Senvion S.A.
(formerly Senvion S.à r.l.), Luxembourg
Annual Financial Report 2016

SENVION
wind energy solutions

Contents

Senvion S.A.

FINANCIAL STATEMENTS

Assets	Notes	2016/12/31 EUR	2015/12/31 EUR
A. Subscribed capital unpaid			
B. Formation expenses			
C. Fixed assets	3	**521,887,618.42**	**482,238,966.95**
I. Intangible assets			
II. Tangible assets			
III. Financial assets	2.2.1,3	521,887,618.42	482,238,966.95
1. Shares in affiliated undertakings	3.1	521,887,618.42	117,703,484.15
2. Loans to affiliated Undertakings	3.2		364,535,482.80
D. Current assets	2.2.2	**10,862,259.57**	**19,392,594.62**
I. Stocks			
II. Debtors	4	394,071.34	19,117,020.48
1. Trade debtors			
2. Amounts owed by affiliated undertakings	4.1	174,387.50	19,113,810.48
a) becoming due and payable within one year	4.1.1	174,387.50	19,113,810.48
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests			
4. Other debtors	4.2	219,683.84	3,210.00
a) becoming due and payable within one year	2.2.7, 4.2.1	212,617.84	3,210.00
b) becoming due and payable after more than one year	4.2.2	7,066.00	
III. Investments	5	5,860,416.40	
1. Shares in affiliated undertakings			
2. Own shares	5.1	5,860,416.40	
IV. Cash at bank and in hand	2.2.3	4,607,771.83	275,574.14
E. Prepayments	2.2.5, 6	**260,359.59**	**17,850.00**
Total (assets)		**533,010,237.58**	**501,649,411.57**

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

Capital, reserves and liabilities	Notes	2016/12/31 EUR	2015/12/31 EUR
A. Capital and reserves	7	**518,234,259.42**	**847,153.21**
I. Subscribed capital	7.1	650,000.00	78,125.00
II. Share premium account	7.2	520,758,471.77	2,048,006.40
III. Revaluation reserve			
IV. Reserves	7.3	7,082,174.17	
1. Legal reserve	7.3.1		
2. Reserve for own shares	7.3.2	7,082,174.17	
V. Profit or loss brought forward		(1,278,978.19)	(18,930.94)
VI. Profit or loss for the financial year		(8,977,408.33)	(1,260,047.25)
VII. Interim dividends			
VIII. Capital investment subsidies			
B. Provisions	2.2.4, 8	**305,261.65**	
1. Provisions for pensions and similar Obligations			
2. Provisions for taxation	8.1		
3. Other provisions	8.2	305,261.65	
C. Creditors	2.2.6, 9	**14,470,716.51**	**500,802,258.36**
1. Debenture loans			499,459,261.45
a) Convertible loans			
b) Non convertible loans	9.1		499,459,261.45
i) becoming due and payable within one year			19,268,300.90
ii) becoming due and payable after more than one year			480,190,960.55
2. Amounts owed to credit institutions			
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks			
4. Trade creditors			665,117.88
a) becoming due and payable within one year			665,117.88
5. Bills of exchange payable			
6. Amounts owed to affiliated undertakings	9.2	14,443,622.38	674,669.03
a) becoming due and payable within one year	9.2.1	8,558,375.54	9,669.03
b) becoming due and payable after more than one year	9.2.2	5,885,246.84	665,000.00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests			
8. Other creditors	9.3	27,094.13	3,210.00
a) Tax authorities	2.2.7, 15	87.00	3,210.00
b) Social security authorities	9.3.1	4,182.31	
c) Other creditors	9.3.2	22,824.82	
i) becoming due and payable within one year		22,824.82	
D. Deferred income			
Total (capital, reserves and liabilities)		**533,010,237.58**	**501,649,411.57**

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

Senvion S.A.

PROFIT AND LOSS ACCOUNT

	Notes	2016/01/01-2016/12/31 EUR	2015/01/01-2015/12/31 EUR
1. Net turnover			
2. Variation in stocks of finished goods and in work in progress			
3. Work performed by the undertaking for its own purposes and capitalized			
4. Other operating income	10	174,387.50	9.60
5. Raw materials and consumables and other external expenses			(1,085,797.84)
a) Raw materials and consumables			
b) Other external expenses			(1,085,797.84)
6. Staff costs	11	(107,747.19)	
a) Wages and salaries		(95,738.03)	
b) Social security costs		(12,009.16)	
i) relating to pensions		(7,185.71)	
ii) other social security costs		(4,823.45)	
7. Value adjustments		(1,221,757.77)	
a) in respect of formation expenses and of tangible and intangible fixed assets			
b) in respect of current assets	5.1	(1,221,757.77)	
8. Other operating expenses	12	(8,196,660.55)	(9,057.60)
9. Income from participating interests			
10. Income from other investments and loans forming part of the fixed assets	13	6,816,169.11	19,113,810.48
a) derived from affiliated undertakings	13.1	6,816,169.11	19,113,810.48
11. Other interest receivable and similar income	14	1,041.30	2,427.65
a) derived from affiliated undertakings			
b) other interest and similar financial income	14.1	1,041.30	2,427.65
12. Share of profit or loss of undertakings accounted for under the equity method			
13. Value adjustments in respect of financial assets and of investments held as current assets			
14. Interest payable and similar expenses	15	(6,439,630.73)	(19,278,204.54)
a) concerning affiliated undertakings	15.1	(6,430,046.07)	(19,277,469.93)
b) other interest and similar expenses	15.2	(9,584.66)	(734.61)
15. Tax on profit or loss	16	(3,210.00)	(3,210.00)
16. Profit or loss after taxation		(8,977,408.33)	(1,260,022.25)
17. Other taxes not shown under items 1 to 16			(25.00)
18. Profit or loss for the financial year		**(8,977,408.33)**	**(1,260,047.25)**

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

1 General information

Senvion S.A. (hereafter “Senvion” or the "Company", formerly Senvion S.à r.l.) was incorporated on April 4th, 2014 and is organized under the laws of Luxembourg as a Société Anonyme for an unlimited period.

On February 5th, 2016, the shareholders resolved to change the name Rapid Acquisition Luxco S.à r.l. into Senvion S.à r.l., and on March 3rd, 2016, the shareholders resolved to change its legal form into a public limited liability company (Société Anonyme) listed on the Luxembourg and Frankfurt stock exchanges. On the same day, prior to the decision of legal form change, the shareholders resolved to convert the six classes of ordinary shares and the four classes of preference shares into one single class of ordinary shares with a nominal value of EUR 0.01 each.

On September 30th, 2016 the Company changed its registered address from 25c, boulevard Royal, L-2449 Luxembourg to the current registered office: 46a, Avenue John F. Kennedy, L-1855 Luxembourg.

The Company is managed by a management board, which is supervised by the supervisory board with a human resources committee, audit committee and strategy and investment committee.

The main activity of the Company is the acquisition, holding and disposal of interests in Luxembourg and/or in foreign companies and undertakings, as well as the administration, development and management of such interests. The Company may provide support and render management and consulting services and any other form of services to companies and undertakings forming part of the group of which the Company is a member. The Company may provide loans and financing in any other kind or form or grant guarantees or security in any other kind or form, in order to secure its obligations and the obligations of the companies and undertakings forming part of the group of which the Company is a member. The Company may also invest in real estate, in intellectual property rights or any other movable or immovable assets in any kind or form. The Company may borrow in any kind or form and issue bonds, notes or any other debt instruments as well as warrants or other share subscription rights. In a general fashion, the Company may carry out any commercial, industrial or financial operation it deems useful in the accomplishment and development of its purposes.

The Company's financial year starts on January 1st and ends on December 31st of each year.

The Company also prepares consolidated accounts, which are subject to publication as prescribed by Luxembourg law.

2 Principles, rules and valuation methods

2.1 General principles

The annual accounts are prepared in conformity with Luxembourg legal and regulatory requirements and according to generally accepted accounting principles applicable in Luxembourg under the historical cost convention. The accounting policies and valuation principles are, apart from those enforced by the law, determined and implemented by the management.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions change. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

2.2 Significant rules and valuation methods

The significant valuation rules of the Company can be summarized as follows:

2.2.1 Financial fixed assets

Financial fixed assets such as shares in affiliated undertakings, participating interests and investments held as fixed assets are valued at their historical acquisition cost. Loans granted to affiliated undertakings or other companies and defined as financial fixed assets are valued at their nominal value.

If the management determines that a durable impairment has occurred in the value of a financial fixed asset, a value adjustment is made in order to reflect that loss. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.2 Current assets

Current assets are recorded at their nominal value. A value adjustment is made when their recovery is partly or completely in doubt. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

2.2.3 Foreign currency translation

The Company maintains its books and records in EUR.

All transactions expressed in currency other than EUR are translated into EUR at the exchange rate prevailing at the date of the transaction.

The formation expenses and the fixed assets other than the long-term loans classified as financial fixed assets and expressed in a currency other than EUR are exchanged into EUR at the exchange rate prevailing on the date of their acquisition. On the balance sheet date, these fixed assets are maintained at their historical exchange rate.

Cash is translated at the exchange rate prevailing on the balance sheet date. Exchange gains and losses resulting from this conversion are accounted for in the profit and loss account for the year.

Other assets and liabilities are translated separately at the lower (assets) or at the higher (liabilities) value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealized exchange losses are recorded in the profit and loss account. The realized exchange gains and losses are recorded in the profit and loss account at the moment of their realization.

In the case of an economic link between an asset and a liability, they are exchanged in total and only the unrealized net exchange losses are accounted for in the profit and loss account.

2.2.4 Provisions

The provisions for liabilities and charges are intended to cover losses or debts the nature of which is clearly defined, and which are either likely to be incurred on the balance sheet date or certain to be incurred but uncertain as to their amount or the date on which they will arise.

2.2.5 Prepayments

This item includes charges incurred during the financial year but attributable to a subsequent financial year.

2.2.6 Debts

Debts are recorded at their repayment value.

2.2.7 Tax

The tax liability estimated by the Company for the financial years for which the Company has not been assessed yet is recorded under the caption “Other creditors”. The advance payments are disclosed in the assets of the balance sheet under “Other debtors”.

3 Financial fixed assets

3.1 Shares in affiliated undertakings and shares in treasury

The shares in affiliated undertakings are as follows:

Name of the company	Registered Office	Per-centage of owner-ship	Closing date of the last financial period	Share-holder equity (EUR)	Results of the last financial period (EUR)	Net Investment amount (EUR)
Senvion TopCo GmbH	Hamburg	100.0%	31/12/2015	54,432,018	(67,100,967)	521,887,618.42
Total						**521,887,618.42**

The figures mentioned in the Shareholder's equity and the result of the last financial year are based on the last available published annual accounts.

On January 27th, 2015, the Company acquired shares in Senvion TopCo GmbH (formerly Rapid Topco GmbH and hereafter "TopCo" or the "Subsidiary") for an amount of EUR 86,000.00.

On April 27th, 2015, the Company subscribed to a capital contribution in the Subsidiary for an amount of EUR 121,511,827.60.

On April 28th, 2015, the Company sold 1,000 shares held in the Subsidiary to Rapid Management L.P., for an amount of EUR 3,894,343.45.

On March 21st, 2016 a share transfer between Rapid Management L.P. and Senvion S.A. was agreed, transferring 1,000 shares at a nominal amount of 1.00 EUR each from TopCo into Senvion S.A. (contribution in kind).

On March 23rd, 2016 the Company subscribed to an additional capital reserve contribution of EUR 383,649,293.30 into the Subsidiary by contribution in kind of the existing shareholder loan (please refer to note 3.2).

Management considered the valuation of the investments and decided that no value adjustment is required.

3.2 Amounts owed by affiliated undertakings

The long-term loan can be summarized in the following table:

Nature	Issuer	Maturity Date	Interest Rate	Nominal Value (EUR)	Nominal Value 31.12.2015 (EUR)	Loan / (Reimbursement) (EUR)	Nominal Value 31.12.2016 (EUR)	Interest income (EUR)	Accrued interests (EUR)
Intra-group loan agree-ment	Senvion TopCo GmbH	29/04/2025	7.8%	364,535,482.80	364,535,482.80	(390,465,462.41)	0.00	25,929,979.61	0.00
Total					**364,535,482.80**	**(390,465,462.41)**	**0.00**	**25,929,979.61**	**0.00**

On April 29th, 2015, the Company entered into an intra-group loan agreement (the "Intra-group loan") with the Subsidiary, for an amount of EUR 364,535,482.80 plus accrued interest as per December 31st, 2015 of EUR 19,113,810.48.

On March 23rd, 2016 the Company subscribed to a capital reserve contribution into the Subsidiary to the full amount of nominal plus accrued interest until December 31st, 2015. On December 9th, 2016 TopCo repaid the remaining amount of EUR 6,820,280.24 for interest plus advance for the period until March 21st, 2016 in cash.

4 Debtors

4.1 Amounts owed by affiliated undertakings

4.1.1 becoming due and payable within one year

As of December 31st, 2016, the amounts owed by affiliated undertakings were mainly composed of one invoice issued for Senvion S.A consulting services.

4.2 Other debtors

4.2.1 becoming due and payable within one year

The other debtors mainly include outstanding reimbursements for Input VAT of EUR 210 thousand.

4.2.2 becoming due and payable after more than one year

In March 2016, the Company signed into an office lease agreement with the lessor at 46a, Avenue John F. Kennedy. The lessor required a service deposit of two months' office fee (EUR 7,066) from the Company. This security deposit is refundable after the termination of the lease contract. Also, the lease agreement can be terminated on a monthly basis the management do not expect to move in the timeframe of the financial year 2017.

5 Investments

5.1 Own shares

Name of the company	Registered Office	Per-centage of owner-ship	Closing date of the last financial period	Share-holder equity (EUR)	Results of the last financial period (EUR)	Net Investment amount (EUR)
Senvion S.A.	Luxembourg	0.7%	31/12/2015	847,153	(1,260,047)	5,860,416.40
Total						**5,860,416.40**

At the annual general meeting held on March 21st, 2016, the management board was granted a standing authorization for five years to acquire own shares for a maximum aggregate consideration of EUR 75 million and in a price range between EUR 10 and EUR 35. The management board authorization is limited to 25 percent of the aggregate nominal amount of the issued share capital.

Luxembourg Company Law generally requires that the Company may not purchase their own shares if and to the extent that this will reduce the Company's net assets below the aggregate of their share capital and legal reserve. On August 15th, 2016, the management announced the commencement of its share buy-back program up to a maximum of 6,500,000 shares corresponding to maximum of 10 percent of the Company's issued share capital, pursuant to the aforementioned authorization. The credit institution Berenberg was authorized to acquire common shares from time to time in the open market, at a price reflecting open market price and on other terms as shall be determined by the management board, provided such purchases are in conformity with Luxembourg Company Law as well as EC regulations.

On August 25th, 2016, the management board resolved a first tranche for the share buy-back procedure of EUR 5 million. The first tranche was fulfilled on October 18th, 2016. On November 21st, 2016 and on February 20th, 2017 ("third tranche") additional EUR 5 million tranches were resolved. The third tranche is currently not fulfilled.

Pursuant to the share buy-back program, the Company repurchased 480,362 common shares for a total consideration of EUR 7.1 million during the 2016 financial year. As of December 31st, 2016, the Company made a value adjustment to the current market value in the amount of EUR 1.2 million.

Under applicable provisions of the Luxembourg Company Law, the common shares repurchased pursuant to the share buy-back program are held as treasury shares, meaning that these shares remain issued but are not entitled to vote. Furthermore, in computing earnings per common share, these shares are not considered part of outstanding common shares. A non-distributable reserve in the amount of the acquisition costs was created among the capital reserves (please refer to note 7.3.2).

6 Prepayments

Prepayments mainly relate to one insurance contract.

7 Capital and reserves

7.1 Subscribed capital

The subscribed capital, amounting to EUR 650,000.00 (2015: EUR 78,125.00), is represented by 65,000,000 shares with a nominal value of EUR 0.01 each.

On March 3rd, 2016 the shareholders resolved to convert the six classes of ordinary shares and the four classes of preference shares into one single class of ordinary shares for a total amount of EUR 78,125.00. Additionally, on March 21st, 2016 the shareholders resolved an increase in capital by issuance of new shares via contribution in kind (EUR 43,047.16), as well as through the conversion of a special reserve account amounting to EUR 528,827.84 in total.

7.2 Share premium and similar premiums

On March 21st, 2016, CCP II Acquisition S.à r.l., CCP III Acquisition S.à r.l. and Rapid Partners L.P. contributed to the special reserve account of the Company the main part of the existing interest-free and interest-bearing PEC's plus accrued interests until March 21st, 2016 for a total consideration of EUR 505,786,566.41. In Addition, Rapid Management L.P. contributed their investment in Senvion TopCo GmbH shares at EUR 20,534,840.97 in kind.

7.3 Reserves

7.3.1 Legal reserve

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5 percent of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10 percent of the issued share capital. The legal reserve is not available for distribution to the shareholders.

7.3.2 Reserve for own shares

Upon purchase of own shares as part of the buy-back program, a transfer is made from retained earnings to the reserve for own shares equivalent to the acquisition value of shares purchased. Please refer to note 5.1 for further information about the share buy-back program.

8 Provisions

8.1 Provisions for taxation

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The Company expects no outstanding taxation for the current year nor was any deferred tax position identified.

8.2 Other provisions

Other provisions are mainly composed of EUR 185 thousand of audit fees, EUR 90 thousand remuneration for the supervisory board and EUR 24 thousand in outstanding invoices. Additionally, a provision in the amount of EUR 6 thousand for outstanding employee holidays as per December 31st, 2016 was booked.

9 Creditors

9.1 Non-convertible loans

On March 21st, 2016, CCP II Acquisition S.à r.l., CCP III Acquisition S.à r.l. and Rapid Partners L.P. contributed the main part of their interest-free and interest-bearing PEC's to the Company's special reserve account for a nominal amount of EUR 480,190,960.55 plus accrued interests until March 12th, 2016 of EUR 25,595,605.86 (please refer to note 7.2). The remaining parts were contributed into share premium of the Company (please refer to note 7.1).

9.2 Amounts owed to affiliated undertakings

9.2.1 becoming due and payable within one year

Amounts owed to affiliated undertakings in less than one year consist mainly of IPO fee payments by Senvion GmbH, which are not yet transformed into a loan.

9.2.2 becoming due and payable after more than one year

On December 5th, 2016 the Company signed into a 3.65 percent interest bearing facility agreement with Senvion GmbH (the "New Loan"). As defined in the terms of the agreement, Senvion GmbH will lend up to EUR 25 million to Senvion S.A. The maturity date is December 31st, 2018. On July 23rd, 2015, the Company entered into an upstream loan agreement (the "Upstream loan") with Senvion GmbH, for a maximum amount of EUR 4 million. The Upstream loan and the outstanding amount of EUR 885 thousand was converted into the New Loan.

As of December 31st, 2016, Senvion S.A. requested an additional total drawdown of EUR 5 million.

9.3 Other creditors

9.3.1 Social security authorities

The amount payable to social security authorities reported on the Company's balance sheet relate to the payment to the Centre Commun de la Sécurité Sociale for December salaries.

9.3.2 Other creditors becoming due and payable within one year

This amount comprises invoices received but unpaid totaling EUR 23 thousand for consulting and publication services.

10 Other operating income

As of December 31st, 2016, the amounts owed by affiliated undertakings mainly were composed of one invoice issued for Senvion S.A. consulting services.

11 Staff costs

The Company employs two employees as of December 31st, 2016. The average number of employees in the 2016 financial year was one.

12 Other operating expenses

This item is composed of legal and consulting fees of EUR 7,614 thousand, supervisory board fees of EUR 252 thousand, Ernst & Young audit fees of EUR 152 thousand, office expenses of EUR 51 thousand, advertising costs of EUR 76 thousand, insurance costs of EUR 19 thousand others EUR 19 thousand and advisory board fees EUR 14 thousand.

13 Income from other investments and loans forming part of the fixed assets

13.1 derived from affiliated undertakings

The income derived from affiliated companies reported on the Company's profit and loss account relates to the interest payable for the period until the contribution date on March 21st, 2016 (please refer to note 3.2).

14 Other interest receivable and similar income

14.1 other interest and similar income

Other similar income amounting to EUR 1,041.30 is the result of foreign exchange gains, mainly consisting of gains in the current accounts.

15 Interest payable and similar expenses

15.1 concerning affiliated undertakings

The expenses derived from affiliated companies reported on the Company's profit and loss account relate to the interest payable of EUR 6,370 thousand for the period until the contribution date on March 21st, 2016 (please refer to note 7 and 9.1) and interest on the loan from Senvion GmbH of EUR 60 thousand (please refer to note 9.2.2).

15.2 other interest and similar expenses

Other interest and similar expenses amounting to EUR 9,584.66 is the result of transaction costs of EUR 6,130.42, foreign exchange losses of EUR 3,369.64 and other bank charges (EUR 84.60).

16 Tax status

The Company is subject to the applicable general tax regulations at their registered place of business in Luxembourg. Income tax expenses are recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The Company paid the 2016 assessed corporate tax prepayments in full.

17 Related parties' disclosures

Related parties as defined by Art. 344 (1bis) are shareholders that exercise (joint) control or significant influence, subsidiaries, joint ventures and associates. Additionally, the members of the management board and the supervisory board are related parties. Close family members of these related parties are also considered as related parties.

In addition to members of the management board and the supervisory board the following related parties were identified in the current financial year:

- CCP II Acquisition Luxco S.à r.l., Luxembourg (shareholder)
- CCP III Acquisition Luxco S.à r.l., Luxembourg (shareholder)
- Rapid Management L.P., Cayman Islands (shareholder)
- Rapid Partners L.P., Cayman Islands (shareholder)
- Arpwood Partners Investment Advisors LLP, Mumbai
- Centerbridge Partners Europe LLP, London

Arpwood Partners Investment Advisors LLP and Centerbridge Partners Europe LLP were considered related parties as individuals who were members of the Senvion S.A. advisory board which was abolished in March 2016. Until that date Arpwood Partners Investment Advisors LLP and Centerbridge Partners Europe LLP also held key management positions in these entities.

During the year 2016 there were the following business relationships with related parties.

The terms and conditions of the transactions were made on terms and conditions that prevail in an arm's length transaction. There were no material securities given or received as part of the transactions. In the respective period, the Company has not recorded expenses for allowances or provisions on outstanding balances.

Transactions between Senvion S.A. and	Expenses from services/Interests k EUR	Income from services/Interests k EUR	Receivables k EUR	Liabilities k EUR
CCP II/CCP III Acquisition S.à r.l., Luxembourg				
2016/01/01-2016/12/31	7,743	0	0	0
2015/01/01-2015/12/31	23,255	0	0	468,819
Prof. Dr. Martin Skiba, Hamburg				
2016/01/01-2016/12/31	205	0	0	7
2015/01/01-2015/12/31	0	0	0	0
Matthias Schubert, Rendsburg				
2016/01/01-2016/12/31	87	0	0	0
2015/01/01-2015/12/31	0	0	0	0

18 Commitments, contingencies and pledges

On March 4th, 2016 the Company signed into an account pledge agreement pledging the current bank accounts as guarantor of the senior term loan facility.

With share pledge agreement dated March 7th, 2016 the Company is guarantor of the senior term loan facility.

The Company signed into an interest bearing facility agreement with Senvion GmbH on December 5th, 2016 maturing on December 31st, 2018.

19 Subsequent events

The Company evaluated its annual financial statements for subsequent events as at December 31st, 2016. Effective February 21st, 2017 Todd Morgan has stepped down from the supervisory board. On February 22nd, 2017 Ben Langworthy has been appointed as member to the supervisory board until the next general meeting resolve on a permanent appointment. On February 20th, 2017 an additional EUR 5 million tranches in respect of the share buy-back program was resolved.

Senvion S.A., Luxembourg

Management report of the management board

for the financial year ending December 31st, 2016

The management board of Senvion S.A. (formerly Senvion S.à r.l. and hereafter "the Company") submits its annual report and Company financial statements for the year ending December 31st, 2016.

The foundation of the Company

The Company was incorporated on April 4th, 2014 and is a public limited liability company (Société Anonyme) incorporated in the Grand Duchy of Luxembourg with its registered office at 46a, Avenue John F. Kennedy, L-1855 Luxembourg. The Company is registered with the Luxembourg Trade and Companies Register under number B 186.599, incorporated as BPA Acquisition Luxco S.à r.l. pursuant to a deed from Maître Marc Loesch, notary residing in Luxembourg, on April 4th, 2014, published in the Mémorial C, Recueil des Sociétés et Associations, on July 3, 2014 under number 1719 and whose legal form changed and articles of association have been amended for the last time pursuant to a deed of the undersigned notary, dated March 21st, 2016 published in the Mémorial C, Recueil des Sociétés et Associations, on June 30th, 2016 under number 1897.

As per last available information, major shareholders of the Company are as follows:

- CCP II Acquisition S.à r.l., Luxembourg
- CCP III Acquisition S.à r.l., Luxembourg
- Rapid Partners L.P., Cayman Islands
- Rapid Management L.P., Cayman Islands

Holding together 73.6 percent of the shares. The remaining 26.4 percent are held by funds, institutional investors such as asset managers, banks and insurance companies as well as private investors.

Principal activities and business review

The Company’s principal activities in 2016 consist of management support for Senvion S.A.’s undertakings as well as consulting services within their group of entities.

The Company’s wholly owned direct subsidiary Senvion TopCo GmbH (“TopCo”) as well as TopCo’s wholly owned direct subsidiary Senvion MidCo GmbH (“MidCo”) were incorporated on December 9th, 2014 and MidCo’s wholly owned direct subsidiary Senvion Holding GmbH (“Holding”) was incorporated on 8th December 2014. Senvion S.A., TopCo, MidCo and Holding were acquired by CCP II Acquisition Luxco S.à r.l., Luxembourg, CCP III Acquisition Luxco S.à r.l., Luxembourg, Rapid Management L.P., Cayman Islands (together with any of its “Centerbridge” affiliates) for the purposes of facilitating the acquisition of Senvion SE’s entire share capital, which was transformed into Senvion AG on June 25th, 2015 and into Senvion GmbH on June 30th, 2015 from affiliates of Suzlon Energy Limited. The acquisition was completed on April 29th, 2015.

On January 18th, 2016, the board decided to launch an initial private offering (the “IPO”) within five months after the resolution. Prior to this private placement, there has been no public market for the Company’s 65,000,000 issued and outstanding ordinary shares (all such shares, the “Company Shares”). The Company applied for admission of Company Shares for trading on the Frankfurt Stock Exchange’s regulated market segment with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard). This placement was effective March 23rd, 2016. After full exercise of the greenshoe option, the free float following the private placement amounted to approximately 28.75 percent of the Company’s issued and outstanding share capital. Currently there are approximately 26.40 percent of shares in free float.

On March 21st, 2016, before IPO, the shareholders resolved different capital measures as addressed in the notes to the annual accounts.

On September 30th, 2016 the management board resolved the establishment of two wholly owned subsidiaries: Senvion Ventures B.V. and Senvion Holding B.V., both to be incorporated under the laws of the Netherlands. As of today, the incorporation has not been completed.

The Group’s business is primarily conducted by the relevant operating subsidiaries, meaning Senvion GmbH and its affiliates.

Results

During the year ending December 31st, 2016, the Company recorded a loss of EUR 8.9 million mainly resulting from consulting charges in relation to the IPO in March 2016. The management board approved a recommendation to carry forward the loss of EUR 8.9 million against future profits.

The available net working capital as per December 31st, 2016 is sufficient to meet all other obligations for at least the next twelve months. Furthermore, the managers of the Company will only enter into any commitments after ensuring that adequate funds are or will become available to settle such commitments.

In view of this, the accounting policies used in the underlying financial statements are based on expectations that the Company will be able to continue as a going concern.

Financial risks and liquidity

The management board is responsible for the internal control and management of risks and fraud within Senvion S.A. and for the assessment of the effectiveness of the control system. These control systems were set up in cooperation with Senvion Group (Senvion GmbH and subsidiaries) to identify and manage them.

The management board meets at least twelve times a year and, together with the supervisory committees, ensures that the Company maintains high standards of integrity and control in its operations and that it possesses the adequate governance and means of control as required by law and regulation.

Human resource management

On March 3rd, 2016, the supervisory committee established a human resources committee (the “HR Committee”) in accordance with article 32 of the Company’s articles of association. The HR Committee shall advise management on all questions concerning the terms of service or employment of any member of the management board or Senvion executive team as defined in the current Rules of Procedure for the management board. As of December 31st, 2016 the Company has two fulltime employees, neither of which is a Senvion executive team member or management member.

Review of operations

A review of the Company’s operations during the financial year, and the results of these operations, is as follows:

The Company had no activities in research and development until 2016.

On August 15th, 2016, the management of Senvion S.A. resolved to initiate a share buy-back program for a maximum amount of EUR 75 million and 10 per cent of the common shares over the next two years. As of today, the total volume of shares bought back within the framework of the share buy-back amounts to 768,360 common shares with a total volume of EUR 10.5 million, representing 1.18 percent of the subscribed capital of the Company. For further details as of December 31st, 2016, please refer to note 5.1.

The Company's operations during the financial year performed as expected in the opinion of the managers. For the future, the management board expects business development on a level similar to that of the reporting year. Therefore, the management board deemed it appropriate to utilize the going concern assumption in its preparation.

Organization and management

The management board consists of two managers, which are supervised by the supervisory board and its committees.

On March 3rd, 2016, the previous board members resigned from their mandates and on the same day, the shareholders resolved to appoint Dr. Jürgen M. Geißinger as Chairman and Manav Kumar Sharma and Dr. Christoph L. Seyfarth to management board of the Company. Dr. Christoph L. Seyfarth left the Company in July 2016 and resigned from his board mandate in writing on July 15th, 2016.

The following people are or were appointed as members of the supervisory board:

Date of Appointment in the general meeting	Full Name (Appointed Members)	Date of Resignation
22/02/2017	Ben Langworthy	
03/03/2016	Stefan Kowski	
08/04/2016	Deepak Misra	
03/03/2016	Matthias Schubert	
03/03/2016	Todd Morgan	21/02/2017
03/03/2016	Amol Jain	
03/03/2016	Prof. Dr. Martin Skiba	
03/03/2016	Steven Silver	06/04/2016

Corporate Governance

The Company in its form as a Luxembourg société anonyme is subject to the corporate governance regime as set forth in particular in the law of August 10th, 1915 on commercial companies. Because the shares are listed on a regulated market, the Company is further subject to the law of May 24th, 2011 on the exercise of certain shareholder rights in listed companies.

As a Luxembourg société anonyme whose shares are exclusively listed on a regulated market in Germany, the Company is not required to adhere to the Luxembourg corporate governance regime applicable to companies that are traded in Luxembourg or to the German corporate governance regime applicable to stock corporations organized in Germany. The Company has decided to set up own corporate governance rules as described in the following paragraphs rather than to confirm such corporate governance regimes in order to build up a corporate governance structure which meets the specific needs and interests of the Company.

The principles of the Compliance Management System are reflected in the Code of Conduct which is applicable for every Senvion entity and its employees worldwide. Senvion's Code of

Conduct is strengthened by other policies like the Anticorruption Policy, the Antitrust Policy, the Supplier Code of Conduct and the Insider Trading Policy. The Compliance Department regularly reports to the supervisory board and the management board of the Company. Every single Senvion employee can contact the member of the Compliance team or their direct supervisor in case of compliance relating questions. Besides it is also possible to use an international Whistle-blower System.

The internal control systems and risk management for the establishment of financial information is described in the section “Financial risks and liquidity”.

According to the Articles of Association of the Company, the management board must be composed of at least two management board members, and the supervisory board must be composed of at least three supervisory board members. The supervisory board has set up the following committees in accordance with the Articles of Association: the Human Resources Committee, the Audit Committee and the Strategy and Investment Committee. The Human Resources Committee advises the supervisory board especially in terms of the appointment and recall of the members of the management board and other relevant personnel decisions. The Audit Committee especially deals with the Annual Financial Report and the Internal Control System. The Strategy and Investment Committee is responsible for making recommendations to the supervisory board and the management board on the terms of strategic orientation of the Company. Further details on the composition and purpose of the management board and the supervisory board is described in the section “Organization and management”.

The Annual General Meeting shall be held on the last Wednesday of the month of May at 10 a.m. Central European Summer Time. If such day is not a business day in Frankfurt am Main, Germany, and Luxembourg, the meeting shall be held on the next following day which is a trading day of the Frankfurt Stock Exchange and which is a business day where the banks are generally open in Frankfurt am Main, Germany, and in Luxembourg, at the same hour. The management board may convene extraordinary general meetings as often as the Company’s interests so require. An extraordinary general shareholders’ meeting must be convened upon the request of one or more shareholders who together represent at least one tenth of the Company’s share capital.

Each share entitles the holder to one vote. The right of a shareholder to participate in a General Meeting and to exercise the voting rights attached to his shares are determined with respect to the shares held by such shareholder the 14th day before the General Meeting. Each shareholder can exercise his voting rights in person, through a proxyholder or in writing (if provided for in the relevant convening notice).

The information required by Article 10.1 of Directive 2004 / 25 / EC on takeover bids which has been implemented by Article 11 of the Luxembourg Law on Takeovers of May 19th, 2006 (the “Law on Takeovers”) is set forth here below under “Disclosure pursuant to the Law on Takeovers”.

Disclosure pursuant to the Law on Takeovers

A) For information regarding the structure of capital, reference is made to note 7 of the Annual Financial Report.
B) The shares are freely transferable in accordance with the legal requirements for dematerialized shares which transfer shall occur by book entry transfer.
C) With regard to the shareholding structure, please refer to note 3 of the annual financial report, as well as to note 2.3.1 of the consolidated financial statements of the Company.
D) The Company has not issued any securities granting special control rights to their holders and has currently no employee share schemes in place.
E) The Company has currently no employee share schemes in place.
F) The Articles of Association of the Company do not contain any restrictions on voting rights, other than the communication of incomplete or incorrect information by the holder.
G) As of December 31st, 2016, there are no agreements among the shareholders which are known to the Company that could result in restrictions on the transfer of shares or voting rights within the meaning of Directive 2004/109/EG (Transparency Directive).
H) Rules governing the appointment and replacement of management board members and the amendment of the Articles of Association:
    - The management board members are appointed by the supervisory board by the majority of the votes of the members, or in the case of a vacancy, by way of a decision of the remaining management board members for the period until the next supervisory board meeting. Alternatively, the supervisory board may temporarily appoint one of its members in order to exercise the functions of a member of the management board.
    - Management board members serve for six years and are eligible for re-appointment.
    - Management board members may be removed at any time with or without cause by the supervisory board.
    - Resolutions to amend the Articles of Association may be adopted by a majority of two thirds of the votes validly cast, without counting the abstentions, if the quorum of half of the share capital is met. If the quorum requirement of half of the share capital of the Company is not met at the General Meeting, then the shareholders may be reconvened to a second General Meeting. No quorum is required in respect of such second General Meeting and the resolutions are adopted by a supermajority of two-thirds of the votes validly cast, without counting the abstentions.
I) Powers of the management board:

- The Company is managed by a management board under the supervision of the supervisory board.
- The management board is vested with the broadest powers to perform or cause to be performed any actions necessary or useful in connection with the purpose of the Company.
- All powers not expressly reserved by the Luxembourg Companies Act or by the Articles of Association to the General Meeting or the supervisory board fall within the authority of the management board.
- Under the Articles of Association, the management board, with prior consent of the supervisory board, is authorized to issue shares, to grant options and any other instruments convertible into shares within the limit of the authorized capital (EUR 97.5 million).
- This authorization may be renewed once or several times by a resolution of the General Meeting for a period not exceeding five years.
- The management board was granted a standing authorization for five years to acquire own shares (please refer to note 5.1).

J) There are no significant agreements to which the Company is a party which take effect, alter or terminate upon a change of control in the Company following a takeover bid.

K) There are no agreements between the Company and its management board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

Events after the closing date

The Company evaluated its annual financial statements for subsequent events as at December 31st, 2016. Effective February 21st, 2017 Todd Morgan has stepped down from the supervisory board. On February 22nd, 2017 Ben Langworthy has been appointed as member to the supervisory board until the next general meeting resolve on a permanent appointment. On February 20th, 2017 an additional EUR 5 million tranche in respect of the share buy-back program was resolved.

Senvion S.A.
Luxembourg, March 15th, 2017

Responsibility Statement

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

Senvion S.A. (formerly: Senvion S.à r.l)
Luxembourg, March 15th, 2017

Independent auditor's report

To the Shareholders of
Senvion S.A.
(former Senvion S.à r.l.)
46a, Avenue John F. Kennedy
L-1855Luxembourg

Report on the annual accounts

Following our appointment by the Shareholders dated March 1st, 2016, we have audited the accompanying annual accounts of Senvion S.A., which comprise the balance sheet as at December 31st, 2016 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management boards responsibility for the annual accounts

The management board is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the management board determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Senvion S.A. as of December 31st, 2016, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the management board, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The corporate governance statement, which is included in the management report, contains the information required by the law with respect to the corporate governance statement.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Partner's Name

Werner WEYNAND

Luxembourg, 15 March 2017