

**Audit Report on Financial Statements  
issued by an Independent Auditor**

**SUZLON WIND ENERGY ESPAÑA, S.L.U.  
Financial Statements and Management Report  
for the year ended  
March 31, 2019**

## **AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR**

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the sole shareholder of SUZLON WIND ENERGY ESPAÑA, S.L.U.:

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### **Opinion**

We have audited the financial statements of SUZLON WIND ENERGY ESPAÑA, S.L.U. (the Company), which comprise the balance sheet as at March 31, 2019, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at March 31, 2019 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

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### **Basis for opinion**

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

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## Most relevant audit issues

Most relevant audit issues are those matters that, in our professional judgment, were the most significant assessed risks of material misstatements in our audit of the financial statements of the current period. These risks were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these risks.

### *Revenue recognition*

<b>Description</b>	As disclosed in note 17.1 of the accompanying financial statements, the Company's revenues for the year ended March 31, 2019 amounted to 5,192 thousand euros and relate fundamentally to maintenance services for wind parks. The accounting criteria regarding revenue recognition of these operations are outlined in note 4.13 of the accompanying financial statements. We consider this area as a relevant audit issue due to the significance of the revenues for the financial statements as a whole and the type of commercial transaction should be considered to determine the appropriate revenue recognition.
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<b>Our response</b>	In relation to this area, our procedures included, among others, the following:
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- ▶ Gain an understanding of the process for revenue recognition.
- ▶ Perform analytical procedures, detailed substantive testing and review procedures on operations cut-off.
- ▶ Review of the respective disclosures included in the notes to the Company's financial statements in accordance with prevailing accounting regulation.

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## Other matters

On June 14, 2018 other auditors issued their audit report on the financial statements for the year ended March 31, 2018 in which a qualified opinion was expressed.

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## Other information: management report

Other information refers exclusively to the 2018 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. In conformity with prevailing audit regulations in Spain, our responsibility in terms of the management report is to assess and report on the consistency of the management report with the financial statements based on the knowledge of the entity we obtained while auditing the financial statements, and not including any information not obtained as evidence during the course of the audit. In addition, our responsibility is to assess and report on whether the content and presentation of the management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described in the above paragraph, the information contained in the management report is consistent with that provided in the 2018 financial statements and their content and presentation are in conformity with applicable regulations.

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## **Directors' responsibilities for the financial statements**

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated with the Company's directors, we determine those that were of most significance in the audit of the financial statements of the current period and are therefore the most significant assessed risks.

We describe those risks in our auditor's report unless law or regulation precludes public disclosure about the matter.

ERNST & YOUNG, S.L.  
(Registered in the Official Register of  
Auditors under No. S0530)



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Richard van Vliet  
(Registered in the Official Register of  
Auditors under No. 21981)

9 May 2019

**SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)**

**ANNUAL ACCOUNTS AND MANAGEMENT REPORT  
for the corporate year ending on  
March 31, 2019**

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### **FORMULATION OF THE ANNUAL ACCOUNTS AND MANAGEMENT REPORT**

**SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)**  
**Balance sheet as of March 31, 2019**  
**(Expressed in thousands of euros)**

<b>ASSETS</b>	<b>Sections</b>	<b>2019</b>	<b>2018</b>
<b>NON-CURRENT ASSETS</b>		<b>4,237</b>	<b>3,937</b>
Intangible fixed assets	6	1	2
Computer applications		1	2
Tangible fixed assets	7	41	33
Technical facilities and other tangible fixed assets		41	33
Long-term investments in companies in the group and associates	8, 9.1 and 19.1	4,114	3,821
Loans to group companies		4114	3,821
Long-term financial investments	9	81	81
Other financial assets		81	81
<b>CURRENT ASSETS</b>		<b>3,878</b>	<b>4,744</b>
Commercial inventory	10	605	506
Raw materials and other supplies		605	506
Short-term investments in companies in the group and associates	9.1 and 19.1	3,024	3,789
Loans to group companies		3,024	3,789
Commercial debtors and other accounts receivable		6	272
Income from sales and the provision of services	9.1	-	16
Customers, companies of the group, and associates	9.1 and 19.1	2	252
Staff	9.1	3	4
Other credits with governments	16	1	-
Short-term financial investments		1	-
Other financial assets		1	-
Short-term accruals		9	10
Cash and Other Equivalent Liquid Assets	11	233	167
Treasury		233	167
<b>TOTAL ASSETS</b>		<b>8,115</b>	<b>8,681</b>

*Sections 1 to 22 of the attached Summarized Statement form a part of the Summarized Annual Accounts for the corporate year ending on March 31, 2019.*



**SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)**  
**Balance sheet as of March 31, 2019**  
**(Expressed in thousands of euros)**

<b>NET WEALTH AND DEBTS</b>	<b>Sections</b>	<b>2019</b>	<b>2018</b>
<b>NET WEALTH</b>		<b>7,257</b>	<b>7,270</b>
<b>SHAREHOLDERS EQUITY</b>		<b>7,257</b>	<b>7,270</b>
Capital	12.1	3	3
Stated capital		3	3
Reserves	12.2	10,568	10,568
Legal and statutory		11	11
Other reserves		10,557	10,557
Losses from previous corporate years	12.2	(3,301)	(4,653)
Results of the corporate year	3	(13)	1,352
<b>CURRENT DEBTS</b>		<b>858</b>	<b>1,411</b>
Short-term provisions	13	-	400
Short-term debts	14	9	1
Debts with credit institutions		9	1
Commercial creditors and other accounts payable	14	849	1,010
Suppliers	14	301	411
Suppliers, companies in the group and associates	14 and 19.1	-	-
Miscellaneous creditors	14	33	81
Current tax liabilities	16	7	3
Other debts with governments	16	167	179
Customer deposits	14	341	336
<b>TOTAL NET WEALTH AND DEBTS</b>		<b>8,115</b>	<b>8,681</b>

*Sections 1 to 22 of the attached Summarized Statement form a part of the Summarized Annual Accounts for the corporate year ending on March 31, 2019.*

**SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)**  
**Summarized profit and loss account corresponding to the corporate year ending on**  
**March 31, 2019.**  
**(Expressed in thousands of euros)**

	Sections	2019	2018
<b>ONGOING OPERATIONS</b>			
<b>Net income</b>	<b>17.1</b>	<b>5,192</b>	<b>5,766</b>
Sales		424	1,107
Provision of services		4,768	4,659
<b>Supplies</b>	<b>17.2</b>	<b>(2,011)</b>	<b>(2,317)</b>
Consumption of raw materials and other consumables		(2,011)	(2,317)
<b>Other operating income</b>		<b>38</b>	<b>30</b>
Non-core and other current operating income		38	30
<b>Staff expenses</b>	<b>17.3</b>	<b>(2,526)</b>	<b>(2,446)</b>
Wages and similar items		(2,015)	(1,976)
Social contributions		(511)	(470)
<b>Other operating expenses</b>		<b>(672)</b>	<b>(756)</b>
External services	<b>17.4</b>	(662)	(752)
Tax contributions		(3)	(3)
Losses, deterioration, and variation in provisions due to business operations	<b>9.1</b>	(63)	-
Other current operating expenses		(7)	(1)
<b>Amortization on fixed assets</b>	<b>6 and 7</b>	<b>(13)</b>	<b>(12)</b>
<b>Surplus provisions</b>		<b>-</b>	<b>2</b>
<b>Deterioration and losses due to the disposal of assets</b>		<b>-</b>	<b>1</b>
Lost income due to the disposal assets and others	<b>7.1</b>	-	1
<b>Other profit/loss</b>	<b>17.6</b>	<b>-</b>	<b>422</b>
<b>OPERATING PROFIT/LOSS</b>		<b>9</b>	<b>690</b>
<b>Other financial income</b>	<b>17.5</b>	<b>24</b>	<b>419</b>
From marketable securities and other financial instruments		24	40
From companies in the group and associates		24	40
From third parties		-	379
<b>Financial expenses</b>	<b>17.5</b>	<b>-</b>	<b>(64)</b>
On debts with third parties		-	(64)
<b>Varying exchange rates</b>	<b>15</b>	<b>35</b>	<b>71</b>
<b>Deterioration and losses due to the dumping of financial instruments</b>			<b>(467)</b>
On debts with the group	<b>8</b>		(67)
From third parties		-	(400)
<b>FINANCIAL PROFIT/LOSS</b>		<b>(5)</b>	<b>(41)</b>
<b>PROFIT/LOSS BEFORE TAX</b>		<b>4</b>	<b>649</b>
<b>Tax on earnings</b>	<b>16</b>	<b>(17)</b>	<b>703</b>
<b>PROFIT/LOSS FOR THE CORPORATE YEAR RESULTING FROM CONTINUED OPERATIONS</b>		<b>(13)</b>	<b>1,352</b>

Sections 1 to 22 of the attached Summarized Statement form a part of the Summarized Annual Accounts for the corporate year ending on March 31, 2019.

**SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)**  
**Summarized statement of changes in net wealth corresponding to the corporate year**  
**ending on March 31, 2019**  
**(Expressed in thousands of euros)**

**A) Summarized statement of recognized income and expenses corresponding to the corporate year ending on March 31, 2019**

	Sections	2019	2018
<b>RESULTS OF THE PROFIT AND LOSS ACCOUNT</b>	<b>3</b>	<b>(13)</b>	<b>1,352</b>
<b>TOTAL RECOGNIZED INCOME AND EXPENSES</b>		<b>(13)</b>	<b>1,352</b>

**B) Summarized statement of changes in net wealth corresponding to the corporate year ending on March 31, 2019**

	Stated capital (Section 12.1)	Reserves (Section 12.2)	Profit/loss from previous corporate years	Results of the corporate year (Section 3)	TOTAL
<b>FINAL BALANCE AS OF MARCH 31, 2017</b>	<b>3</b>	<b>10,568</b>	<b>(4,253)</b>	<b>(400)</b>	<b>5,918</b>
Total recognized income and expenses	-	-	-	1,352	1,352
Other variations in net wealth	-	-	(400)	400	-
<b>FINAL BALANCE AS OF MARCH 31, 2018</b>	<b>3</b>	<b>10,568</b>	<b>(4,653)</b>	<b>1,352</b>	<b>7,270</b>
Total recognized income and expenses	-	-	-	(13)	(13)
Other variations in net wealth	-	-	1,352	(1,352)	-
<b>FINAL BALANCE AS OF MARCH 31, 2019</b>	<b>3</b>	<b>10,568</b>	<b>(3,301)</b>	<b>(13)</b>	<b>7,257</b>

*Sections 1 to 22 of the attached Summarized Statement form a part of the Summarized Annual Accounts for the corporate year ending on March 31, 2019.*

**SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)**  
**Summarized changes in net wealth corresponding to the corporate year ending as of**  
**March 31, 2019**  
**(Expressed in thousands of euros)**

	Sections	March 31, 2019	March 31, 2018
<b>CASH FLOWS FROM OPERATIONS</b>			
Profit/loss for the corporate year before tax		4	1,419
<b>Adjustments to profit/loss</b>		<b>17</b>	<b>50</b>
Amortization on fixed assets	6.7	13	12
Corrections to values due to deterioration	9.1	63	465
Deterioration and losses due to the disposal of assets		-	(1)
Other financial income	17.5	(24)	(419)
Financial expenses		-	64
Varying exchange rates	15	(35)	(71)
<b>Changes in current capital</b>		<b>52</b>	<b>(1,640)</b>
Commercial inventory		(99)	74
Commercial debtors and other accounts receivable		676	44
Other current assets		1	1
Commercial creditors and other accounts payable		(126)	(1,754)
Other non-current assets and liabilities		(400)	(5)
<b>Other cash flows from operations</b>		<b>13</b>	<b>393</b>
Interest payments		-	(64)
Interest charges		24	419
Charges (payments) for corporate tax		(11)	38
<b>Cash flows from operations</b>		<b>86</b>	<b>222</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Investment payments		(24)	(24)
Tangible fixed assets		(24)	(24)
<b>Divestment expenses</b>		<b>4</b>	<b>(60)</b>
Tangible fixed assets		4	7
From companies in the group and associates		-	(67)
<b>Cash flows from investment activities</b>		<b>(20)</b>	<b>(84)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Charges and payments on debt instruments		-	-
Debts with credit institutions		-	-
<b>Cash flows from financing activities</b>		<b>-</b>	<b>-</b>
<b>NET DOWNWARD ADJUSTMENT IN CASH OR EQUIVALENTS</b>		<b>66</b>	<b>138</b>
Cash or equivalents at the beginning of the corporate year	11	167	29
Cash or equivalents at the end of the corporate year	11	233	167

*Sections 1 to 22 of the attached Summarized Statement form a part of the Summarized Annual Accounts for the corporate year ending on March 31, 2019.*



**SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)**  
**Summarized statement corresponding to the corporate year ending on March 31, 2019**  
**(Expressed in thousands of euros)**

**1. COMPANY ACTIVITY**

Suzlon Wind Energy España, S.L.U. (hereinafter the Company) was established as a Limited Liability Single-Shareholder Company on March 28, 2007. Its current corporate headquarters is located at calle Rosario Pino 14-16 5º, Madrid.

The Company's main activity is the promotion of wind energy farms and the execution of their construction, importation, and the manufacture of wind generators and their components, supply, installation, service launch, as well as the provision of after-sale services. Currently, it does not have open purchase orders, established sale agreements or projects underway, because of which it only continues the activity of the maintenance and warranty for all wind farms built and delivered during previous years, the contracts for which expire in 2019 or 2020 (Section 2.3).

The annual accounts have been drawn up by the Administrators of the Company to be submitted for approval by the Single Shareholder, under the belief that they will be approved without any modifications. The summarized annual accounts of the corporate year ending on March 31, 2018 were approved by the Single Shareholder on the date of August 31, 2018.

The Company is a member of the Suzlon Energy Group, the parent company of which is Suzlon Energy Limited (hereinafter the Suzlon Group) with corporate headquarters at Shrimali Society 5, Navrangpura, Ahmedabad – 380009, Gujarat (India), via its single shareholder, Suzlon Energy A/S, with corporate headquarters at Brendstrupgaardsvej 13, 2. th, Århus V (Denmark). In accordance with the provisions of article 43 of the Commercial Code, the Company is exempt from the obligation to prepare consolidated annual accounts, upon compliance with the requirements set forth in section 1 of said article.

The operating currency of the Company is the euro, which is also the currency of presentation. The numbers included within the annual accounts are expressed in thousands of euros except when otherwise indicated.

**2. BASES OF THE PRESENTATION OF THE SUMMARIZED ANNUAL ACCOUNTS**

**2.1 Truthful Image**

The summarized annual accounts have been prepared based on the accounting documents of the Company and are being presented in accordance with business legislation in effect and the regulations established in the General Accounting Plan approved by Royal Decree 1514/2007 from November 16, as well as modifications included within it via RD 1159/2010 from September 17, and Royal Decree 602/2016, from December 2, for the purpose of providing a truthful image of the wealth, the financial situation, and the profit/loss of the Company, as well as the truthfulness of the cash flows included within cash flow statements.

**2.2 Comparison of Information**

In accordance with business legislation, each of the items of the balance sheet, profit and loss account, statement of changes in equity, and cash flow statement are presented, for the purpose of comparison, beside the figures corresponding to the previous corporate year. The financial statement also includes quantitative information on the previous corporate year, except when accounting standards specifically establish that this is not necessary.

**SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)**  
**Summarized statement corresponding to the corporate year ending on March 31, 2019**  
**(Expressed in thousands of euros)**

### **2.3 The Principle of an Operating Company**

As of March 31, 2019, the company had equity and positive circulating capital. Nonetheless, the continuity of the business will greatly depend on the renewal of maintenance contracts for the wind farms built and handed over during the previous corporate years, as indicated in Note 1.

In this sense, the company currently carries out maintenance for a total of 111 wind turbines distributed across a total of 4 wind farm projects located in the provinces of Soria (2), Jerez, and Almería. The expiry dates of the contracts in effect are the following:

<b>Contract</b>	<b>Due Date</b>
Soria (2 projects)	October 31, 2019
Almeria	December 31, 2019
Jerez	February 25, 2020

As of the date of the creation of the present annual accounts, the Company is negotiating the renewal of the aforementioned contracts with the corresponding clients. These contracts entered into effect in the 2009 corporate year and were renewed in 2014 and 2015 for a period of 5 years. Taking into account the remaining lifespan of the projects of 10 years, a period during which a relevant increase in the need for maintenance is expected, as well as the expression of the desire by the investment funds that are the shareholders of the corresponding clients that the original builder ("OEM") do the maintenance, the directors believe that these contracts will once again be reviewed prior to their expiry date.

### **2.4 Critical Aspects of the Assessment and Estimation of Uncertainty**

In the preparation of the summarized annual accounts of the Company, the Administrators have carried out estimates to determine the book value of certain assets, liabilities, income, and expenses, and with respect to breakdowns of contingent assets. These estimates have been made based on the best information available as of the closing of the corporate year. Nonetheless, given the uncertainty inherent to them, future information may arise requiring the modification of these aspects during the following corporate years, which if applicable, will be carried out prospectively.

In addition to the estimates made by the Board of Directors in relation to the renewal of the maintenance contracts in effect, as indicated in section 2.3 above, there has been no need to consider other key assumptions with respect to the future or relevant data regarding estimates of uncertainty as of the date of corporate year-end which would imply significant changes in the value of assets and liabilities during the following corporate year.

**SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)**  
**Summarized statement corresponding to the corporate year ending on March 31, 2019**  
**(Expressed in thousands of euros)**

### **3. APPLICATION OF RESULTS**

The proposal the distribution of the profit/loss of the corporate year ending on March 31, 2019, as formulated by the Administrators and which is expected to be approved by the Single Shareholder, is the following:

<b>(Thousands of Euros)</b>	<b>2019</b>
Distribution basis	
Balance of the profit and loss account (Loss)	(13)
	<b>(13)</b>
Application	
Losses from previous corporate years	(13)
	<b>(13)</b>

#### **3.1 Limits on Dividend Distribution**

The Company is required to allocate 10% of profits from the corporate year to establishing the statutory reserve until this reserve attains a level of at least 20% of company capital. So long as this reserve does not exceed 20% of company capital, it cannot be distributed to shareholders (Note 12).

Once the allocations established by law or according to the articles of association have been covered, dividends can only be distributed with respect to the profits for the corporate year, or with respect to available reserves, if the value of equity is not 0 as a result of the distribution, is not less than company capital. For these purposes, the profits directly allocated to equity cannot be the subject of distribution, whether direct or indirect. If there exist losses from previous corporate years that render the Company's equity less than the amount of company capital, the profits will be allocated to offsetting these losses.

### **4. RECORDING AND ASSESSMENT STANDARDS**

The main criteria for recording and assessment used by the Company in the creation of the summarized annual accounts for the following:

#### **4.1 Intangible fixed assets**

##### Computer applications

The licenses for computer programs acquired from third parties are capitalized based on the costs that have been incurred to acquire and prepare them for the use of the specific program. These expenses are amortized during their estimated lifespan (5 years).

Expenses related to the maintenance of computer programs are considered to be expenses when they are the result of expenses. Costs directly related to the production of unique and identifiable computer programs controlled by the Company, in the case that it is likely that they will generate financial benefits greater than the expenses over the time span of more than one year, are recorded as intangible assets.

**SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)**  
**Summarized statement corresponding to the corporate year ending on March 31, 2019**  
**(Expressed in thousands of euros)**

**4.2 Tangible fixed assets**

Tangible fixed asset elements are initially recorded based on their cost, whether this is the cost of acquisition or the cost of manufacture.

Following their initial recording, tangible assets are valued based on their cost minus accrued amortization and if applicable, the accrued amount of corrections due to deterioration recorded.

Repairs that do not result in the extension of their lifespan and maintenance expenses are recorded in the profit and loss account of the corporate year during which they take place. Expenses for their refurbishment, extension, or improvement resulting in an increase in their productive capacity for an extension of the lifespan of the goods are registered as a part of the asset as an increase in its value, writing off, if applicable, the book value of the substituted elements.

The amortization on tangible asset elements takes place, starting as of the time when they are available for their operational launch, in a linear manner during their estimated lifespan.

The estimated lifespan for distinct tangible asset elements is five years.

Upon the closing of each corporate year, the Company revises residual values, lifespans, and amortization methods for tangible assets, and if applicable, adjusts these prospectively.

Profit and loss due to the sale of tangible fixed assets is calculated by comparing the earnings obtained via the sale with the book value, recording this against the profit and loss account.

**4.3 Deterioration of the Value of Non-Financial Assets**

At the least at of the closing of the corporate year, the Company evaluates if there exists evidence that a non-current asset, or if applicable, a cash generating unit, may be deteriorated. If there exists evidence, its recoverable value is estimated.

The recoverable value is the greater value between the reasonable value minus sales costs and the value being used. When the book value is greater than the recoverable value, a loss due to deterioration is recorded. The value in use is the current value of future expected cash flows, using a risk-free market interest rate adjusted due to specific risks associated with the asset. For assets that do not generate cash flows, to a large extent, independent of those derived from other assets or groups of assets, the recoverable value is determined for the cash generating units to which the aforementioned assets belong.

Corrections in values due to deterioration and their reversion are recorded in the profit and loss account. Corrections in values due to deterioration are reverted when the circumstances justifying them cease to exist. The reversion of the deterioration has a limit constituted by the book value of the asset that would appear if the corresponding deterioration in value had not previously been recorded.



**SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)**  
**Summarized statement corresponding to the corporate year ending on March 31, 2019**  
**(Expressed in thousands of euros)**

**4.4 Leases**

Operative lease

Leases in which the lessor retains a significant portion of the risks and benefits derived from the ownership are classified as operative leases. Payments for operative leases (after deducting any incentives received by the lessor) are recorded in the profit and loss account of the corporate year in which they are accrued on a linear basis during the lease period.

**4.5 Financial assets**

Classification and Assessment

*Loans and line items to be collected*

This category includes loans for business and non-business operations, which include financial assets the collection of which takes place in a determined or determinable amount, which are not listed on an active market, and for which the entire disbursement made by the Company is expected to be recovered, except, when applicable, due to reasons attributable to the solvency of the debtor.

During initial recording on the balance sheet, they are recorded based on their reasonable value, which, except in the event of evidence to the contrary, is the transaction price, which is equivalent to the reasonable value of the compensation granted plus the transaction costs directly attributable to them.

Following initial recording, these financial assets are assessed at their amortized cost.

Nonetheless, loans for business operations which come to maturity in less than one year and which do not have a contractual interest rate, as well as deposits and loans to staff, dividends receivable, and disbursements required on wealth instruments the amount of which is expected to be received over the short term, are initially and subsequently assessed at their nominal value when the effect of not discounting cash flows is insignificant.

The difference between the reasonable value and the amount granted for the deposits for operational rentals is considered an advance payment against the rent and is allocated to the profit and loss account during the rental period. To calculate the reasonable value of deposits, the remaining period of the minimum contractual term is adopted.

Investments in the wealth of the companies of the group and associates

This includes investments in the wealth of companies over which the Company has control (group companies); combined control is maintained via a statutory or contractual agreement with one or multiple shareholders (multi-group companies) or significant influence is maintained (associated companies).

During initial recording on the balance sheet, these investments are recorded at their reasonable value, which except in the case of evidence to the contrary, is at the transaction price, which is equivalent to the reasonable value of the compensation granted plus the transaction costs directly attributable to them.

For investments in group companies, when applicable, the criteria included in the regulation on transactions between group companies are considered (Note 4.16).

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When an investment becomes qualified as an investment in a group, multi-group, or associated company, the cost of this investment will be considered to be the book value that this investment would have had immediately before the company became qualified as this type of company. When applicable, prior adjustments to evaluation associated with this investment recorded directly against equity will be maintained in this account until said investment is disposed of or deteriorates.

Following initial recording, these financial assets are valued at their cost, minus, when applicable, the accumulated amount of value of corrections due to deterioration.

Cancellation

Financial assets are written off of the Company's balance sheet when the contractual rights over the cash flows of the financial asset have expired or when they are transferred, so long as this transfer includes the substantial handover of the risks and benefits inherent to the ownership of these assets.

If the Company has not substantially assigned or retained the risks and benefits of the financial assets, this financial asset is written off and control over it is no longer maintained. If the Company maintains control over the assets, this will continue to be recorded at the amount to which the Company is exposed due to variations in the value of the asset transferred, in other words, due to its continued implication, recording the associated liability.

The difference between the compensation received minus attributable transaction costs, considering any new asset obtained minus any liability taken on, and the book value of the financial asset transferred, plus any accumulated amount that has been directly recorded against equity, determines the profits or losses resulting from writing off the financial asset, and forms a part of the corporate year in which this occurs.

The Company does not write off financial assets during transfers in which it substantially retains the risks and benefits inherent to the ownership of assets, such as discounting effects, factoring operations, the sale of financial assets with a repurchasing agreement at a fixed price or at the sale price plus interest, and the securitization of financial assets in which the Company retains subordinate financing or another type of guarantee that substantially absorbs all expected losses. In these cases, the Company records a financial liability for an amount equal to the compensation received.

Interest and dividends received on financial assets

The interest and dividends paid on financial assets subsequent to the time of their acquisition are recorded as income against the profit and loss account. Interest is recorded using the effective interest rate method, and dividends are recorded when the right to receive them is declared.

To do so, during the initial assessment of financial assets, the explicit interest paid that has not expired at the time as well as the amount of dividends agreed upon by the competent body up until the time of acquisition are recorded independently while awaiting their maturity. Explicit interest is understood to be that obtained by applying the contractual interest rate of the financial instrument.

Likewise, when the dividends distributed are the unequivocal result profits generated prior to the acquisition date due to the distribution of amounts greater than the profits generated by the shareholder since acquisition, this is not recorded as income, and the book value of the investment is adjusted downwards accordingly.

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**4.6 Deterioration of the Value of Non-Financial Assets**

The book value of financial assets is corrected by the Company by charging the profit and loss account when objective evidence exists that a loss due to deterioration has taken place.

To determine losses due to the deterioration of financial assets, the Company evaluates the potential losses both on individual assets as well as groups of assets with similar risk features.

Debt instruments

There exists objective evidence of deterioration of debt instruments, understood as accounts receivable, loans, and securities constituting debt, when an event that implies a negative impact on their estimated future cash flows occurs following their initial recording.

The Company considers deteriorated assets (doubtful assets) to be debt instruments for which objective evidence of deterioration exists, with this fundamentally referring to the existence of non-payments, breach of contract, refinancing, and the existence of data indicating the possibility of not recovering the entirety of the future cash flows agreed upon or indicating the occurrence of a delay in collection. For business debtors and other accounts receivable, the Company considers doubtful assets to be balances with line items that have been expired for more than six months for which collection security does not exist, as well as the balances of companies undergoing bankruptcy proceedings.

In the case of financial assets assessed at their amortized cost, the amount of losses due to deterioration is equal to the difference between their book value and the real value of the future cash flows estimated to be generated, discounted at the effective interest rate existing at the time of the initial recording of the asset. For assets with a variable interest rate, the effective interest rate as of the date of the closing of the annual accounts is used. For instruments listed on the stock market, the Company uses the market value of these instruments in substitution for the real value of future cash flows whenever it is sufficiently reliable.

Reversion of deterioration is recorded as income against the profit and loss account and is limited to the book value of the financial asset that would have been recorded as of the reversion date if the deterioration in value had not taken place.

Wealth instruments

Objective evidence exists that wealth instruments have deteriorated when following their initial recording, an event or combination of events occur implying that it will not be possible to recover their book value due to a prolonged or significant decline in their reasonable value.

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**4.7 Financial liabilities**

Classification and assessment

*Debts and line items receivable*

This category includes debts for business operations and debts for non-business operations. These external resources are classified as current liabilities, unless the Company holds the unconditional right to defer their liquidation for at least 12 months following the date of the balance.

These debts are initially recorded based on their reasonable value adjusted for the transaction costs directly attributable to them, subsequently being recorded based on their amortized cost as per the method of the effective interest rate. This effective interest rate is the discounting rate equal to the book value of the instrument with the expected flow of future payments foreseen up until the expiry of the liability.

Nonetheless, debts due to business operations with an expiry of less than one year and which do not have a contractual interest rate are valued, both at the initial time and subsequently, based on their nominal value when the effect of not discounting effective flows is not significant.

In the event that existing debts are renegotiated, it is considered that there have been no essential modifications to the financial liability when the lender of the new loan is the same as that which granted the initial loan and the current value of cash flows, including net commissions, does not differ by more than 10% of the current value of cash flows pending payment for the original liability calculated based on the same method.

Cancellation

The Company writes off a financial liability when the obligation no longer exists.

When an exchange of debt instruments with a lender takes place, whenever the debt instruments have substantially different conditions, the original financial liability is written off and the new resulting financial liability is recorded. The same applies for the recording of a substantial modification in the current conditions of a financial liability.

The difference between the book value of the financial liability or the portion of the financial liability that has been written off and the compensation paid, including attributable transaction costs, and in which any asset transferred different from the cash or liability taken on is included, is recorded against the profit and loss account during the corporate year in which this takes place.

**4.8 Commercial inventory**

Commercial inventory is valued based on its price of acquisition or cost of production, or based on its net obtainable value, choosing the lesser of the two. The price of acquisition includes the amount invoiced by the seller after deducting any discounts, price rebates, or similar line items, and all additional expenses produced up until the time at which the goods were ready for their sale, including transportation, customs fees, insurance, and other expenses directly attributable to the acquisition of the stock. The production cost is determined by adding the price of the acquisition of raw materials and other consumables to the costs directly attributable to the product. The portion that reasonably corresponds to the expenses indirectly attributable to the product is also included, inasmuch that these costs correspond to the manufacturing, creation, or construction period, which have been incurred up until the time that they are placed for sale and based on the level of use of the normal capacity of the work of production means.



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Given that the inventory of the Company does not require a time period greater than one year to attain sale conditions, financial expenses are not included within the price of acquisition or cost of manufacture.

The Company uses the weighted average cost for the assignment of value to inventory.

When the net attainable value of inventory is less than its price of acquisition or cost of production, the appropriate corrections to values are carried out, recording them as an expense in the profit and loss account. For raw materials and other consumables in the production project, corrections to values are not carried out if it is expected that the finished products into which they are incorporated will be sold for a greater amount.

#### **4.9 Cash and Other Equivalent Liquid Assets**

This summary includes cash on hand, current accounts, and deposits that meet all of the following requirements:

- They can be converted into cash.
- At the time of their acquisition, their expiry was no greater than three months.
- They are not subject to a significant risk of change in value.
- They form a part of the normal management policy of the treasury of the Company.

#### **4.10 Net Wealth**

Company capital is constituted by ordinary shares.

The cost of issuing new shares or options are recorded directly against net wealth, as smaller reserves.

In the event of the acquisition of shares owned by the Company, the remuneration paid, including any directly attributable incremental costs, is deducted from net wealth up until its cancellation, issuance once again, or transfer. When these shares are sold or issued once again subsequently, any amounts received, after deducting any incremental transactional costs directly attributable to them, are included within net wealth.

#### **4.11 Provisions and Contingencies**

Liabilities which are undetermined in terms of their amount or the date on which they will be written off are recorded on the balance sheet as provisions when the Company has a current obligation (whether due to a legal or contractual provision or due to an implicit or tacit obligation) as a consequence of past events which is estimated to be likely to involve a quantifiable outflow of resources in order to liquidate it.

Provisions are assessed at the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation to a third party, recording the adjustments that arise due to the updating of the provision as a financial expense as they are accrued. In the case of provisions with a maturity of less than or equal to one year, with insignificant financial effects, no type of discounting is carried out. Provisions are revised as of the closing date of each balance sheet and are adjusted in order to reflect the current best estimate of the corresponding liability at each given time.

Compensation to be received from a third party at the time of liquidating provisions is recorded as an asset, without deducting the amount of the provision, so long as there is no doubt that this reimbursement will be received, and without exceeding the amount of the recorded obligation. When a legal or contractual obligation to externalize risks exists, in virtue of which the Company is not

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obligated to respond for this, the amount of this compensation is deducted from the amount of the provision.

On the other hand, contingent liabilities are considered to be those potential obligations that arise as a consequence of past events the materialization of which is conditional on the occurrence of future events that are not entirely under the control of the Company, as well as present obligations resulting as a consequence of past events for which it is unlikely that an outflow of resources will occur to liquidate them or which cannot be assessed with adequate reliability. These liabilities are not recorded on the books, and instead are detailed in the financial statement, except when the outflow of resources is remote.

#### **4.12 Tax on earnings**

The expenses (income) for corporate income tax are calculated via the sum of current taxes, which is the result of applying the corresponding tax rate to the taxable base of the corporate year minus existing discounts and deductions, and the variations produced during the aforementioned corporate year for assets and liabilities due to recorded deferred taxes. These are recorded in the profit and loss account, except when they correspond to transactions that are directly recorded in net wealth, in which case the corresponding tax is also recorded in net wealth.

Deferred taxes are recorded for temporary differences existing as of the date of the balance between the tax base of assets and liabilities and their book values. The tax base of a wealth element is considered to be the amount attributed to it for taxation purposes.

The Company records a deferred tax liability for all temporary taxable differences, except, if applicable, for exceptions established in applicable legislation.

The Company records deferred tax assets for all temporary tax deduction differences, unused tax credits, and negative tax bases pending compensation, inasmuch that it is likely that the Company will be provided with future taxation income permitted by the application of these assets, except, if applicable, for exceptions established in applicable legislation.

As of the date of the closing of each corporate year, the Company evaluates recorded deferred tax assets and those that have not been previously recorded. Based on this evaluation, the Company then discards previously recorded assets if it is no longer likely that they will be recovered or records any deferred tax assets not previously recorded so long as it is likely that the Company will be provided with future taxation earnings permitted by their application.

Deferred tax assets and liabilities are valued based on expected taxation rates at the time of the reversion, according to approved legislation in effect, and in accordance with the form in which it can be reasonably expected that the deferred tax asset or liability will be respectively recovered or paid.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets and liabilities, independent of the expected date of their application or liquidation.

On December 3, 2016, Royal Decree Law 3/2016 was published, which adopts taxation measures for the consolidation of public finances introducing relevant modifications to the application of Corporate Tax. Among others, it establishes, effective as of January 1, 2016, the obligation of reversing, within a maximum time frame of 5 years, provisions for impairment in the value of shares that would have been deductible before 2013, limits the compensation of negative taxable bases for large companies (turnover of greater than 60 million euros) to 25% of the previous taxable base, and limits the application of the deduction for domestic or international double taxation generated or

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pending application to 50% of the entire previous amount.

**4.13 Classification of assets and liabilities as current and noncurrent**

The assets and liabilities presented on the balance sheet are classified as current and noncurrent. For these purposes, assets and liabilities are classified as current when they are tied to the normal cycle of operations of the Company and are expected to be sold, consumed, realized, or liquidated as part of these operations; or for assets other than the previous, if their expiry, disposal, or realization is expected to take place within a maximum term of one year, if they are maintained for negotiation purposes, or if they constitute cash and other equivalent liquid assets the use of which is not restricted for a period of greater than one year. Otherwise, this will be categorized as noncurrent assets and liabilities.

The normal cycle of operations is less than one year for all activities except for the activity of the installation, assembly, and conservation of railway signalization devices, which depends on the durations of projects.

**4.14 INCOME AND EXPENSES**

In accordance with the principle of approval, income and expenses are recorded whenever they occur independent of the date they are invoiced or paid.

*Income from sales and services*

Income is recorded based on the reasonable value of the service to receive and represents the amounts charged for the goods delivered and services provided as a part of the Company's ordinary activities, minus returns, rebates, discounts, and value added tax.

The Company records income when the amount of income can be assessed reliably, it is likely that future economic benefits will befall on the Company, and the specific conditions for each of the activities as detailed below are met. It is not considered possible to assess the value of income reliably until all contingencies related to the sale have been lifted. The Company bases its estimates on historical results, taking into account the type of client, the type of transaction, and the concrete terms of each agreement. In accordance with the principle of approval, income and expenses are recorded whenever they occur independent of the date they are invoiced or paid.

The Company provides wind farm maintenance services. These services are provided either based on a date and concrete materials, or as a part of a fixed-price contract for a period of 5 years.

Income from concrete date and materials contracts, which are normally the result of the provision of wind farm maintenance services, are recorded at the rates established in the contract as staff log hours and direct expenses are incurred. Collections received in advance for which the corresponding maintenance activities have not been carried out as of the date of corporate year-end are recorded as a liability on the balance sheet as customer deposits.

Income is recorded when it is likely that the Company will receive earnings or financial benefits derived from the transaction and the amount of the income and costs incurred or to be incurred can be evaluated reliably. Income is evaluated based on the reasonable value of the compensation received or that will be received, deducting discounts, rebates on the price, and other similar line items that the Company may concede, such as, if applicable, interest incorporated into the nominal value of credits. Indirect taxes that tax operations and which may be passed on to third parties do not form a part of income.

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Income derived from fixed-price contracts for the provision of operations and maintenance services is generally recorded during the period during which the services are provided on a linear basis extended over the duration of the contract.

Sales of goods are recorded when the entity sells a product to a customer. Sales are recorded based on their price established in the sale order.

Interest income

Income from interest is recorded using the effective interest rate method. When an account receivable is subject to impairment, the Company reduces its book value to its recoverable value, minus the future cash flows estimated at the effective original interest rate of the instrument, continuing to discount as decreased interest income. Interest income on loans subject to losses due to impairment is recorded using the effective interest rate method.

**4.15 Transactions in Foreign Currencies**

a) Functional currency and currency of presentation

The company's annual accounts are presented in euros, which is the Company's functional currency and currency of presentation.

b) Transactions and balances

Transactions in foreign currencies are converted into the functional currency by using the exchange rates in effect as of the date of the transaction. Profits and losses on foreign currencies as the result of the liquidation of these transactions and the conversion at closing of the exchange rates for the monetary assets and liabilities held in foreign currencies are recorded against the profit and loss account, except if they differ in net wealth, such as qualified cash flow hedges and qualified net investment hedges.

**4.16 Transactions with Related Parties**

In general, operations taking place between the companies of the group are recorded at the initial time based on a reasonable value. When applicable, if the price granted differs from the reasonable value, the difference will be recorded with respect to the economic reality of the operation. Subsequent valuation will take place in conformity with corresponding regulations.

The prices of the operations carried out with related parties are sufficiently supported, because of which the Administrators of the Company consider that there do not exist risks that may result in significant financial liabilities, except for those described in Section 13.

**4.17 Environmental Wealth Elements**

Expenses related to activities for the decontamination and restoration of contaminated areas, the removal of wastes, and other expenses derived from compliance with environmental legislation are recorded as expenses during the corporate year in which they take place, except when they correspond to the cost of the purchase of elements that are incorporated into the wealth of the Company for the purpose of being used over the long-term, in which case they are recorded in the corresponding line items of the "Tangible Fixed Assets" category, with amortization according to the same criteria.

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**5. MANAGEMENT OF FINANCIAL RISK**

The risk management policies of the Company are established by the Administrators of the Company and by the parent company of the Suzlon Group, to which it belongs. Based on these policies, the Finance Department of the Company has established a series of procedures and checks that allow it to identify, measure, and manage the risks derived from financial instrument activities. These policies establish, among other aspects, that the Company is not permitted to carry out speculative operations with derivatives.

Financial instrument activities expose the Company to the risks of credit, the market, and liquidity.

**5.1 Financial risk factors**

**a) Market Risk**

Market risk is produced due to the potential losses caused by variations in the reasonable value or future cash flows of financial instruments due to changes in market prices. Market risk includes interest rate risks, exchange rate risks, and other price risks.

*(i) Exchange rate risk*

The Suzlon Group is exposed to exchange rate risks due to international business. A portion of its income and expenses take place in US dollars.

The group has a Currency Management Policy which takes into account the current dynamics of its operations and market conditions, which helps the Company significantly in facing future exchange rate risks.

*(ii) Price risk*

The Suzlon Group is exposed to risks related to fluctuations in the prices of the replacement parts used in maintaining its Farms. These risks are fundamentally managed in the purchasing process.

*(iii) Risk of the interest rate on cash flows and reasonable value*

The interest rate risk is produced due to the potential losses caused by variations in the reasonable value of future cash flows of financial instruments due to changes in market interest rates. The exposure of the Company to the interest rate risk is mainly due to the contract for management, technical support, and financing with companies in the group indicated in Section 19.

**Credit Risk**

The credit risk is produced due to possible losses caused by failure to comply with the contractual obligations of the counterparts of the Company; in other words, due to the possibility of not being able to recover the financial instruments based on their book value within the time period established.

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The maximum exposure to credit risk as of March 31, 2019 and 2018 was the following:

<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
Long-term investments in companies in the group and associates (Sections 9.1 and 19.1)	4,114	3,821
Long-term financial investments (Section 9)	81	81
Short-term financial investments	1	-
Short-term investments in companies in the group and associates (Sections 9.1 and 19.1)	3,024	3,789
Commercial debtors and other accounts receivable (Sections 9.1 and 19.1)	6	272
Cash and other equivalent liquid assets (Section 11)	233	167
	<b>7,459</b>	<b>8,130</b>

To manage the credit risk, the Company distinguishes between financial activities due to operative activities and due to investment activities.

Operative activities

The Business Department and the Finance Department establish credit limits for each customer based on sales contracts.

The breakdown of the concentration of credit risk by line item of "Trade debtors and other accounts receivable" and "Long- and short-term investments with group companies and associates", as of March 31, 2019 and 2018, is the following:

<b>(Thousands of Euros)</b>	<b>2019</b>		<b>2018</b>	
	<b>No. of customers</b>	<b>Amount</b>	<b>No. of customers</b>	<b>Amount</b>
With a balance greater than €1 million	3	7,130	2	7,399
With a balance between €1 million and €500,000	0	0	-	-
With a balance between €500,000 and €200,000	0	0	1	419
With a balance between €200,000 and €100,000	0	0	-	-
With a balance less than €100,000	16	14	19	63
<b>Total</b>	<b>19</b>	<b>7,144</b>	<b>22</b>	<b>7,881</b>

A monthly report with the breakdown of the age of each balance receivable is created, and is used as a basis to manage their collection. Overdue accounts are claimed monthly by the Department of Finance, Projects, and Maintenance.

The details by date of the age of "Trade debtors and other accounts receivable" and "Long-term debts with associated companies" as of March 31, 2018 and 2018 is the following:

<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
Less than 30 days	6	449
Between 30 and 60 days	0	16
Between 60 and 90 days	17	6
Between 90 and 120 days	0	99
More than 120 days	7,121	7,311
<b>Total</b>	<b>7,144</b>	<b>7,881</b>

Investment activities

The investment policies of the Company establish that the Treasury Department can only carry out investments via savings accounts with interest and term deposits.  
All investments must be made with Spanish entities.



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Loans and credits to companies in the group and to third parties, as well as the acquisition of shares of companies not listed on the stock market, must be approved by the Executive Management of the Suzlon Group.

**c) Liquidity Risk**

The liquidity risk is produced by the possibility that the Company may not have liquid funds available to it or may not be able to access them, in adequate quantities and at the appropriate cost, to meet its payment obligations at all times. The goal of the Company is to maintain the necessary availability of liquidity.

The breakdown of installments on contracts, not discounted, for financial assets and liabilities as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	Up to 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
<b>Corporate year 2019</b>						
Financial assets						
Credits to companies in the group (Sections 8, 9.1 and 19.1)						
Principal	-	-	260	3,854	-	4,114
Commercial debtors and other accounts receivable (Section 9)	6	3,024	-	-	-	3,030
Cash and other equivalent liquid assets (Section 11)	233	-	-	-	-	233
Financial liabilities						
Loans and credits with credit institutions	9	-	-	-	-	9
Principal	9	-	-	-	-	9
Interest	-	-	-	-	-	-
Commercial creditors and other accounts payable	675	-	-	-	-	675
<b>Corporate year 2018</b>						
Financial assets						
Credits to companies in the group (Sections 8, 9.1 and 19.1)						
Principal	26	-	76	3,719	-	3,821
Commercial debtors and other accounts receivable (Section 9)	19	4,042	-	-	-	4,061
Cash and other equivalent liquid assets (Section 11)	167	-	-	-	-	167
Financial liabilities						
Loans and credits with credit institutions	1	-	-	-	-	1
Principal	1	-	-	-	-	1
Interest	-	-	-	-	-	-
Commercial creditors and other accounts payable	828	-	-	-	-	828



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**6. INTANGIBLE FIXED ASSETS**

The breakdown and movements of the various line items that make up intangible fixed assets as of March 31, 2019 and 2018 are the following:

(Thousands of Euros)	Initial balance	Additions and allowances	Written off	End balance
Corporate year 2019				
Cost	30			30
Computer applications	30			30
Accumulated amortization	(28)	(1)		(29)
Computer applications	(28)	(1)		(29)
<b>Net book value</b>	<b>2</b>	<b>(1)</b>		<b>1</b>

(Thousands of Euros)	Initial balance	Additions and allowances	Written off	End balance
Corporate year 2018				
Cost	37	-	(7)	30
Computer applications	37	-	(7)	30
Accumulated amortization	(27)	(1)	-	(28)
Computer applications	(27)	(1)	-	(28)
<b>Net book value</b>	<b>10</b>	<b>(1)</b>	<b>(7)</b>	<b>2</b>

As of March 31, 2019 the Company held fully amortized elements still in use amounting to 25,000 euros (23,000 euros as of March 31, 2018):

**7. TANGIBLE FIXED ASSETS**

The breakdown and movements of the various line items that make up tangible fixed assets as of March 31, 2019 and 2018 are the following:

(Thousands of Euros)	Initial balance	Additions and allowances	Written off	End balance
Corporate year 2019				
Cost				
Furniture	57	-	-	57
Computer equipment	67	16	(12)	71
Equipment and tools	489	8	(3)	494
Other fixed assets	192	-	-	192
	805	24	(15)	814
Accumulated amortization				
Furniture	(56)	-	-	(56)
Computer equipment	(40)	(8)	11	(37)
Equipment and tools	(484)	(4)	-	(488)
Other fixed assets	(192)	-	-	(192)
	(772)	(12)	11	(773)
<b>Net book value</b>	<b>33</b>	<b>11</b>	<b>(4)</b>	<b>41</b>

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<b>(Thousands of Euros)</b>	<b>Initial balance</b>	<b>Additions and allowances</b>	<b>Written off</b>	<b>End balance</b>
<i>Corporate year 2018</i>				
Cost				
Furniture	75	-	(18)	57
Computer equipment	46	22	(1)	67
Equipment and tools	486	3	-	489
Other fixed assets	192	-	-	192
	799	25	(19)	805
Accumulated amortization				
Furniture	(74)	-	18	(56)
Computer equipment	(37)	(4)	1	(40)
Equipment and tools	(477)	(7)	-	(484)
Other fixed assets	(192)	-	-	(192)
	(780)	(11)	19	(772)
<b>Net book value</b>	<b>19</b>	<b>14</b>	<b>-</b>	<b>33</b>

## 7.1 Descriptions of the Main Transactions

The additions that took place during the corporate years ending on March 31, 2019 and 2018 are fundamentally due to the acquisition of machinery necessary to be able to provide the service of maintenance for wind generators installed at completed wind power generation farms as well as the acquisition and improvement of computer devices and applications.

During the corporate year ending on March 31, 2019, corrections in value due to deterioration were not recorded.

During the corporate year ending on March 31, 2019, there have been no purchases of assets from companies in the group (0 thousand euros as of March 31, 2018).

## 7.2 Operative Leases

The Company rents its central offices in Madrid. On December 20, 2016, the contract was renewed for a duration of five years, with a required completion period of two years (December 31, 2018); after this time, the contract will be renewed automatically if none of the parties opposes this.

Expenses related to the leasing of its central offices amounted to €93,000 during the corporate year ending on March 31, 2019 (€92,000 during the corporate year ending on March 31, 2018).

In addition, the Company leases various vehicles via the renting method, which have generated rental fees amounting to €107,000 during the corporate year ending on March 31, 2019 (€105,000 as of March 31, 2018).

Last of all, the Company has incurred €42,000 in expenses for miscellaneous rentals, such as parking spots or printers, among other things (€49,000 as of March 31, 2018).

Therefore, total expenses on rentals for the 2019 corporate year amounted to 242,000 euros (246,000 euros in 2018) (Note 17.4).

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The future minimum payments for non-cancelable operative lease agreements as of March 31, 2019 and 2018 are the following:

<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
Up to one year	72	158
Between one and five years	31	93
	<b>103</b>	<b>251</b>

### 7.3 Other information

As of March 31, 2019, the Company held fully amortized elements still in use amounting to €756,000 (€739,000 as of March 31, 2018):

<b>Fully Amortized Tangible Fixed Assets</b>	<b>2019</b>	<b>2018</b>
Furniture	38	38
Computer equipment	24	33
Equipment and tools	483	457
Other fixed assets	211	211
	<b>756</b>	<b>739</b>

As of March 31, 2019, the company does not have established purchase agreements for fixed assets. The Company holds insurance policies that cover the net book value of tangible fixed assets.

## 8. INVESTMENTS IN THE WEALTH OF COMPANIES IN THE GROUP AND ASSOCIATES

The breakdown and the movements of the various line items that compose this category as of March 31, 2019 and 2018 are the following:

<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
<b>Corporate year 2019</b>		
Wealth instruments		
Cost	3	3
Corrections to values due to deterioration	(3)	(3)
Long-term investments in companies in the group and associates		
Cost	1,240	1,240
Corrections to values due to deterioration	(1,240)	(1,240)
	-	-
<b>Corporate year 2018</b>		
Wealth instruments		
Cost	3	3
Corrections to values due to deterioration	(3)	(3)
Long-term investments in companies in the group		
Cost	1,240	1,240
Corrections to values due to deterioration	(1,240)	(1,240)
	-	-

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On March 12, 2010, the Company purchased 100% of the corporate shares of the company Parque Eólico El Almendro, S.L.U., which holds the licenses, permits, and authorizations necessary, with the exception of the renewal of the approval license for the execution project, through which it decided to renounce the extension of the timeframe granted and instead request a new timeframe, the approval of which was estimated to be obtained in June 2018 based on the identical project that was already approved, for promoting a wind farm project with a maximum output power capacity of 43.5 MW and a total installed power of 44 MW, in the municipality of El Almendro (Huelva), as it is also the owner of 12.98% of the community of property "Sistema Eléctrico de Conexión Del Andevalo, en comunidad", which was established in the goal of coordinating actions relative to building the output network for the energy generated by the 9 wind farms promoted by the seller, among which is this project.

Within one of its clauses, the purchase-sale agreement included a contingent liability related to a future obligation according to which the Company must pay for the purchase of shares as a variable or additional price, which will exclusively depend on the Tarifa Eléctrica Regulada del Régimen Especial de Producción de Energía Eléctrica en Régimen Especial [English: Regulated Electricity Rate of the Special Production Regime for Special Regime Electrical Energy] of Spain (hereinafter, the "TERRE") which is assigned or preassigned (whatever comes first) to the project by the organization or competent authority. In addition, the Society granted at no cost, to the benefit of the seller, a purchase option over the entirety of the shares of the company subject to the purchase-sale agreement. The expiry of this purchase option will have a duration of three months counting as of the date following the acknowledgment by the parties of the corresponding TERRE, which requires the shares that are the subject of the purchase to be restricted up until the expiry of the above-mentioned purchase option. Following the publication of Royal Decree-Law 9/2013 of July 12, through which urgent measures were adopted to guarantee the financial stability of the electrical system, Royal Decree 661/2007 and Royal Decree 1578/2008 have been repealed, eliminating the special regime and the regulated electricity rate. The Executive Management of the Company is currently negotiating regarding the application of this clause and its definitive terms.

During the corporate year ending on March 31, 2017, the Company granted loans to the company whose shares are owned amounting to 1,173,000 euros, which are completely impaired as of this date in accordance with the estimates and projections available to the Company Administrators, and the economic and regulatory uncertainty of the sector does not foresee the recovery of the net investment value recorded.

In April 2017, the Company increased the loan granted by 20,000 euros, recording an impairment for the same amount against the profit and loss account as of March 31, 2018 (5,000 euros as of March 31, 2017). As of March 31, 2019, the Company has not made an additional increase to the loan.

In November 2017, the company directors agreed to transform the loan granted to Parque Eólico El Almendro, S.L., including the interest paid to date, amounting to €47,000, into a shareholder contribution, which is included within the "Long-term investments in group companies" line item, and which is 100% deteriorated.

At the end of the 2019 corporate year, both company capital (€3,000) as well as Long-term investments in group companies (€1.240 million) remain with a 100% value correction.

## **9. FINANCIAL ASSETS**

The breakdown of financial assets except for investments in companies in the group and associates (Section 8) as of March 31, 2019 and 2018 is the following:

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**Loans and others**

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<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
Long-term financial assets		
Loans and line items to be collected	4,195	3,902
	<u>4,195</u>	<u>3,902</u>
Short-term financial assets		
Loans and line items to be collected	3,031	4,061
	<u>3,031</u>	<u>4,061</u>
	<b>7,226</b>	<b>7,963</b>

The breakdown due to expiry as of March 31, 2019 is the following:

<b>(Thousands of Euros)</b>	<b>Up to 1 year</b>	<b>Between 1 and 2 years</b>	<b>More than 2 years</b>	<b>Total</b>
<b>Corporate year 2019</b>				
Commercial debtors and other accounts receivable	6	-	4,114	4,120
Other financial assets	3,024	82	-	3,106
<b>Total</b>	<b>3,030</b>	<b>82</b>	<b>4,114</b>	<b>7,226</b>

The breakdown due to expiry as of March 31, 2018 is the following:

<b>(Thousands of Euros)</b>	<b>Up to 1 year</b>	<b>Between 1 and 2 years</b>	<b>More than 2 years</b>	<b>Total</b>
<b>Corporate year 2018</b>				
Commercial debtors and other accounts receivable	272	76	3,745	4,093
Other financial assets	3,789	81	-	3,870
<b>Total</b>	<b>4,061</b>	<b>157</b>	<b>3,745</b>	<b>7,963</b>

## 9.1 Loans and line items to be collected

The breakdown of the financial assets classified in this category as of March 31, 2019 and 2018 is the following:

<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
Long-term financial assets		
Loans to group companies	4,114	3,821
Deposits paid	81	81
	<u>4,195</u>	<u>3,902</u>
Short-term financial assets		
Long-term investments in companies in the group and associates	3,024	3,789
Commercial debtors and other accounts receivable	6	272
Other financial assets	1	-
	<u>3,031</u>	<u>4,061</u>
	<b>7,226</b>	<b>7,963</b>

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The “Long-term loans to group companies” line item includes balances that are expected to be collected within a timeframe of greater than 12 months (Note 19.1). These balances accrue interest.

The “Short-term financial investments in group and associated companies” line items covers balances receivable from Suzlon Energy A/S for the checking account held between the companies (Section 19.1).

Commercial debtors and other accounts receivable

The breakdown of this section as of March 31, 2019 and 2018 is the following:

<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
Income from sales and the provision of services	-	16
Customers, companies of the group, and associates (Section 19.1)	2	252
Staff	3	4
Other credits with governments	1	-
	<b>6</b>	<b>272</b>

The balance of the category “Customers for sales and the provision of services” is presented following the deduction of corrections to values due to deterioration. During the 2019 corporate year, the Company recorded value corrections due to deterioration of “commercial debtors” for an amount of €63,000 (0 euros in 2018) resulting from the uncertainty of collecting certain owed amounts, which has been recorded in the “Losses, deterioration, and variation in provisions on commercial operations” line item.

The reasonable values of loans and line items to collect coincide with book values.

**10. COMMERCIAL INVENTORY**

The breakdown of this section as of March 31, 2019 and 2018 is the following:

<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
Raw materials and other supplies		
Replacements	605	506
	<b>605</b>	<b>506</b>
	<b>605</b>	<b>506</b>

There are no value corrections due to deterioration as of March 31, 2019 and 2018.

**11. CASH AND OTHER EQUIVALENT LIQUID ASSETS**

The breakdown of this section as of March 31, 2019 and 2018 is the following:

<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
Treasury	1	1
Sight current accounts	232	166
	<b>233</b>	<b>167</b>

Current accounts accrue the market interest rate for this type of account.

There are no restrictions on the availability of these balances.

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**12. NET WEALTH – SHAREHOLDER EQUITY**

**12.1 Stated capital**

Company capital as of March 31, 2019 and 2018 is represented by 310 shares each with a nominal value of €10 each, which are fully signed and paid out by the Single Shareholder, Suzlon Energy A/S (SEAS). All shares of the same category grant the same rights and are not listed on the stock market.

**12.2 Reserves**

The breakdown and movements of the various sections that make up reserves and the profit/loss of previous corporate years as of March 31, 2019 and 2018 are the following:

<b>(Thousands of Euros)</b>	<b>Initial balance</b>	<b>Distribution of the results of the previous corporate year</b>	<b>End balance</b>
Corporate year 2019			
Legal reserve	11	-	11
Voluntary reserve	10,557	-	10,557
Losses from previous corporate years	(4,653)	1,352	(3,301)
	<b>5,915</b>	<b>1,352</b>	<b>7,267</b>

<b>(Thousands of Euros)</b>	<b>Initial balance</b>	<b>Distribution of the results of the previous corporate year</b>	<b>End balance</b>
Corporate year 2018			
Legal reserve	11	-	11
Voluntary reserve	10,557	-	10,557
Losses from previous corporate years	(4,253)	(400)	(4,653)
	<b>6,315</b>	<b>(400)</b>	<b>5,915</b>

a) Legal reserve

The legal reserve has been fully allocated in accordance with article 274 of the Law on Corporations (Note 3).

b) Voluntary reserve

Voluntary reserves can be allocated freely.

**13. PROVISIONS AND CONTINGENCIES**

*Tax inspection*

The Company was subject to a tax inspection related to Corporate Tax for the taxation periods of



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2008 (corporate year between April 1, 2008 and March 31, 2009) and 2009 (corporate year between April 1, 2009 and March 31, 2010). As a result of these inspection actions, on the date of April 5, 2013, two Deeds of Nonconformity were issued, one regarding transfer prices and the other regarding the remainder of issues relating to Corporate Tax. The Company, following its formulation of the corresponding claims and receiving Deeds for the liquidation and resolution of the penalty procedure, decided to dispute these deeds before the Central Financial-Administrative Court.

Nonetheless, the Company Administrators considered it wise to set aside a provision for the amount claimed as of March 31, 2013, which amounted to 2,540,000 euros recorded in the "Other debts with governments" item. During the corporate year ending on March 31, 2014, the Company proceeded to use Value Added Tax returns against the debt that it holds with the Tax Collection Agency, with the current debt amounting to €2.212 million as of the closing of the corporate year.

On May 6, 2016, the Company was given a Notice of Court Order, issued on April 26, 2016 by the Regional Collections Department of the Madrid Special Delegation of the State Tax Administration Agency.

The above-mentioned Notice of Court Order requires the payment of tax debt of an amount of €2.109 million, which is a result of the Inspection of Corporate Tax of the Company for the corporate year 2008/2009, as well as the notice of ordinary late charges to the amount of €422,000, with the total amount of debt being demanded of the company amounting to €2.531 million.

On June 1, 2016, the Company liquidated the entirety of the debt required, even though the claims presented before the Central Financial-Administrative Court continue as of March 31, 2017.

On April 20, 2017, the Company was notified of the verdict of the Economic Administrative Tribunal, resolving economic and administrative claims number 5360/2013, 5361/2013, 5362/2013, and 5363/2013, in which claim 5362/2013 was partially admitted, for an amount of 770,000 euros, thus resulting in the cancellation of the debt collection order of which the company was notified on May 6, 2016 for the amount of 422,000 euros. The return of the amount ruled and the debt collection order (1,192,000 euros) were paid to the Company in February 2018. (See notes 16 and 17.6).

*Other claims*

In addition, the Company received a claim in October 2017 from an Insurance Company as a part of its activity for an amount of 777,000 euros. Following the non-acceptance of the causes stated in this claim, both parties have initiated the negotiation process. For this reason, as of March 31, 2018, the Company's Administrators have considered it appropriate to set aside a provision of 400,000 euros based on the agreement of the parties.

This provision was applied during the corporate year ending in March 2019 by means of an agreement signed by both parties in May 2018, which contained a payment schedule that became effective in the months of May, June, and July.

In addition to the above-mentioned matters, the Company Directors do not expect additional liabilities to arise.

**14. FINANCIAL LIABILITIES**

The breakdown of financial liabilities as of March 31, 2019 and 2018 is the following:

Debts with credit	Others	Total
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(Thousands of Euros)	institutions		2019	2018	2019	2018
	2019	2018				
Long-term financial assets						
Debts and line items receivable	-	-	-	-	-	-
	-	-	-	-	-	-
Short-term financial liabilities						
Debts and line items receivable	9	1	675	828	684	829
	9	1	675	828	684	829
	<b>9</b>	<b>1</b>	<b>675</b>	<b>828</b>	<b>684</b>	<b>829</b>

The breakdown of expiring items as of March 31, 2019 and 2018 is the following:

(Thousands of Euros)	Up to 1 year	Between 1 and 2 years	More than 2 years	Total
<b>Corporate year 2019</b>				
Financial liabilities				
Short-term debts with credit institutions	-	-	-	-
Suppliers	301	-	-	301
Miscellaneous creditors	33	-	-	33
Suppliers, companies in the group	-	-	-	-
Deposits to customers	341	-	-	341
	<b>675</b>	<b>-</b>	<b>-</b>	<b>675</b>

**Debts and line items receivable**

Loans and credits from credit establishments:

During the corporate year ending on March 31, 2019, the company did not take out any loans or credits. The pending payment amount of €9,000 (€1,000 as of March 31, 2018) corresponds to the current movements of the credit cards of the Company.

Commercial creditors and other accounts payable

The breakdown of commercial creditors and other accounts payable as of March 31, 2019 and 2018 is as follows:

(Thousands of Euros)	2019	2018
Short and long-term		
Commercial creditors and other accounts payable		
Suppliers	301	411
Suppliers, companies in the group and associates (Section 17.1)	-	-
Miscellaneous creditors	33	81
Customer deposits	341	336
	<b>675</b>	<b>828</b>

Customer deposits:

As established in the initial supply and installation contracts for the wind farms, during the corporate year ending on March 31, 2015, agreements for service and maintenance for projects in Almería, Jerez, Sierra Ministra, and Castil de Sierra were renewed for a time period of 5 years.

During the corporate year ending on March 31, 2019, the Company received deposits for a total

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amount of €3.098 million, out of which income for an amount of €2.757 million has been recorded (€2.968 million and €2.633 million, respectively, during the corporate year ending on March 31, 2018), with €341,000 and €336,000 remaining as customer deposits as of March 31, 2019 and 2018, respectively.

Information on the average period to pay suppliers. Additional Clause 3: "Duty of Information" from Law 15/2010 from July 5

The details of the information required in relation to the average period to pay suppliers are the following:

	2019	2018
	Days	Days
Average time period for the payment of suppliers	25.26	39
Ratio of paid operations	74.90%	86.55%
Ratio operations pending payment	25.10%	13.45%
	Thousands of Euros	Thousands of Euros
All payments made	3,008.94	3,170
All payments pending	123.61	492

## 15. FOREIGN CURRENCIES

### Balances

The details of the largest balances in foreign currencies, valued at the exchange rate as of the closing of the corporate year, are the following:

(Thousands of Euros)	2019	2018
Accounts receivable	-	-
Accounts payable	170	170
	<b>170</b>	<b>170</b>

These amounts correspond to operations carried out with group companies in American dollars (USD).

### Transactions

The amounts of the transactions carried out in foreign currencies are the following:

	2019	2018
Thousands of dollars (US)	Thousands of Rupees (INR)	Thousands of dollars (US)

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Purchases	-	11	546
Sales	-	-	-
Services received	54	-	72
Services provided	-	-	-
	54	11	618

The net amount of exchange rate differences recorded against profit/loss as of March 31, 2019 amounts to 35,000 euros in profits (71,000 euros in losses as of March 31, 2018).

## 16. TAXATION SITUATION

The breakdown of the balances regarding taxation assets and liabilities as of March 31, 2019 and 2018 is the following:

(Thousands of Euros)	2019	2018
Other credits with governments	1	-
Social Security	1	-
	1	-

(Thousands of Euros)	2019	2018
Current tax liabilities	7	3
Other debts with governments	167	179
Income tax	117	110
Social Security	49	49
Creditor for VAT	1	20
	174	182

According to legal provisions in effect, the liquidation of taxes cannot be considered to be definitive until they have been inspected by the taxation authorities or until the limitation period has elapsed, which is currently established as being four years.

The Company's last four corporate years are open for inspection for all applicable taxes.

As a result, among others, of different interpretations in tax legislation in effect, additional liabilities may arise as a result of the inspection. In any event, the Administrators consider that these liabilities, in the event that they are produced, will not have a significant effect on the abridged annual accounts.

### 16.1 Calculation of Corporate Tax

The reconciliation between the net profit and loss of the corporate year and the tax base (taxable income) for Corporate Tax as of March 31, 2019 and 2018 is the following:

(Thousands of Euros)	Profit and loss account		Total
	Increases	Decreases	
Corporate year 2019			
Balance of income and expenses during the corporate year		(13)	(13)

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Corporate Tax	17		17
<b>Balance of income and expenses during the corporate year before tax</b>			<b>4</b>
Permanent differences	81		81
Temporary differences		(9)	(9)
<b>Taxable base (taxable income)</b>			<b>76</b>
<b>Corporate year 2018</b>			
Balance of income and expenses during the corporate year	1,352	-	1,352
Corporate Tax	703	-	703
<b>Balance of income and expenses during the corporate year before tax</b>	<b>649</b>	<b>-</b>	<b>649</b>
Permanent differences	-	(351)	(351)
Temporary differences	-	(26)	(26)
<b>Taxable base (taxable income)</b>		<b>(377)</b>	<b>272</b>

Permanent differences from the corporate year ending on March 31, 2019 mainly correspond to the deterioration of commercial loans with related companies for the amount of €64,000 (see Note 9).

The expenses / (income) for income tax are broken down as follows:

(Thousands of Euros)	Profit and loss account	
	2019	2018
Current tax (25% of the taxable base)	(17)	(67)
Tax claim refund (Note 13)	-	770
<b>Total (expenses) / income</b>	<b>(17)</b>	<b>703</b>

The calculation of Corporate Tax to pay (to be returned) is the following:

(Thousands of Euros)	2019	2018
Current tax	17	67
Retained	-	(2)
Installments	(10)	(62)
<b>Corporate tax payable</b>	<b>7</b>	<b>3</b>

As of March 31, 2019, the Company did not have negative tax bases pending compensation.

## **17. INCOME AND EXPENSES**

### **17.1 Net income**

The distribution of the net revenue of the Company corresponding to its continued operations based on categories of activity, as well as based on geographical markets, as of March 31, 2019 and 2018 is the following:

(Thousands of Euros)	2019	2018
Segmentation by categories of activities		
Provision of services (operation and maintenance)	4,768	4,659
Sale of materials	-	946
Other sales	424	161

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	5,192	5,766
Segmentation by geographic markets		
Spain	4,832	4,666
European Community countries (except Spain)	289	1,083
Others	71	17
	<b>5,192</b>	<b>5,766</b>

## 17.2 Consumption of raw materials and other consumables

The breakdown of the consumption of raw materials and other consumables as of March 31, 2019 and 2018 is the following:

(Thousands of Euros)	2019	2018
Purchase of raw materials and other consumables	2,110	2,242
National purchases	986	963
Acquisitions within the European Community	986	510
Imports	138	769
Variation in raw materials and other supplies	(99)	75
	<b>2,011</b>	<b>2,317</b>

## 17.3 Staff expenses

The breakdown of staff expenses as of March 31, 2019 and 2018 is the following:

(Thousands of Euros)	2019	2018
Wages and similar items		
Salaries and wages	2,015	1,949
Compensation	-	27
Social contributions		
Social security	488	457
Other social expenses	23	13
	<b>2,526</b>	<b>2,446</b>

## 17.4 External services

The breakdown of external services as of March 31, 2019 and 2018 is the following:

(Thousands of Euros)	2019	2018
Leases (Section 7.2)	242	246
Repairs and conservation	22	31
Independent professional services	128	179
Transportation	35	20
Insurance primes	34	40
Banking services	3	4
Advertising, propaganda, and public relations	-	11
Supplies	45	40
Other services	153	181
	<b>662</b>	<b>752</b>

## 17.5 FINANCIAL PROFIT/LOSS

The breakdown of financial income as of March 31, 2019 and 2018 is the following:

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<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
Interest on loans to companies in the group (Section 19.1)	24	40
From third parties	-	379
	<b>24</b>	<b>419</b>

The breakdown of financial expenses as of March 31, 2019 and 2018 is the following:

<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
Interest on debts with third parties	-	64
	<b>-</b>	<b>64</b>

#### **17.6 Other profit/loss**

The details of other profit/loss as of March 31, 2019 and 2018 is the following:

<b>(Thousands of Euros)</b>	<b>2019</b>	<b>2018</b>
Other (income)/expenses (Note 13)	-	(422)
	<b>-</b>	<b>(422)</b>

#### **18. CONTINGENT LIABILITIES**

The Company holds contingent liabilities due to disputes that have arisen as a normal part of business that are not expected to turn into significant liabilities different from those that are covered by provisions.

#### **19. OPERATIONS WITH RELATED PARTIES**

The related parties with which the Company carried out transactions during the corporate years ending on March 31, 2019 and 2018, as well as the nature of this relationship, are the following:

	<b>Nature of the relationship</b>
Suzlon Energy A/S	Direct parent company
Suzlon Energy Limited	Parent company of the group
Suzlon Energy Portugal Energia Eo Un Lda	Company in the group
Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	Company in the group
AGE Parque Eólico El Almendro S.L.U	Company in the group
Suzlon Wind Energy Uruguay	Company in the group
Suzlon Wind Energy Romania S.R.L.	Company in the group
AE Rotor Holding B.V.	Company in the group
Suzlon Wind Energy South Africa LTD	Company in the group
Suzlon Global Services LTD	Company in the group

The transactions carried out with related parties correspond to operations within the normal traffic of the Company and are carried out at market prices similar to those applied to non-related entities.

##### **19.1 Related Entities**

The breakdown of the balances maintained with related entities as of March 31, 2019 and 2018 are the following:



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(Thousands of Euros)	Parent company of the group	Direct parent company	Other companies in the group	Total
<b>Corporate year 2019</b>				
Long-term loans (Note 9)	3,695	419	-	<b>4,114</b>
Long-term investments in companies in the group and associates (Section 9.1)	-	3,024	-	<b>3,024</b>
Short-term clients which are companies in the group and associates (Section 9.1)			2	<b>2</b>

(Thousands of Euros)	Parent company of the group	Direct parent company	Other companies in the group	Total
<b>Corporate year 2018</b>				
Long-term loans (Note 9)	3,377	419	25	<b>3,821</b>
Long-term investments in companies in the group and associates (Section 9.1)	-	3,789	-	<b>3,789</b>
Short-term clients which are companies in the group and associates (Section 9.1)	233	-	19	<b>252</b>

Long-term balances correspond to balances that are awaiting collection over a duration of greater than 12 months, the recoverability of which is ensured by a comfort letter from the group.

Short-term balances include an amount of €3.024 million corresponding to the current account that the Company maintains with its Single Shareholder (€3.789 million as of March 31, 2018).

The details of the transaction carried out with related entities as of March 31, 2019 and 2018 are the following:

(Thousands of Euros)	Parent company of the group	Direct parent company	Other companies in the group	Associated companies	Total
<b>Corporate year 2019</b>					
Sales	12	8	399	-	<b>407</b>
Purchases	35	514	293	-	<b>842</b>
Financial Income (Section 17.5)	-	24	-	-	<b>24</b>
<b>Corporate year 2018</b>					
Sales	17	169	163	-	<b>349</b>
Purchases	142	402	38	-	<b>582</b>
Financial Income (Section 17.5)	-	28	-	12	<b>40</b>

On March 29, 2011, the Company signed, with its Single Shareholder, a contract for management, technical support, and financing ("Management, Sales Technical Support and Funding Agreement") which includes legal services, management services, budgeting services, and reporting as well as technical services, maintenance, purchasing and logistics, project execution and tower management, among others.

The services will be provided by the Single Shareholder in virtue of this agreement; the corresponding fees must be agreed upon prior to creating budgets each year, and will be based on the real cost of the services provided incremented by a margin granted based on transfer price regulations.

Via this agreement, the Single Shareholder commits to continue to provide advance funds to the

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Company to finance the search for markets for the products of Suzlon Energy A/S. Balances in favor of the Single Shareholder due to the financing received will generate interest at a variable annual rate of LIBOR EUR 6m + 1%.

On the other hand, the Company commits to transfer to the Single Shareholder any treasury surpluses after deducting a reasonable amount to address its current liabilities. Balances in favor of the Company will generate interest at an annual variable rate of LIBOR EUR 6m + 1%.

Any banking charges or commissions as well as insurance costs paid for by the Single Shareholder on behalf of the Company will be charged to Suzlon Wind Energy España, S.L. proportionally.

Interest on loans to companies in the group during the corporate year ending on March 31, 2019 constituted €24,000 (€40,000 during the corporate year ending on March 31, 2018), (Sections 17.6 and 19.1).

## **19.2 Administrators and Executive Management**

The compensation received by a member of the Board of Directors, which is also considered the Executive Management of the Company, as of March 31, 2019, was €229,000 (2018: €225,000).

During the 2019 corporate year, as in 2018, no funds contributions or pensions have been granted to the benefit of members of the Administration Board of the Company. Likewise, obligations to this effect have not been established during the year.

With respect to the payment of life insurance premiums, the Company has not signed insurance coverage policies covering the risk of death.

The members of the Company's administration have not received any compensation due to a share in income or premiums. In addition, they have not received shares or options on shares during the corporate year, nor have they used options or have options pending use.

As of March 31, 2019 and 2018, the Company has not granted special deposits, credits, or compensation to the current or previous members of the Administrative Council. In addition, no contracts between the commercial company and its partners have been modified, concluded, or terminated, nor have civil liability insurance premiums been paid in full or in part covering acts or omissions during the corporate year committed by any of the administrators responsible.

## **19.3 Situations of conflict of interest of administrators**

As a part of the duty to avoid situations of conflict of interest at the Company, during the corporate year, the administrators that have occupied positions on the board have complied with the obligations set out in article 228 of the revised text of the Law on Corporations. Likewise, both administrators and people related to them have abstained from becoming implicated in the applicable conditions of conflict of interest as stipulated in article 229 of the aforementioned law.

## **20. OTHER INFORMATION**

### **20.1 Staff Structure**

The breakdown of the people employed by the Company organized into categories as of March 31, 2019 and 2018 is the following:

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	Number of people employed at the end of the corporate year			Average number of people employed during the corporate year
	Men	Women	Total	
<b>Corporate year 2019</b>				
Executive management	1	-	1	1
Department Director	2	2	4	4
Engineers	6	1	7	7
Administrative	22	5	27	27
	<b>31</b>	<b>8</b>	<b>39</b>	<b>39</b>

	Number of people employed at the end of the corporate year			Average number of people employed during the corporate year
	Men	Women	Total	
<b>Corporate year 2018</b>				
Executive management	1	-	1	1
Department Directors	2	2	4	4
Engineers	6	1	7	7
Administrative	22	4	26	26
	<b>31</b>	<b>7</b>	<b>38</b>	<b>38</b>

## 20.2 Auditing Fees

The fees paid during the corporate year for the services provided by the accounts auditor as of March 31, 2019 (Ernst & Young, S.L.) and 2018 (PriceWaterHouseCooppes auditores, S.L.) have been the following:

(Thousands of Euros)	2019	2018
Auditing services	18	18
	<b>18</b>	<b>18</b>

## 21. INFORMATION ON THE ENVIRONMENT

The Administrators of the Company believe that there do not exist significant contingencies regarding the protection and improvement of the environment, because of which they do not consider it to be necessary to set aside any provisions to this effect.

## 22. FACTS SUBSEQUENT TO THE CLOSING

No significant subsequent facts have been produced following the closing of the corporate year ending on March 31, 2019 and up until the date of the formulation of the present annual accounts that the Company considers can have a significant effect on these accounts.

## 23. Additional Note for English Translation

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These financial statements are presented on the basis of accounting principles generally accepted in Spain. Consequently, certain accounting practices applied by the Company may not conform with generally accepted principles in other countries.

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**MANAGEMENT REPORT**  
**2018-2019**

**EVOLUTION OF BUSINESS. MOST SIGNIFICANT OCCURRENCES. MAIN ECONOMIC FIGURES.**

Suzlon Wind Energy España S.L.U. (hereinafter SWEE) was incorporated in the year 2007 as a subsidiary of the Danish business corporation Suzlon Wind Energy A/S (SWEAS) – currently Suzlon Energy A/S (SEAS) –, in turn a subsidiary of the Suzlon Group, the head offices of which are located in India. Suzlon's activity is the manufacture and supply of wind turbines for wind energy production farms.

SWEE initiated its activities in Spain on July 1, 2007, and in 2009 held a 10% market share in wind turbines installed in Spain following the installation of 111 wind turbines at a total of four wind farm projects located in the provinces of Soria, Jerez, and Almería.

Following the de facto moratorium established as a result of RDL 06/2009 of May 7 up until the entry into effect of RD 413/2014, the renewable energy sector in Spain has been forced to adapt to a completely new market following the configuration of the sector based on market price compensation for electrical production at power plants compared to the regulations and guaranteed rate during the authorized lifespan of the plant.

This constitutes a radical change which has resulted in a long period of adaptation for the sector, in which the most critical aspects have been the profitability of projects, the obtainment of private power purchase agreements (PPA), and the harmonization of the compensation and financing systems for projects.

In this context, the Spanish government convened three tenders to award compensation for investment in wind farm and solar panel projects. Unfortunately, the results were not those expected by the sector, as the compensation granted was zero at the three tenders. This resulted in price requirements in the sector for all actors, making the projects awarded unprofitable and difficult to make viable from the point of view of financing and obtaining PPA.

At the end of the corporate year, the Company had after-tax profits of €13,000, of which €9,000 constitute operating profits obtained during the corporate year. These profits continue to include the sale of OMS services, which have been stable with the expected annual evolution, with a decrease in services provided to clients and associated companies.

The Company is in the final stages of negotiating the sale and beginning of construction of the El Almendro wind farm, which is owned by it, with forecasts to start work in 2019.

## **RESEARCH AND DEVELOPMENT**

On the individual level, the Company does not carry out innovation and development activities. These activities are carried out by the Group's parent company, because of which the information contained in the Consolidated Management Report is more representative.

## **HUMAN CAPITAL**

At the end of the 2019 corporate year, the average number of employees was 39, in line with the average over the past years. 97% of these had an indefinite term contract.

Suzlon considers its employees to be a fundamental driver of the development of the Group and the attainment of its objectives. The Group provides an integral and safe environment for personal and professional development with respect for diversity and equal opportunities.

## **USE OF FINANCIAL INSTRUMENTS – FINANCIAL RISKS (Exposure to market, credit, and liquidity risks)**

The Company's risk management policies are established by the Company's Board of Directors, following the criteria established by the parent company of the multinational group to which it belongs. These policies are described in Note 5 of the attached Statement corresponding to the corporate year ending on March 31, 2019.

## **ACQUISITION OF COMPANY SHARES**

Suzlon Wind Energy España S.L.U. confirms that it has not purchased its own shares or shares of the parent company.

## **PREDICTABLE EVOLUTION OF THE BUSINESS**

SWEE's strategy is to focus on projects other than tenders, or which after having attended, were not awarded in terms of power, in order to be able to make itself viable by means of the contributions of investors and the identification of adequate compensation options.

As during previous corporate years, the stability and continuity of the Company are established through the existing maintenance contracts for wind farms built in Spain, through the installation of our technology, as indicated above. As of the date of the creation of these annual accounts, the Company is currently negotiating the renewal of its maintenance contracts, as indicated in Note 2 of the statement.

## **SUBSEQUENT EVENTS**

No significant subsequent facts have been produced following the closing of the corporate year ending on March 31, 2019 and up until the date of the formulation of the present annual accounts that the Company considers can have a significant effect on these accounts.

## **Average time period for the payment**

In accordance with the duty to inform of the average time period to pay suppliers, as established in Additional Provision 3 of the "Duty to inform" of Law 15/2010 of July 5, the Company states that the average time period to pay suppliers for the corporate year ending in March 2019 has been 39 days.

The breakdown of the information required for the aforementioned Provision is contained in Note 14 of the Statement corresponding to the Company's 2019 corporate year.

**FORMULATION OF THE ANNUAL ACCOUNTS AND MANAGEMENT REPORT FOR THE  
CORPORATE YEAR ENDED IN MARCH 31, 2019**

The Administrative Council of the company Wind Energy España, S.L. (Single-Shareholder Company), on the date of April 30, 2019 and in compliance with the requirements established in article 253 of the Law on Corporations and article 37 of the Code of Commerce, proceeded to draw these Summarized Annual Accounts (balance sheet, profit and loss account, statement of changes in equity, cash flow statement and annual report) and the management report for the corporate year ending on March 31, 2019, which consists of the attached documents preceding this text.



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Frans Hilbert Jan Vischer  
President



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Paulo Fernando Gaspar Soares  
Member of the Council



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Felipe García-Mina Cabredo  
Member of the Council / Council Secretary