as through organic growth and acquisitions, we try to keep the overall risk low through forward-looking analyzes. It should be noted, however, that due to the economic situation of the large energy supply companies as a result of the energy transition, the market and customer risks for these key customers increased further in the past financial year. The volatile oil price also has a particular impact on customers' willingness to invest in the refinery sector. The industrial plants business units are particularly affected by this.

In the first quarter of 2015, the Munich I public prosecutor's office and the Federal Cartel Office initiated competition proceedings against various companies active in the field of technical building equipment, including Kraftanlagen München GmbH. KA-M cooperates fully with the authorities. With a fine of December 5, 2019, the Federal Cartel Office imposed a fine of EUR 47.5 million on Kraftanlagen München GmbH. KA-M lodged an objection against this on December 11, 2020 in due time. The decision on the objection is still pending. Provisions have been made for the legal and attorney's costs expected in this context.

Financial risks

In the course of its operating activities, the company is exposed to financial risks, in particular price, interest rate, credit, currency and liquidity risks. The monitoring takes place with proven control and management instruments. The reporting system enables the continuous recording, analysis, evaluation and control of financial risks.

The coronavirus crisis has increased the risk of payment defaults for the 2020 financial year. Since the federal government has promised significant financial aid to the companies concerned and the continuation of the crisis is subject to considerable uncertainty in its assessment, the risks cannot yet be adequately quantified.

Liquidity risks are monitored and controlled centrally. All financial obligations can be met at any time thanks to sufficient liquid funds as well as free credit and guarantee lines. Potential default risks as a result of investing company liquidity are limited by the fact that essentially only short-term investments are made with first-class business

partners.

In the financial sector, market price risks primarily relate to exchange rates, interest rates and the market values of financial investments. KA-M is mainly active in the euro area and is therefore only exposed to exchange rate risks to a limited extent.

The interest rate risks are only of subordinate importance due to the good liquidity situation.

KA-M's credit risk management includes the ongoing review of outstanding debts from counterparties as well as the implementation of creditworthiness analyzes of new as well as existing contractual parties. In business, obligations are generally only entered into with counterparties who meet the criteria of KA-M's risk policy.

Furthermore, we strive to improve the degree of financing of our projects by pre-financing the customers and to keep the risk of payment default low by defining optimal payment terms, security measures and prompt invoicing of the services provided. This also includes monitoring the timely receipt of payments including an effective dunning process.

KA-M is also included in the Bouygues Group's factoring program.

The risk of concentration risks is minimized by the number and spread of customers and the consolidation of positions. However, there is a relatively strong dependency on individual large and key customers in the energy and chemical / petrochemical industries.

Personnel risks can exist due to the lack of specialists and managers, largely independent of economic developments. We pay particular attention to the risks that can arise from a lack of young talent, high fluctuation, a lack of qualifications, low motivation or an aging workforce, and we actively counter them. The company's success largely depends on the extent to which we succeed in hiring, integrating and retaining the relevant employees in the company. By a

Systematic succession planning in the management area through, for example, targeted training programs for young executives and the provision of substitute regulations, personnel risks in the company's management are reduced.

New labor market laws, such as the stricter regulations for temporary workers, have a negative impact on the handling of projects and in the service business due to the limited flexibility. The company is aware of this risk and is consistently developing its internal processes in order to be able to minimize the risks accordingly.

Overall risk

The overall assessment of the risks shows that the company is mainly exposed to market and project risks. These include in particular economic fluctuations and the relatively high dependency on major and key customers in the energy and chemical / petrochemical industries. The risks resulting from the value creation process are controlled by our risk management system and are therefore limited in their effects.

Apart from the coronavirus crisis, the economic development of the German and global economies and the uncertainty surrounding energy policy developments, the risks are manageable, transparent and, from today's perspective, do not endanger the continued existence of the company.

opportunities

In addition to the systematic management of risks, it is important to secure and expand the company's success through active management of opportunities.

The greatest opportunity is seen as the integration into the globally active Bouygues Group, which is progressing continuously and according to plan. The company will have access to new markets, new customers and new projects, inside and outside Europe. Embedded in the "Bouygues Energies & Services" business segment, KA-M can benefit from the expertise of the other companies within this segment and contribute its services in the fields of telecommunications / FTTH, facility management, etc.

There will also be synergy opportunities in a wide variety of areas, such as: B. in personnel development and support, IT infrastructure and the digitization of company processes, procurement and innovations.

We see market opportunities for our existing range of services for regions in which we have not been or have been underrepresented so far, combined with the acquisition of new customers. In this context, there is a strategic opportunity in association with subsidiaries and companies of the Bouygues Group to open up new customers and markets and thus to grow organically.

Further opportunities can arise both from the new challenges due to the changes in the energy system (network expansion, security of supply, profitability, digitization, flexibility and energy storage) and the expansion of new technologies in plant construction such as flexible CHP systems, power-to-heat or power-to-Gas and heat storage offer. With our know-how, which was vividly demonstrated with the project implementation of Europe's largest gas engine cogeneration plant for Stadtwerke Kiel, KA-M is in a position to use this potential.

5. Forecast report

Economy

After one of the longest phases of the upswing in the German economy, a recession is forecast for Germany due to the coronavirus crisis, external economic conditions such as the trade dispute with the United States (punitive tariffs) and geopolitical risks, as well as the effects in connection with Brexit. With the presentation of the annual economic report on January 29, 2020, the federal government forecast the GDP growth rate for 2020 to be 1.1%. With the onset of the coronavirus crisis, significantly negative economic growth is expected in 2020, depending on the duration of the crisis. No estimate can currently be made for the development of consumer prices for 2020.

General developments

The energy market continues to change continuously. Decarbonisation is advancing, even though the electricity, heating and mobility sectors show very different rates of CO₂ savings. The electricity sector is currently achieving the highest rate of savings.

With a view to the general conditions for investments in Germany, the electricity exchange prices in connection with the regulatory framework represent the essential and short-term drivers for investments in the energy sector. According to the calculation of the Fraunhofer Institute, the average volume-weighted day-ahead electricity exchange price was 36.64 EUR / MWh more than 15% below the value of the previous year (43.26 EUR / MWh), which means that the industry in the energy generation segment faces considerable challenges in the future.

In terms of energy generation, consumption was 516 TWh, an increase of 1.6% compared to 2018, which was mainly due to the solid economy.

Together, solar and wind energy systems produced around 173 TWh in 2019.

In total, renewable energy sources produced around 237 TWh in 2019, an increase of 7.0% compared to 2018. With this they achieved a share of 46% of the public net electricity generation. In connection with the fact that onshore wind turbines and PV systems now also have lower electricity generation costs than conventional power plants of all kinds and that CO₂ prices have risen further for the past year, the growth in renewable energies will continue in Germany.

Further expansion will only be limited by the delays in expanding the transmission network. The increasing focus on sector coupling, which makes surplus (renewable) electricity usable for other sectors, such as heating and mobility, can alleviate the pressure on network expansion at the transmission network level and, in addition to decarbonization, is becoming more important, for example through the implementation of the statutory authorization in Section 13 (6a) EnWG with the "use instead of limiting" regime.

This development is supported by the will of society to completely take the coal-fired power plants off the grid by 2038 at the latest, as negotiated by the Coal Commission. Conversely, this will create new market niches in which, through adapted regulation, plannable investment conditions can be created. In these new niches it is still to be expected that new technological energy systems will find large-scale use, for example through the newly developed framework for energy research by the BMWi with the creation of so-called real laboratories for the large-scale demonstration of new technologies. The internal proprietary technology developments in the field of electrical high-temperature generation and storage are already specifically requested on the market under the term "Carnot Batteries". In order to follow this development, the Kraftanlagen Group already offers electricity-to-heat (power-to-heat) and electricity-to-hydrogen (power-to-gas) solutions in the system business in the field of sector coupling. In addition, consulting services for solutions in the areas of batteries, large heat pumps and high-temperature storage will be offered in 2020. The Kraftanlagen Group already offers electricity-to-heat (power-to-heat) and electricity-to-hydrogen (power-to-gas) solutions in the system business in the field of sector coupling. In addition, consulting services for solutions in the areas of batteries, large heat pumps and high-temperature storage will be offered in 2020. The Kraftanlagen Group already offers electricity-to-heat (power-to-heat) and electricity-to-hydrogen (power-to-gas) solutions in the system business in the field of sector coupling. In addition, consulting services for solutions in the areas of batteries, large heat pumps and high-temperature storage will be offered in 2020.

Internationally, the technology of solar thermal power plants is experiencing a revival with demand-oriented solar power generation. The reason for this is the recently agreed electricity supply contracts with competitive price levels (US \$ 72 / MWe) and output levels (700 MWe) compared to conventional electricity generation in Morocco and Dubai. This trend gives the development activities of the Kraftanlagen Group's proprietary technology in the field of solar thermal power plants further tailwind.

Due to the economic downturn, companies in the process industry will initially only invest in the expansion and maintenance of their systems to the extent necessary. Therefore, no increase in the investment rate is expected this year. No further growth is currently expected in the oil and gas sector or in refineries. The willingness to invest among oil companies is unlikely to be any higher than in previous years, as their cash flow has not improved significantly. The failure to reach an agreement on subsidy cuts by OPEC also contributes to this, although counter-effects can be expected from a possible subsidy reduction by the USA. After a difficult year 2019, the chemical and pharmaceutical industry expects zero growth in terms of sales in 2020, which will also affect industrial service companies such as KA-M and its subsidiaries. Industrial pipeline construction and industrial supply technology - so far benefiting from the good economic situation and the growing construction sector (sales plus 5.5% expected in 2020) - will be affected by the coronavirus crisis to an extent that has not yet been assessed.

Against the background of dynamic developments and challenges, price pressure and the strong influence of political decisions on the markets, KA-M's business environment remains very dynamic and challenging.

Nevertheless, it is a declared goal to continue to grow and to continuously expand the range of services in order to expand the position as an integral solution provider for industry, energy and heat supply of the future. The following developments can be seen for the business units of KA-M:

Energy and power plant technology - Due to the strong change in the energy market with regard to decarbonization, the market for classic large power plants (gigawatt class) in Europe and especially in Germany is declining. This applies in particular to large fossil-fuel-fired power plants for pure electricity generation.

In contrast, there is a strong recovery in the combined heat and power (CHP) segment, i.e. in the combined generation of electricity and heat. The reasons for this are the additional marketing of the price-stable district heating, the increase in electricity prices and the political regulation that promotes CHP systems with additional feed-in tariffs. This funding is divided into innovative combined heat and power plants up to 10 MWe, conventional CHP below 50 MWe and over 50 MWe. Kraftanlagen München is represented in these types of power plants with the reference projects Kiel (Europe's largest gas engine cogeneration plant) and Linz (gas and steam turbine plant).

In the area of sector coupling, the need for power-to-heat systems is growing. At the moment, this is hardly happening in the context of decarbonisation, but rather to optimize the purchasing of power lines for industrial customers. This need will continue to grow. Based on the existing reference projects and the market positioning in the Power-to-Heat segment, further growth is expected here.

Through its commitment in the field of hydrogen generation, the business unit is strengthening its activities in coupling sectors with a new technology. The need for systems consists in the material use of hydrogen, in initial applications in the mobility sector, for admixture in natural gas networks or for storing electricity. Due to the high specific investment costs of this technology, it is still at the beginning of the market launch.

The further development of the proprietary Central Solar Power (CSP) technology offers medium-term sales opportunities in other countries which, in addition to photovoltaics and wind, are now also publishing expansion targets for CSP power plants. In addition, there is cross-selling potential for the core component of the thermal high-temperature storage system for the flexibilization and decarbonization of fossil-fueled existing systems in the German market.

Despite the coronavirus crisis and the resulting possible project delays, IFRS operating performance is expected to remain at least the same compared to 2019 (2019: EUR 46.5 million).

Supply technology - As a result of the coronavirus crisis, the market outlook for industrial supply technology (semiconductor industry, automotive engineering, pharmaceuticals, etc.) in Europe for 2020 is negative, although catch-up effects can be expected in the period following the crisis. However, the severe shortage of skilled workers is also holding back the industry. Since there are considerable uncertainties about the continuation of the coronavirus crisis, it is not yet possible to make reliable statements about the exact effects. The topic of Building Information Modeling (BIM), intelligent system control and the increasing demands on energy efficiency will be drivers for future developments

Be developments. Since the market is largely regionally focused, the market presence in Germany is to be further increased through acquisitions and the shortage of skilled workers is to be countered. In the medium term, there is further potential for sustainable growth in this segment. For the 2020 financial year, however, a significantly lower IFRS operating performance (2019: EUR 39.6 million) is expected.

Industrial plants - The service market for industrial plants is fundamentally attractive, although there are few new construction projects in Germany and Western Europe. Modernization and maintenance are the primary market drivers. Despite the reluctance to invest in recent years and a volatile oil price, the medium-term market outlook is cautiously positive. Some turnarounds in refineries and chemical parks are pending and investments are forecast to grow by 2-3% annually until 2024. Important growth markets are Germany, Eastern Europe and the Benelux countries, in which the general contractor business is to be further expanded.

For the 2020 financial year, however, the coronavirus crisis is expected to have a noticeable impact on earnings due to delays.

Due to the presence in Germany and Romania and the existing customer base, the segment is well positioned to continue to grow moderately in the medium term. Based on this market perspective, a significantly reduced IFRS operating performance is planned for 2020 (2019: EUR 105.4 million).

The company expects a moderately negative EBIT for the 2020 financial year. The forecast for incoming orders, work in hand, overall performance and the development of financial resources is subject to considerable uncertainty as a result of the coronavirus crisis.

Munich, March 31, 2020

Managing directors

Stephane Stoll

*Joachim Gessner**Alexander Gremm*

Report of the Supervisory Board on the 2019 financial year of Kraftanlagen München GmbH

The supervisory board of Kraftanlagen München GmbH has to prepare an audit report according to § 171 AktG in conjunction with § 25 para. 1 no. 2 MitbestG. With this report, the Supervisory Board fulfills this obligation. In this context, he also refers to the material incidents at Kraftanlagen München GmbH that are relevant for the purposes of Section 171 AktG, which are also reported on.

Composition of the Supervisory Board of Kraftanlagen München GmbH in the 2019 financial year

The Supervisory Board of Kraftanlagen München GmbH was composed as follows in the 2019 financial year:

Olivier-Marie Racine	Chairman (shareholder representative) from January 29, 2019
Stephane Schneider	Shareholder representatives, from January 29, 2019 to September 30, 2019
Julien Toqueboeuf	Shareholder representatives, as of January 29, 2019
Pascal Grange	Shareholder representatives, from January 29, 2019 to September 30, 2019
Jacky Gillmann	Shareholder representatives, as of January 29, 2019
Dr. Eberhard Stabreit	Shareholder representatives, as of January 29, 2019
Olivier Montfort	Shareholder representatives; from October 1st, 2019
Cyrille Renault	Shareholder representatives; from October 1st, 2019
Michael Seis	Deputy Chairman (employee representative), until August 30, 2019; from September 16, 2019
Thomas Martin	Employee representative until August 30, 2019; from September 16, 2019
Ahmet Uzun	Employee representative until August 30, 2019
Alfons Weber	Employee representative until August 30, 2019; from September 16, 2019
Peter Reithner	Employee representative until August 30, 2019; from September 16, 2019
Dieter Ziehe	Employee representative until August 30, 2019
Barbara Schlautkötter	Employee representative, from September 16, 2019
Markus Seidel	Employee representatives, from September 16, 2019

Business development in the 2019 financial year

The market environment of the Kraftanlagen Group was again shaped in 2019 by the dynamic and sometimes disruptive changes in the energy market. The energy turnaround, with the decision to phase out coal-fired power generation by 2038, combined with the digitalization of the entire energy industry, will lead to a strong decentralization of energy sources and thus also to new business areas and business models. Here the Kraftanlagen Group is constantly developing in the areas of "Power to X", hydrogen economy and consulting. The aim is to open up new business areas for the company and the group in the new market environment.

Conventional energy plant construction in Germany and Europe, on the other hand, continues to stagnate at a low level, as few new major projects are being implemented due to overcapacities, low electricity prices and the expansion of renewable energies. The share of renewables in electricity generation in Germany in 2019 is now 46.0 percent - and decarbonization

is being driven forward by the EU and the federal government. The EU countries were able to agree on tightening the rules for emissions trading. The oil price closed in December 2019 after a significant increase in the middle of the year at 67 dollars per barrel, slightly higher than at the end of 2018. In the course of the latest developments around the coronavirus crisis and the failure of OPEC to reach an agreement on a production cut, the However, oil prices came under pressure in the first quarter of 2020.

The market for industrial CHP systems in Germany was stable, but is repeatedly exposed to regulatory changes. Due to the tenders carried out in December 2019 (1-50 MW class) with an average subsidy of 5.12 ct / kWh, higher price pressure due to more competition is expected in this area. As could already be observed in 2018, sector coupling (electricity, heat, transport) was a major market trend in Germany in 2019. Sector coupling currently appears to be the most promising way of decarbonising the transport and heating sectors with renewable electricity. The trend was confirmed by the passing of the Energy Collection Act and thus the extension of the CHP subsidy until 2025. Accordingly - subject to the effects of the coronavirus crisis - an upturn in demand for highly flexible CHP systems is to be expected in the future.

The German industrial service is still on the upswing. With a plus of 5.2%, the industry increased its sales more strongly than since 2012. The reasons were the accumulated investment backlog in production facilities and the good economic development. For the 2020 financial year, the ten leading service providers expected an increase in sales of 11.8% before the outbreak of the coronavirus crisis - slowed only by the shortage of skilled workers and high regulatory hurdles for the use of temporary workers. After the outbreak of the crisis, an increase in sales is essentially ruled out and an - at least temporary - decline has become probable.

The demand in industrial supply technology (semiconductor industry, automobile construction, private sector, etc.) remained high due to a solid economy, although the clear shortage of skilled workers hampered existing growth potential. For the remainder of the 2020 financial year, it is currently not possible to reliably estimate the development in the field of industrial supply technology due to the coronavirus crisis.

Monitoring and advising the management in the management of business in the 2019 financial year

The supervisory board of Kraftanlagen München GmbH performed its duties in accordance with the law, the articles of association and the rules of procedure and regularly advised and monitored the management of the company.

During the 2019 financial year, the Supervisory Board of Kraftanlagen München GmbH held regular meetings on February 28, 2019, March 22, 2019, July 4, 2019 and November 6, 2019, in detail with the situation and development of Kraftanlagen München GmbH and its affiliated companies, as well as with significant business transactions. The focus was on the treatment of the strategic business plan for the Kraftanlagen Group and the reorganization measures resulting from this, as well as the establishment of a new radiation protection company. The Supervisory Board also dealt in detail with the new business distribution plans for Kraftanlagen München GmbH. The financial situation triggered by the project in Kiel and the further procedure in the "OL3" project after successful completion of the appeal proceedings before the Federal Court of Justice were also dealt with several times by the Supervisory Board. The Supervisory Board also dealt with the issue of "gender equality" within the Kraftanlagen Group. The legal regulation on the

The respective target figure for the proportion of women on the supervisory board and among the managing directors of Kraftanlagen München GmbH was also discussed.

Outside of the meetings of the committee, the chairman of the supervisory board of Kraftanlagen München GmbH and the individual committees obtained regular information from the management about important processes and decisions and discussed important individual processes with the management.

Changes in the management of Kraftanlagen München GmbH in the 2019 financial year

There were no changes in the management of Kraftanlagen München in 2019. Mr. Stephane Stoll, Mr. Joachim Gessner and Mr. Alexander Gremm were appointed as managing directors.

Work of the committees in the 2019 financial year

As in the 2018 reporting year, the Supervisory Board of Kraftanlagen München GmbH continued to have an audit, personnel and mediation committee. The Audit and Personnel Committee is made up of two shareholder and employee representatives. With a resolution on February 28, 2019, the Supervisory Board confirmed the previous composition of the respective committees as elected on July 31, 2018. With the resignation of Mr. Pascal Grange and Mr. Stephane Schneider on the part of the shareholders with effect from September 30, 2019, conditional and conditional the end of the term of office of the employee representatives with effect from August 30, 2019, the Supervisory Board filled the respective committees at the meeting on November 6, 2019.

The Personnel Committee of the Supervisory Board of Kraftanlagen München GmbH met twice. In meetings on February 28, 2019 and March 15, 2019, it discussed the extension of the employment contract for Mr. Joachim Gessner until December 31, 2022. The Personnel Committee recommended that the Supervisory Board extend the employment contract with Mr. Joachim Gessner accordingly.

In the meeting on July 19, 2019, the Audit Committee of the Supervisory Board of Kraftanlagen München GmbH approved the conclusion of a Credit Facility Agreement between Kraftanlagen München GmbH and its shareholder and, at the meeting on August 29, 2019, approved Kraftanlagen München GmbH for a legal action.

The mediation committee of the supervisory board of Kraftanlagen München GmbH did not have to be called.

Review of the annual financial statements and the management report for the 2019 financial year

The annual financial statements and management report for the 2019 financial year drawn up by the management of Kraftanlagen München GmbH on March 31, 2020, including the bookkeeping, have been audited by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, selected by the shareholders' meeting as auditor, and given an unqualified audit certificate. The audited annual financial statements and management report for the 2019 financial year as well as the auditor's report were submitted to the Supervisory Board of Kraftanlagen München GmbH for review. At the discussion on the annual financial statements and the management report for the 2019 financial year at the meeting on 19

The Supervisory Board took note of and approved the result of the audit by the auditor. Following the final result of its own reviews of the annual financial statements and the management report for the 2019 financial year, the Supervisory Board raised no objections.

The Supervisory Board therefore approved the annual financial statements including the management report for the 2019 financial year on June 19, 2020. The supervisory board of Kraftanlagen München GmbH agreed with the management's proposal to carry forward the balance sheet loss to a new account. In accordance with the articles of association, the shareholders' meeting will decide on the adoption of the annual financial statements for the 2019 financial year no later than four weeks after the Supervisory Board has examined the company's annual financial statements.

The Supervisory Board of Kraftanlagen München GmbH would like to thank all employees, the executives and the management of Kraftanlagen München GmbH for their commitment and excellent performance in 2019. The Supervisory Board thanks the employee representatives for their consistently constructive cooperation.

Munich, June 19, 2020

Olivier-Marie Racine
Chairman of the Supervisory Board of
Kraftanlagen München GmbH
