Interim Report Q1 2024

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Frontpage image: Wind Park Rødby Fjord in Denmark

Politicians' study trip to Kassø Power-to-X site

Setting the stage for future growth

2024 began with the historic acquisition of 20% of the company by Mitsubishi HC Capital. The capital injection reinforces the expectation that we can continue our growth journey in 2024 and beyond.

The first quarter of 2024 was marked by the agreement with Mitsubishi HC Capital to acquire a 20% stake in European Energy.

The agreement, which was signed on 19 January and concluded on 16 April, brings a capital injection of EUR 700m. The funding will enable the company to make more long-term and value-creating decisions on both investments and divestment. This is important since building renewable energy plants in solar, wind and Power-to-X is capital intensive.

We warmly welcome Mitsubishi HC Capital as a new shareholder in European Energy and look forward to the strategic future we can build together.

38.4 GW

The development pipeline increased in the past year by approximately 5 GW to 38.4 GW at the end of Q1 2024.

The enhanced financial stability provided by the new equity allows us to manage the timing of our divestments more strategically. As a project developer, a significant portion of our revenue derives from such divestments, of which the timing can vary considerably. Consequently, fluctuating quarterly financial results are inherent to our business model. With our strengthened capital base, we can plan these divestments without jeopardising our growth ambitions.

In Q1 2024, revenue reached EUR 34m, as compared to EUR 43m in the same quarter of the previous year. This decrease was expected and reflects the absence of project sales during the quarter. Currently, a portfolio of projects is in the process of divestment, with completion primarily anticipated in the second half of the year. Additionally, a slight decline in sale of energy revenue was influenced by falling energy prices. EBITDA decreased from EUR 16.3m in Q1 2023 to EUR -3.7m in the same period of 2024. Similarly, profit before tax for the first quarter also declined, moving from EUR 3.5m last year to EUR -24.8m this year.

The capital injection enables us to continue the growth journey that has defined our company in recent years. We expect to see an increasing number of assets under construction and a consistently expanding development pipeline. We have successfully maintained a construction pipeline of approximately 1 GW for the fifth consecutive quarter, with activities across several of our markets, and we anticipate further growth throughout the year. Additionally, our development pipeline has expanded by about 5 GW in just one year, reaching 38.4 GW at the end of Q1 2024.

We are increasing our investments in Australia, and several new wins lay the foundation for strong regional growth. In Q1 2024, we signed the largest PPA ever with the global mining company Rio Tinto, and we began constructing our first Australian project, a 56 MW solar farm in the Hume region of Victoria.

The growth momentum in Australia demonstrates the importance of diversifying our business across several markets and technologies, proving the effectiveness of our business model.

Partnerships are an increasingly important part of our business strategy, and this approach has been beneficial in fulfilling our ambitions. A noteworthy example is our collaboration with TotalEnergies, consolidated in the first quarter through an agreement to work on offshore projects in Denmark, Sweden and Finland.

To support our stakeholders' demands for ESG performance data, we merged our Annual Report and our ESG Report into one integrated report for the 2023 financial year. As a natural extension of this, we now incorporate ESG performance data into our interim reports, starting with our Q1 2024 report.

Sustainability plays a key role in European Energy's recently launched 2026 corporate strategy, emphasising our sustainability vision to support a just and green transition by further embedding sustainability in our business activities and across our value chain.

By implementing our 2026 strategy we will close gaps against the EU Corporate Sustainability Reporting Directive and its European Sustainability Reporting Standards, including the EU Taxonomy. In Q1 2024, the Taxonomy-eligible proportions of our revenue, Capex and Opex were 97%, 71% and 100%, respectively.

In Q1 2024, we avoided 129,093 tonnes of CO_2e greenhouse gas emissions from the 555 GWh of renewable energy we produced at our wind farms and solar parks. This is a 51% increase as compared to Q1 2023.

If developed, constructed and operated sustainably, renewable energy solutions can drive positive change far beyond substantially contributing to mitigating climate change. They can reinforce a just and thriving planet and have a lasting positive impact on both nature and society.

We are maintaining our guidance for the full year, with an expected EBITDA of EUR 230m.

Knud Erik Andersen
CEO

Main events in Q1 2024

January

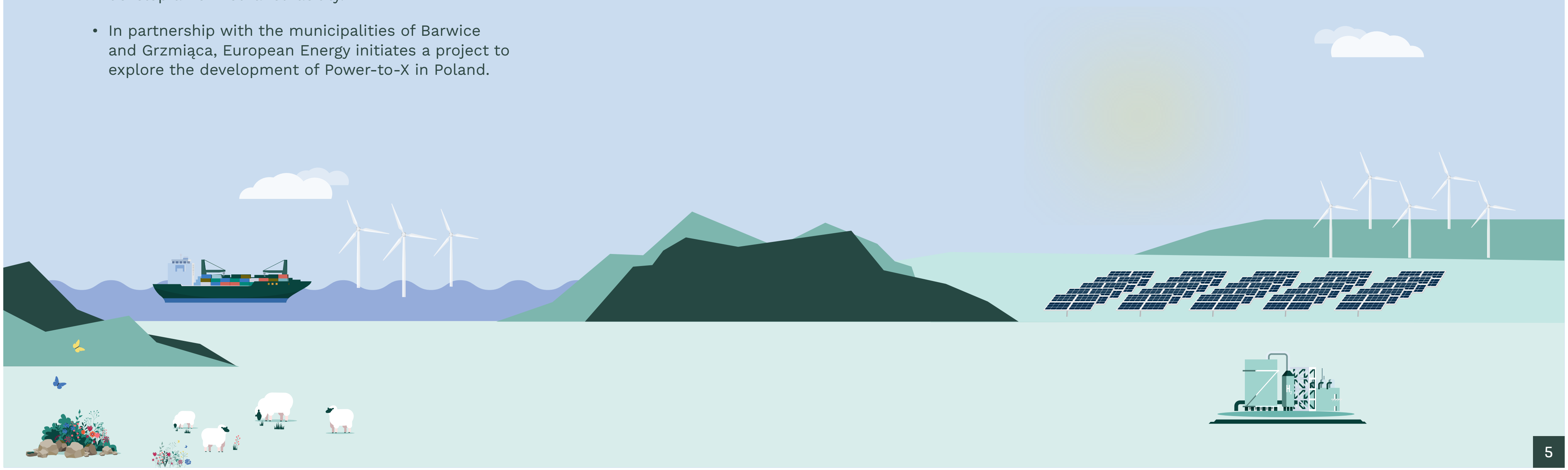
- Mitsubishi HC Capital agrees to acquire a 20% stake in European Energy.
- European Energy secures Australia's largest corporate PPA with Rio Tinto.
- TotalEnergies and European Energy expand their collaboration to offshore wind projects in Denmark, Finland and Sweden.
- European Energy secures a 50-year land lease with Port of Victoria, Texas, USA, with the vision to develop an e-methanol facility.
- In partnership with the municipalities of Barwice and Grzmiąca, European Energy initiates a project to explore the development of Power-to-X in Poland.

February

- Hilde Bakken becomes a new member of the Board of Directors in European Energy.
- Agreement on biogenic CO_2 reached with Montauk Renewables in the USA.
- Partnership established with the Danish Society for Nature Conservation for nature restoration and protection.
- European Energy surpasses 3 GW of renewable energy assets under management.

March

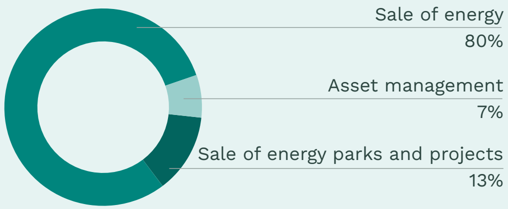
- Construction commences of European Energy's first solar park in Australia.

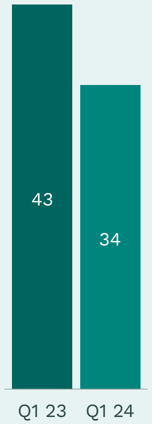


Financial highlights

Revenue

EURm

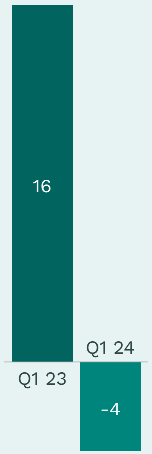




Revenue declined by 22% to EUR 33.7m, mainly due to less sales of energy parks.

EBITDA

EURm

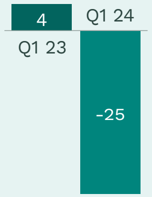


EBITDA reached EUR -3.7m, reflecting a decrease of EUR 20.0m compared to the previous year. This decline primarily resulted from the less sales of energy parks and reduced EBITDA from sale of energy.

> The EBITDA guidance of EUR 230m for 2024 is unchanged

Profit before tax

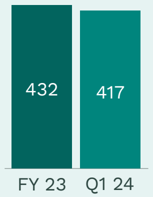
EURm



Profit before tax decreased to EUR -24.8m, mainly as a result of the lower EBITDA.

Equity

EURm

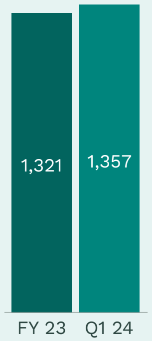


Equity decreased by EUR 15.3m to EUR 417.1m, primiarily as a result of the negative profit for the period.

Inventory

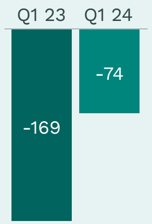
EURm

Inventory increased by EUR 37m to EUR 1,357m and reflects a modest spending level on projects in development and under construction.



Cash flow from operating activities

EURm

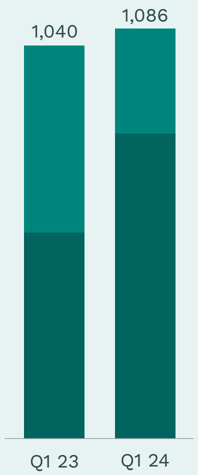


Cash flow from operating activities was negative at EUR -73.8m, marking an improvement of EUR 95.2m compared to Q1 2023. The primary factor behind the negative operating cash flow was a change in inventories.

Business highlights

Power producing assets

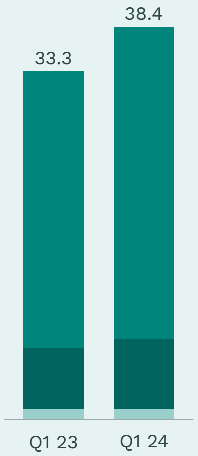
MW



Our power-producing capacity increased by 4% to 1,086 MW from 1,040 MW in Q1 2023.

Development pipeline

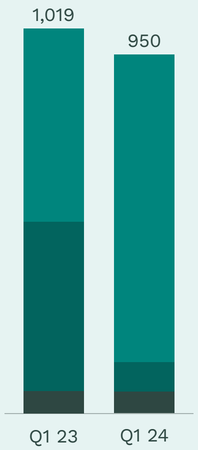
GW



In Q1 2024, our development pipeline increased by 15% to 38.4 GW compared to last year. Of this, wind energy accounts for 6.8 GW, solar energy for 31.0 GW, and other technologies contribute 0.6 GW.

Under construction

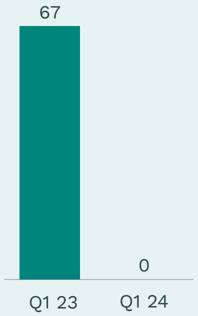
MW



At the end of Q1 2024, the projects under construction included 4 wind projects and 14 solar projects. During the quarter, we completed the construction of and connected an 8-MW solar PV park in Germany to the grid.

Divested capacity

MW

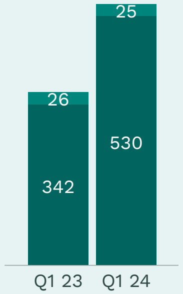


European Energy did not divest any energy parks during Q1 2024, as compared to a divested capacity of 67 MW in Q1 2023.

Sustainability highlights

Renewable energy production

555 GWh

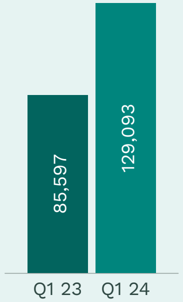


We are a 100% renewable energy company. In Q1 2024, we produced a total of 555 GWh wind power and solar power, which is an increase of 51% compared to Q1 2023.

Avoided greenhouse gas emissions

129,093

tonnes CO_2e



We avoided 129,093 tonnes of CO_2e GHG emissions through the 555 GWh renewable energy we produced in Q1 2024, which is 51% more than in Q1 2024.

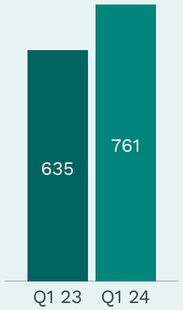
EU Taxonomy-eligible KPIs

Our share of Taxonomy-eligible revenue was 97% in Q1 2024 up from 83% compared to the FY 2023, caused by greater volumes of wind power activities compared to Power-to-X.

Employees

Number

761

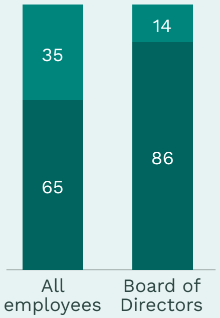


We employed 761 employees by the end of Q1 2024, which is an increase of 20% compared to 635 employees in Q1 2023. 35% of our emplyees were female (37% in Q1 2023).

Gender diversity

Female, % Male, %

14 / 86



In Q1 2024, we welcomed Hilde Bakken to our Board of Directors. The share of female board members was 14% in Q1 2024, and our 2030-target is 40%.

Supplier due diligence

Supplier screenings

> We are in the process of screening our full supplier base to identify sustainability related risks

Key figures and financial ratios

EURk	Q1 2024	Q1 2023*	FY 2023
Income statement			
Revenue	33,721	43,079	420,255
Direct costs	-23,575	-14,813	-251,041
Gross profit	10,887	30,522	238,116
EBITDA	**-3,749**	**16,267**	**178,438**
EBITDA, LTM	158,422	91,256	178,438
Operating profit	-8,181	12,152	154,515
Net financial items	-16,587	-8,651	-28,914
Profit/loss before tax	**-24,768**	**3,501**	**125,601**
Tax	3,234	-3,874	-12,598
Profit/loss for the period	**-21,534**	**-373**	**113,003**
Balance sheet			
Property, plant and equipment	186,497	156,500	177,853
Inventories	1,357,456	1,174,291	1,320,526
Total assets	2,066,656	1,808,451	2,027,600
Hybrid capital	115,000	157,450	115,000
Equity	417,139	382,193	432,484
Net interest-bearing debt (NIBD), excluding hybrid capital	1,332,256	1,060,705	1,229,897
NIBD (excluding hybrid capital)/EBITDA, LTM	8.4	11.6	6.9
Gearing (NIBD as % of group equity)	**319%**	**278%**	**284%**
Cash flow statement			
Cash flow from operating activities	-73,771	-169,010	-272,096
Change in inventories	-52,733	-127,725	-342,427
Cash flow from operating activities, excluding inventories	-21,038	-41,285	70,331
Investments in property, plant and equipment	6,455	1,436	10,655
Cash flow from investing activities	-16,589	-2,975	-13,271
Cash flow from financing activities	82,866	106,499	194,443
Change in cash and cash equivalents	-7,494	-65,486	-90,924

	Q1 2024	Q1 2023*	FY2023
Financial key figures			
Gross margin	32%	71%	57%
EBITDA margin	-11%	38%	42%
Group solvency ratio	20%	21%	21%
Return on equity (average/ LTM)	22%	10%	27%
Average number of full-time employees (IFRS)	710	570	615
Number of employees end of period	761	635	713
Earnings per share, basic	-0.11	-0.02	0.34
Earnings per share, diluted	-0.11	-0.02	0.33
Number of outstanding shares (1,000), excluding treasury shares	303,747	302,073	302,166

For a definition of key figures and ratios, see Note 1.

*Comparative figures for Q1 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Sustainability key figures

Indicator	Unit	Q1 2024	Q1 2023	FY 2023
Energy production				
Renewable share of energy production	%	100	100	100
- Wind power	%	95	93	78
- Solar power	%	5	7	22
Renewable energy production	GWh	555	368	1,870
- Wind power	GWh	530	342	1,450
- Solar power	GWh	25	26	420
Avoided Greenhouse Gas (GHG) Emissions				
Avoided GHG emissions	Tonnes CO_2e	129,093	85,597	434,962
EU Taxonomy-eligible KPIs				
Revenue, share of Taxonomy-eligible	%	97	-	83
Capex, share of Taxonomy-eligible	%	71	-	77
Opex, share of Taxonomy-eligible	%	100	-	97
People				
Total number of employees (as of 31. March)	Number	761	365	713
Total employee turnover	%	18.2	15.5	20.3
Safety				
Lost Time Injury Rate (LTIR) - Own employees	Injuries per million hours	0.0	0.00	0.00
Lost Time Injury Rate (LTIR) - Contractor employees	Injuries per million hours	-	-	3.3
Board of Directors				
Members	Number	7	7	6
Gender with the lowest representation, female)	%	14	14	0
Whistleblower cases				
Substantiated whistleblower cases	Number	0	0	*0*

Management review

304 MW

Kassø Solar Park, Denmark

Financial performance

Revenue

Revenue for Q1 2024 amounted to EUR 33.7m, a decrease of EUR 9.4m or 22% (Q1 2023: EUR 43.1m), the decrease in sales relates to less sales of energy parks in Q1 2024.

Sale of energy parks and projects totalled EUR 4.2m in Q1 2024, a decrease of EUR 10.3m (Q1 2023: EUR 14.5m). The revenue primarily comprises of project sales within Ammongas.

Total power production for the quarter reached 555 GWh, an increase of 187 GWh or 51% compared to Q1 2023. Sale of energy in Q1 2024 totalled EUR 27.1m, an increase of EUR 0.7m or 2.8% (Q1 2023: EUR 26.4m), as prices normalised from the high levels seen in Q1 2023.

Revenues in our asset management segment totalled EUR 4.3m in Q1 2024, of which EUR 2.4m to external customers, an increase of EUR 1.7m or 63.8% (Q1 2023: EUR 2.6m, of which EUR 2.2m to external customers). The increase was attributable to a growing number of energy parks under an asset management service agreement with European Energy.

Result from investments in joint ventures and associates

The result from investments in joint ventures and associated companies was EUR 0m in Q1 2024, as compared to a gain of EUR 0.8m in Q1 2023.

Gross profit

Gross profit amounted to EUR 10.9m, a decrease of EUR 19.6m or 64% (Q1 2023: EUR 30.5m.) Of this, gross profit from sale of energy parks and projects in Q1 2024 totalled EUR -7.9m (Q1 2023: EUR 7.9m) and gross profit from power sales was EUR 17.5m (Q1 2023: EUR 21.7m).

The decrease in gross profit was related to the aforementioned, less of sales of energy parks and adjustments to parks sold in previous periods. Additionally, lower power prices in Q1 2024 compared to Q1 2023, as well as increased direct costs associated with the power production, due to more parks and higher production volumes, also contributed to the decline.

EBITDA

EBITDA for Q1 2024 totalled EUR -3.7m (Q1 2023: EUR 16.3m), a decrease of EUR 20.0m.

The decrease in EBITDA primarily stems from the lower gross profit, as explained above.

Staff expenses totalled EUR 8.6m, an increase of EUR 1.2m or 16% from Q1 2023 (EUR 7.4m). This increase in staff costs is due to the addition of 126 new employees as compared to Q1 2023, reflecting our higher activity level.

Other external costs amounted to EUR 6.0m, a decrease of EUR 0.8m from Q1 2023 (EUR 6.8m). This reduction was primarily due to lower travel expenses and consultancy costs.

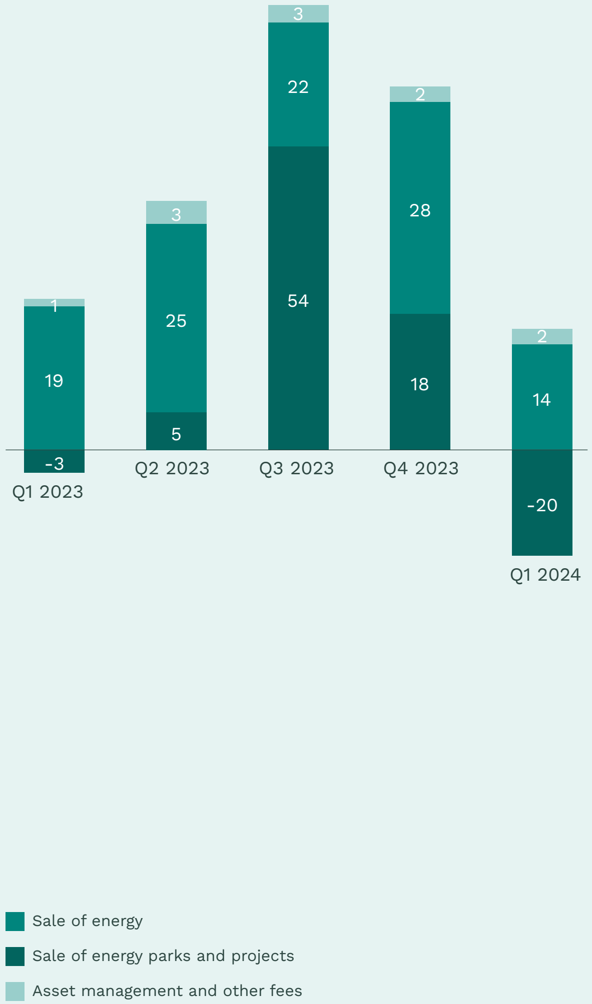
Profit/loss before tax

Profit/loss before tax totalled EUR -24.8m (Q1 2023: 3.5m), a decrease of EUR 28.3m, mainly as a result of the lower EBITDA and higher net financial expenses.

Depreciation and impairment totalled EUR 4.4m in Q1 2024, an increase of EUR 0.3m compared to Q1 2023.

EBITDA on segment

EURm



51 MW

Holmen II Solar Park, Denmark

Net financial expenses were EUR 16.6m (Q1 2023: EUR 8.7m), an increase of EUR 7.9m, mainly due to higher interest payments on energy parks in operation and generally higher base interest rates, which were only partly offset by net currency gains.

Tax on the profit for the period amounted to EUR 3.2m in Q1 2024 (Q1 2023: EUR -3.9m). The effective tax rate for Q1 2024 totalled 13.1%.

Total assets

Total assets increased to EUR 2,067m at 31 March 2024, up from EUR 2,028m at 31 December 2023, an increase of EUR 39m or 2%.

Inventories increased by EUR 37m to EUR 1,357m at 31 March 2024, compared to EUR 1,321m at 31 December 2023, reflecting a modest cash spending level on projects in development and under construction.

Our total non-current asset base amounted to EUR 457m, an increase of EUR 23m compared to 31 December 2023, and mainly included PPE and investments in joint ventures.

Liabilities

Total recognised bond debt increased by EUR 1.4m from 31 December 2023, reaching EUR 443m at 31 March 2024. Debt to credit institutions amounted to EUR 72m at 31 March 2024. Current and non-current project financing increased by EUR 23m to EUR 913m at 31 March 2024, due to more projects under construction or in operation. Other non-current and current liabilities remained consistent with 31 December 2023 levels.

Equity

Equity decreased during the period, from EUR 433m at 31 December 2023 to EUR 417m at 31 March 2024. This decrease was primarily due to the net loss for the period of EUR -22m, partly off-set by a net positive value adjustment of the hedging reserve of EUR 17m, and coupon payments on the hybrid capital of EUR -12m.

Cash flow

Cash flow from operating activities ended at a EUR -73.8m (Q1 2023: EUR -169.0m), an improvement of EUR 95.2m.

The main part of the negative cash flow from operating activities was inventories, which resulted in a cash outflow of EUR 52.7m in Q1 2024, a decrease of EUR 75.0m compared to Q1 2023 (Q1 2023: EUR -127.7m), with the reduced change in inventories reflecting lower construction activity.

Cash flow from investing activities was EUR -16.6m (Q1 2023: EUR -3.0m). The movement was due to capital increases in some of the Group's joint ventures and associates.

Cash flow from financing activities was a cash inflow of EUR 82.9m (Q1 2023: EUR 106.5m), an decrease of EUR 23.6m. This decrease was due to a decline in net proceeds from issue of bonds, partly counterbalanced by drawings under corporate Revolving Credit Facilities (RCF's).

During Q1 2024, coupon payments to hybrid bond holders amounted to EUR 12.4m. The coupon payments are considered to be dividend, since the loan is recognised as part of equity.

During the quarter, cash and cash equivalents decreased by EUR 7.5m (Q1 2023: a decrease of EUR 65.5m) and resulted in a cash position of EUR 111.4m (including cash with restrictions), compared to EUR 118.9m at the end of 2023.

Debt management and liquidity resources

The Group operates as a two-layered capital structure. The parent company constitutes the top layer, which includes funding that is unsecured and structurally subordinated to the project-level financing at the bottom. Top-layer funding consists of two outstanding senior bonds of EUR 300m and EUR 150m maturing in 2025 and 2026, respectively, together with one hybrid bond of EUR 115m maturing in 3023 and with first call in January 2027.

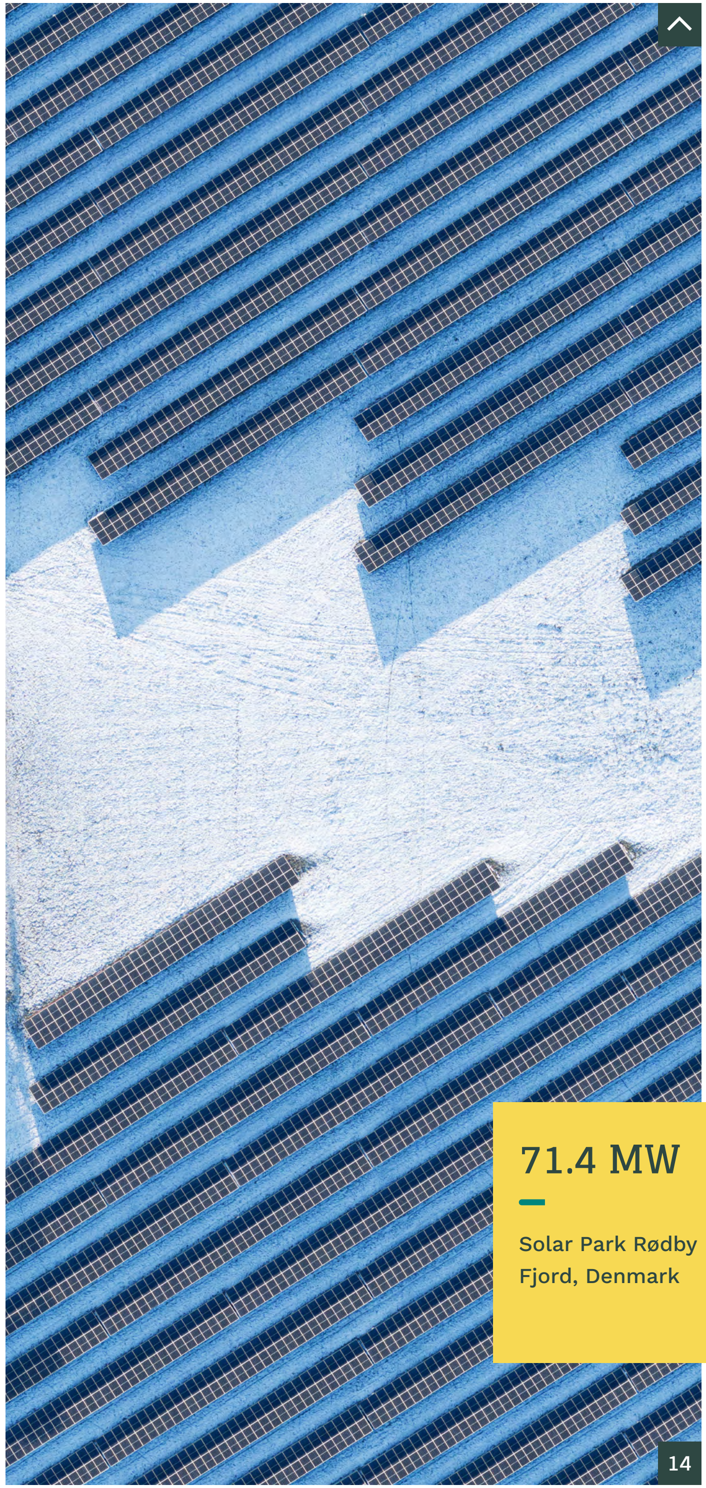
In addition to the bonds, the parent company has a EUR 100m committed RCF in place, maturing in 2026. The bottom-layer funding consists predominantly of secured bank financing of renewable energy projects either under construction or in operation and totalled EUR 913m at the end of Q1 2024. Our liquidity resources at 31 March 2024 comprised the following:

EURk	Q1 2024
Committed undrawn facilities (0-1 years)	60,000
Committed undrawn credit facilities (1-3 years)	100,000
Total committed credit facilities	**160,000**
Cash non-restricted	86,254
Drawn credit facilities	-64,316
Total liquidity resources available	**181,938**
Uncommitted undrawn credit facilities	20,000
Restricted cash	25,154

Events after balance sheet day

On 16 April 2024 European Energy, announced the closure of the transaction with Mitsubishi HC Capital Inc., whereby Mitsubishi HC Capital acquired a 20% stake in European Energy A/S. In connection with the closure of the transaction European Energy A/S has completed a capital increase of nominal 72,383,854 new shares.

The proceeds from the capital increase with a net captial injection of approx. EUR 700m, have partly been used to redeem the hybrid capital of EUR 115m, together with 35% (EUR 158m) of the senior bond instruments in European Energy A/S.



71.4 MW

Solar Park Rødby Fjord, Denmark

Parent company and Outlook

Financial performance

The parent company's result after tax was a loss of EUR 22.0m for Q1 2024. The majority of sale of energy, as well as divestments of energy parks and projects, are recognised in the subsidiaries of the parent company and consequently recognised in "Results from investments in subsidiaries" in the parent company's financial statements.

The explanation for the parent company's financial performance is in all material respects similar to that for the Group for Q1 2024.

Outlook

The Group announced its financial outlook for 2024 on 28 February 2024, stating a 2024 EBITDA of EUR 230m, with a risk margin of +/- 10% due to a series of possible risks.

The major part of the divestments of energy parks and projects is expected in the 2nd half of the year.

Management expects a continued high level of power generation from operating assets in 2024 and power price levels to remain approximately the same for the rest of the year as experienced on average during Q1 2024.

Based on the above, we maintain our 2024 financial outlook of an EBITDA of EUR 230m or a growth of approximately 30%, with a risk margin of +/- 10%. Profit before tax is also expected to continue to grow, but at a lower rate than EBITDA.

The day of completing the Mitsubishi HC Capital transaction.

Business performance

Project development and construction

Solar and wind energy

At the end of Q1 2024, European Energy had a renewable energy pipeline of 63 GW, comprising 23 GW is in screening, 38 GW is in development and heroff is 3 GW in structuring. The development pipeline had grown by 5.1 GW since Q1 2023. Our primary focus remains on expansion and maturing of our project pipeline, as this is considered to be a key value driver to ensure continued earnings growth.

Of the total development pipeline at the end of Q1 2024 (excluding screening), wind energy accounted for around 6.8 GW (17%), solar PV comprised 30.2 GW (79%), and other technologies made up 4%. Geographically, the development pipeline was distributed as followes: Denmark (29%), Northern Europe (10%), Southern Europe (18%), Central Europe (18%) and the rest of the world (25%).

European Energy aims to increase construction activity throughout the remainder of this year and beyond. In Q1 2024, we engaged in construction activities at 18 sites across six European countries, and Australia. By the end of Q1 2024, projects totalling 0.9 GW were under construction, a slight decrease from 1.0 GW in Q1 2023. The decrease was due to the completion of parks and a modest slowdown in new construction activities, primarily realted to challenging market conditions influenced by rising interest rates experinced in 2022 and 2023. The projects under construction at the end of Q1 2024 included 4 wind projects and 14 solar projects. We successfully completed the construction and grid connection of a new 8 MW solar PV park in Germany during Q1 2024.

Power-to-X

European Energy has two Power-to-X projects under construction in Denmark: one at Måde and one at the JV in Kassø, both of which are expected to commence operations during 2024.

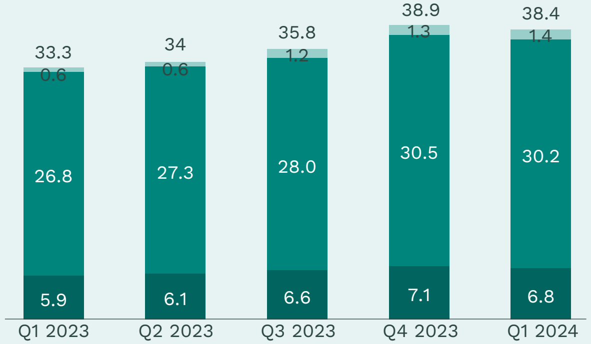
In the JV at Kassø, we are constructing our first e-methanol plant, which will produce up to 32,000 tonnes of e-methanol annually and supply an estimated 50 GWh of heating to the local district heating network. At Måde, the construction of a green hydrogen plant with a capacity of 12 MW, when fully build-out is also ongoing.

32,000 tonnes

Our first e-methanol plant at Kassø will produce up to **32,000 tonnes of e-methanol** annually

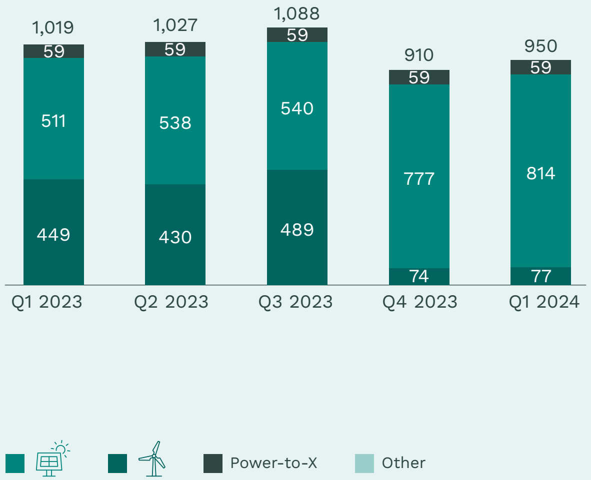
Development pipeline

GW



Construction pipeline

MW



Sale of energy

Sale of energy reached EUR 27.1 million in Q1 2024, up from EUR 26.4 million in Q1 2023, representing 3% growth.

During the same quarter, total production reached 555 GWh, an increase of 187 GWh or 51% compared to the first quarter of 2023. The majority of this growth originated from new capacity in Lithuania, Sweden, Poland, Germany and Brazil, with Lithuania now the largest producing country.

Production was marginally affected by the increase in average power-producing assets, which rose from 1,040 MW in Q1 2023 to 1,086 MW in Q1 2024, representing 4% growth and were significantly impacted by a change of mix from low-producing solar capacity to high-producing wind capacity (both due to winter season).

The total average wind power-producing assets in Q1 2024 significantly surpassed those in Q1 2023, rising from 546 MW to 809 MW, while solar capacity decreased to 277 MW from 494 MW, mainly due to the partial divestment of the Kassø solar park and its subsequent deconsolidation. This increase in wind-power producing assets led to an overall production increase of 51%.

EUR 27.1m

Revenue from sale of energy in Q1 2024. **An increase of 3%.**

Despite an increase in production, the significant decline in power prices across all primary markets (e.g. capture prices in Q1 2024 for wind were 65 in Denmark (DK1) and 63 in Germany, compared to Q1 2023) resulted in only modest growth in sale of energy.

Project sales

European Energy did not close any sale of energy parks during Q1 2024, compared to a divested capacity of 67 MW in Q1 2023.

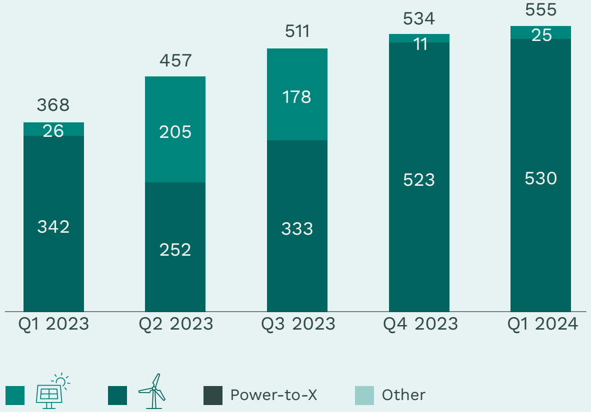
However, we have a comprehensive divestment plan for 2024, with the majority of divestments expected in the second half of the year. We continue to see a gradual improvement in M&A markets compared to 2023.

Asset Management & operations

In Q1 2024, we increased our portfolio of Assets under Management by 25% compared to Q1 2023. At the end of Q1 2024, European Energy managed a total of 2.9 GW of power generating assets (Q1 2023: 2.3 GW), of which 1.7 GW was wind power and 1.2 GW was solar power.

Sale of energy

GWh



Sale of energy by region in %

GW

Sustainability Statements

3.6 MW

Holmen II Wind Park, Denmark

Introduction

European Energy offers a wide range of renewable energy solutions across the value chain, ranging from onshore and offshore wind energy, to solar PV energy, Power-to-X, carbon capture and energy storage.

If developed, constructed and operated sustainably, renewable energy solutions can drive positive change far beyond substantially contributing to mitigating climate change. They can reinforce a just and thriving planet and have a lasting positive impact on both nature and society.

Renewable energy that revitalises the environment

In Q1 2024, we avoided 129,093 tonnes of CO_2e greenhouse gas emissions through the production of 555 GWh of renewable energy at our wind farms and solar parks. This is an increase of 51% as compared to the 85,597 tonnes of CO_2e greenhouse gas emissions we avoided in Q1 2023.

The Taxonomy-eligible shares of economic activities in Q1 2024 were: 97% Taxonomy-eligible revenue, 71% Taxonomy-eligible Capex and 100% Taxonomy-eligible Opex.

The primary contributor to the eligible share of revenue was electricity sales generated from wind power. The share of Taxonomy-eligible revenue increased from 83% in FY 2023 to 97% in Q1 2024, due to the fact that, as expected, we did not sell any Power-to-X related activities.

A people-centric sustainable transformation

All progress revolves around people. In Q1 2024, we employed 761 people, which is an increase of 20% as compared to the 635 people we employed in Q1 2023. 35% of our workforce were women and 41 nationalities were represented among our employees.

Governance that empowers business accountability

In Q1 2024, we welcomed Hilde Bakken to our Board of Directors. The female share of Board members was 14% and our target of 40% female representation among our Board of Directors by 2030 remains unchanged.

Integrating sustainability

Sustainability plays a key role in European Energy's recently launched 2026 corporate strategy, emphasising our sustainability vision to support a just and green transition by further embedding sustainability in our business activities and across our value chain.

Our sustainability strategy translates into an ambitious agenda encompassing three strategic sustainability priorities, including environmental, social and governance-related impacts, risks and opportunities, each with clearly defined ambitions, actions and targets.

Within each strategic sustainability priority we have grouped our material sustainability topics, as identified through a double materiality assessment.

We believe we can impact material sustainability topics positively by innovating and pioneering solutions that benefit both our planet and people. We are also well aware that certain sustainability topics pose serious risks to our business, if not addressed properly.

Our sustainability strategy is underpinned by a strong governance setup, with cross-company involvement, that will enable us to integrate sustainability in our business activities and deliver on our strategic sustainability priorities towards 2026.

Sustainability reporting to drive progress

At European Energy, we embrace advancements that promote the standardisation of sustainability reporting and drive the sustainability agenda forward.

In recent years, we have seen increasing demands from investors and increasing regulatory requirements for high-quality ESG data. These regulatory requirements are exemplified by the Corporate Sustainability Reporting Directive (CSRD) and its European Sustainability Reporting Standards (ESRS), effective from 2024, and Article 8(1) of the Taxonomy Regulation, effective from 2023, which support the European Union's Green Deal.

To meet our stakeholders' demands for ESG performance data, we merged our Annual Report and our ESG Report into one integrated report for the 2023 financial year. As a natural extension of this, we now incorporate ESG performance data into our interim reports, starting with our Q1 2024 report.

ESG data excellence is essential for us as a company to make data-based strategic decisions, ensure progress on our strategic sustainability priorities and ambitions, document our progress and performance to our stakeholders, and comply with regulatory requirements.

Basis of reporting

European Energy A/S' Sustainability Statements include a selection of environmental, social and governance (ESG) performance data, together with development explanations and accounting policies. The ESG performance data presented is a subset of our full Sustainability Statements presented in our Annual Report.

The reporting period covers 1 January 2024 to 31 March 2024. Our Q1 2024 report was published on 31 May 2024. Previous interim and annual reports are available online. Please visit **europeanenergy.com/sustainability**.

ESG data and consolidation

The ESG performance data presented in the Sustainability Statements is consolidated at Group level in accordance with our financial statements.

The consolidated ESG performance data thereby includes European Energy A/S (the parent company) and subsidiaries controlled by European Energy A/S.

The scope for and consolidation of health and safety data deviate from the principles described above. Health and safety data is collected for both our own employees and for contractors' employees.

For projects under construction, we report on the health and safety of our contractors' employees, irrespective of European Energy's ownership share in a given project.

For sites in operation, we only report on the health and safety of contractors' employees if we manage the site under technical or operation and maintenance agreements, irrespective of ownership share.

All of the ESG performance data presented in the Sustainability Statements adheres to the aforementioned accounting policies, unless otherwise specified in the accounting policies related to the individual ESG performance data.

Accounting policies for each ESG performance indicator are specified next to the data tables in the individual sections. Calculation factors and references are also included.

As a foundation for our reporting, we aspire to implement the reporting principles defined by the Corporate Social Reporting Directive in its European Sustainability Reporting Standards:

- Relevance
- Faithful representation
- Comparability
- Verifiability
- Understandability

Towards ESG data excellence

To drive our ESG accounting and reporting initiatives towards ESG data excellence, we have established an ESG Accounting and Reporting Taskforce, led by our Senior ESG Manager, with senior sustainability specialists and members from Finance, including our Chief Financial Officer, Head of Group Controlling, senior IFRS specialists and financial controllers. The cross-disciplinarity of our taskforce ensures alignment on accounting and reporting practices across financial data and ESG data.

150 MW

Troia Solar Park, Italy

EU Taxonomy-eligible KPI's

The results of our second assessment of EU Taxonomy-eligible economic activities highlight the dynamic nature of European Energy as a renewable energy developer and producer. Our economic activities change regularly and rapidly as we seize new opportunities, enter into new partnerships, or divest our assets. This is evidenced by the Taxonomy-eligibility of our revenue in Q1 2024.

97% Taxonomy-eligible revenue

In Q1 2024, 97% of our revenue was Taxonomy-eligible. The primary contributor to the eligible share of revenue was electricity sales generated from wind power. The share of Taxonomy-eligible revenue increased from 83% in FY 2023 to 97% in Q1 2024 due to the fact that, as expected, we did not sell any Power-to-X related activities in Q1 2024.

71% Taxonomy-eligible Capex

In Q1 2024, 71% of our Capex additions were Taxonomy-eligible and related mainly to investments in wind assets held as property, plant and equipment. Our proportion of Taxonomy-non-eligible Capex additions (29%) was related to office equipment, land and buildings.

100% Taxonomy-eligible Opex

Our Taxonomy-eligible proportion of Opex was 100% in Q1 2024 and primarily related to the maintenance and repair of our wind farms held as property, plant and equipment.

Closing gaps against the EU Taxonomy

In 2023, for the first time, we assessed our economic activities, as prescribed by Article 8(1) of the Taxonomy regulation, for the full year of 2023. Beginning with Q1 2024, we will assess our economic activities and report on our EU Taxonomy-eligible KPIs on a quarterly basis.

In the assessment of our economic activities we identified gaps between European Energy's economic activities and the eligibility of economic activities as prescribed in the EU Taxonomy, and with the EU Taxonomy's definition of Capex and Opex as only related to assets held as property, plant and equipment, and not assets held as inventory.

European Energy is primarily a renewable energy developer, meaning that the number one source of our revenue is the sale of wind farms, solar PV parks, and Power-to-X facilities at various project stages.

However, the EU Taxonomy does not include the development and sale of wind farms and solar parks as a Taxonomy-eligible economic activity.

By using the definition of economic activity 7.1 Construction of new buildings, provided in the European classification and the NACE codes (Nomenclature of Economic Activities), we infer that the economic activities 4.1 Electricity generation using solar photovoltaic technologies and 4.3 Electricity generation from wind power, which are also among our sources of revenue, not only include electricity generation, but also a comprehensive set of sub-processes to realise future sale of developed and constructed wind farms and solar PV parks.

As prescribed in the EU Taxonomy, Capex additions and Opex only relate to those of our assets held as property, plant and equipment, and not our assets held as inventory.

However, as a renewable energy developer that sells wind farms, solar PV parks and Power-to-X facilities at various project stages, the majority of our assets are held as inventory.

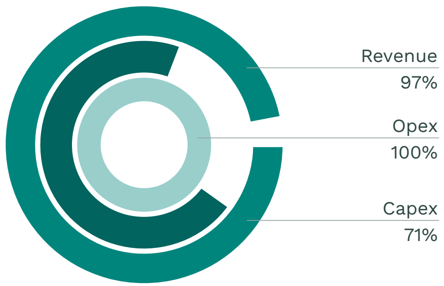
We are addressing this gap by developing a set of voluntary disclosures that allow us to account for all of our assets.

Last but not least, the results of our full-year 2023 assessment showed that our company, although substantially contributing to mitigating climate change, is not yet fully aligned with the EU Taxonomy.

The reason is that we have not yet been able to document that we do not significantly harm the other five environmental objectives, or comply with all the minimum safeguards, as required by the EU Taxonomy.

Through our strategic sustainability priorities and ambitions towards 2026, we will further embed sustainability in our business activities and across our value chain.

EU Taxonomy-eligible KPIs



EU Taxonomy-eligible KPI's

Indicator	Code	Unit	Q1 2024	Q1 2023	Change	FY 2023
Revenue		**EURk**	**33,721**	**-**	**-**	**420,255**
Taxonomy-eligible revenue		**%**	**97**	**-**	**-**	**83**
Electricity generation using solar photovoltaic technology	CCM 4.1	%	2	-	-	44
Electricity generation from wind power	CCM 4.3	%	79	-	-	31
Storage of electricity	CCM 4.10	%	0	-	-	1
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	%	15	-	-	7
Research, development and innovation for direct air capture of CO_2	CCM 9.2	%	0	-	-	0
Taxonomy-non-eligible revenue		**%**	**3**	**-**	**-**	**17**
Capex		**EURk**	**6,562**	**-**	**-**	**11,426**
Taxonomy-eligible Capex		**%**	**71**	**-**	**-**	**77**
Electricity generation using solar photovoltaic technology	CCM 4.1	%	0	-	-	55
Electricity generation from wind power	CCM 4.3	%	71	-	-	22
Storage of electricity	CCM 4.10	%	0	-	-	0
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	%	0	-	-	0
Research, development and innovation for direct air capture of CO_2	CCM 9.2	%	0	-	-	0
Taxonomy-non-eligible Capex		**%**	**29**	**-**	**-**	**23**
Opex		**EURk**	**1,204**	**-**	**-**	**3,206**
Taxonomy-eligible Opex		**%**	**100**	**-**	**-**	**97**
Electricity generation using solar photovoltaic technology	CCM 4.1	%	0	-	-	1
Electricity generation from wind power	CCM 4.3	%	100	-	-	96
Storage of electricity	CCM 4.10	%	0	-	-	0
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	%	0	-	-	0
Research, development and innovation for direct air capture of CO_2	CCM 9.2	%	0	-	-	0
Taxonomy-non-eligible Capex		**%**	**0**	**-**	**-**	**3**

Accounting policies

The EU Taxonomy for sustainable activities is a classification system for economic activities that are determined by the EU to significantly contribute to environmental sustainability.

In accordance with Article 8(1) of the Taxonomy Regulation, companies required to disclose non-financial information in accordance with the Corporate Sustainability Reporting Directive (CSRD) must publish information on the extent to which their activities are associated with environmentally sustainable economic activities. Companies are required to report in alignment with Article 3 of Regulation EU/2020/852 and the following criteria:

1. The eligibility of their economic activities
2. Their substantial contribution to one or more of the six environmental objectives, and
3. The alignment of their eligible activities with the applicable Do No Significant Harm (DNSH) criteria and Minimum Safeguard (MS) criteria.

Taxonomy-eligible activities
We identified five material primary activities outlined in Annexes I and II of the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139) as a result of our screening of European Energy's business model and economic activities for the full year of 2023, of which three economic activities constitute our economic activities in Q1 2024:

CCM 4.1. Electricity generation using solar photovoltaic technology (Nace codes D35.11, F42.22)
CCM 4.3. Electricity generation from wind power (Nace codes D.35.11, F42.22)
CCM 7.6. Installation, maintenance and repair of renewable energy technology (Nace codes F42.22, F42.99)

CCM 4.10. Storage of electricity (Nace code n.a.)
CCM 9.2. Research, development and innovation for direct air capture of CO_2 (Nace codes M71.12, M72.19)

The Taxonomy eligibility and alignment of our economic activities are assessed on an annual basis and reported on in our Sustainability Statements in our Annual Report. We assess our economic activities by using the technical screening criteria for substantial contribution and the DNSH criteria for the environmental objectives at site level, while compliance with the MS criteria is evaluated at Group level. The full disclosure of our 2023 EU Taxonomy results and accounting policies is available in the Sustainability Statements of our Annual Report 2023 on our website www.europeanenergy.com.

Renewable energy that revitalises the environment

SUSTAINABILITY TOPIC	DECARBONISATION OF VALUE CHAINS	RESOURCE USE AND CIRCULAR ECONOMY	BIODIVERSITY AND ECOSYSTEMS
Sustainability challenge	Science has clearly demonstrated that global warming is a result of greenhouse gas (GHG) emissions caused by human activities*. Society urgently needs to reduce GHG emissions, to keep global warming below the limit of 1.5°C required to avoid the catastrophic consequences of climate change.	According to the World Bank, the need for minerals could increase by 500%, due the escalating demand for components for renewable energy technologies*. Coupled with limited natural resources, this presents a challenge that can only be resolved through the sustainable and strategic use of the Earth's resources and the transition from a linear to a circular economy.	Natural ecosystems are deteriorating and it is estimated that more than 41,000 species worldwide, or 28% of all species assessed, are threatened with extinction*. Since all living beings depend on one another in complex ecosystems, it is vital for life on Earth that we halt and reverse biodiversity loss.
Our ambition	We will demonstrate our position as a decarbonisation catalyst by setting science-based GHG emission reduction targets covering our entire value chain. We will also increase our supply of renewable energy and green fuels, to strengthen our contribution to climate change mitigation.	We will scale up circularity through design, optimisation and sourcing, and increase material use efficiency through zero-landfill practices and waste management. We are committed to using natural resources as sustainably as possible and to reducing our waste to a minimum. By keeping materials within the economy wherever possible, we will support the reuse of resources.	By increasing the resilience of our business model and corporate strategy, we will limit our impacts on biodiversity and ecosystems. Besides this, we will also aim to have a net positive impact on biodiversity in at least some parts of the portfolio. This is crucial in order to contribute to a nature-positive world.
Our approach	We recognise that we must approach GHG emissions related to renewable energy from a value chain perspective. We must take a critical look at our supply chain and account for emissions such as those related to the manufacture and transport of components for renewable energy assets.	Our approach to resource efficiency and circularity involves a cross-disciplinary team of in-house specialists who provide different viewpoints. We also engage with regulatory bodies and industry associations on tackling systemic challenges brought on by resource scarcity and the increasing demand for renewable energy and green fuels.	We engage in close collaboration with local stakeholders and environmental organisations to meet national and regional requirements. Furthermore, we are committed to working with universities and research institutions to improve our biodiversity and ecosystems contribution.
Our progress in Q1 2024	• We established a cross-disciplinary taskforce that has commenced assessing our Scope 3 GHG emissions and drafting an accounting policy in alignment with the ESRS and GHG protocol. • We recalculated Scope 1 and 2 GHG emissions based on an updated accounting policy. • We engaged Niras in creating a Life Cycle Assessment tool, which can be applied across our project portfolio.	• We drafted a waste management policy and waste management procedures tailored to different functions across the organisation. • We conducted a compliance check for Extended Producer Responsibility obligations in seven countries and engaged the Landbell group in a framework agreement to ensure compliance and takeback schemes for Waste from Electrical and Electronic Equipment (WEEE).	• We adopted a biodiversity and ecosystem policy at Group level and will commence implementation in Q2 2024. • We made further progress on the development of a biodiversity inventory guideline. • We continued developing a biodiversity monitoring plan to assess the environmental impacts of our activities.
Our plan towards 2026	• We will assess Scope 3 GHG emissions in our entire value chain, in alignment with the GHG Protocol. • We will develop a Life Cycle Assessment (LCA) tool to analyse the environmental impact of our projects. • We will prepare to set science-based (SBTi) near-term and net-zero Scope 1, 2 and 3 GHG emission targets, with 2024 as our baseline year. • We will define action points to reduce our Scope 1, 2 and 3 GHG emissions, in cooperation with our stakeholders across our value chain.	• We will further implement a corporate-wide Environmental and Social Management System for all new projects subject to screening. • We will formalise a Waste from Electrical and Electronic Equipment (WEEE) framework across our markets. • We will set waste management targets, including a zero-landfilling target for PV modules and wind turbine blades. • We will set circular targets through design, optimisation and sustainable sourcing.	• We will publish a biodiversity and ecosystems policy in the first half of 2024. • We will conduct a biodiversity and ecosystems resilience analysis for our business model. • We will develop a strategy for how to contribute to a nature-positive world. • We will develop a biodiversity management system and evaluate and test our biodiversity inventory guideline and monitoring plan.

*IPCC (2023). Climate Change 2023: Synthesis Report. A report of the Intergovernmental Panel on Climate Change. IPCC Publishing.

*World Bank Group (2020). Minerals for climate action: the mineral intensity of the clean energy transition. World Bank Publishing.

*International Union for Conservation of Nature (n.d.). IUCN red list of threatened species.

Energy production

Indicator	Unit	Target	Q1 2024	Q1 2023	Change	FY 2023
Renewable share of energy production	%		100	100	0%p	100
- Wind power	%		95	93	2%p	78
- Solar Power	%		5	7	-2%p	22
Renewable energy production	**GWh**		**555**	**368**	**51%**	**1,870**
- Wind power	GWh		530	342	55%	1,450
- Solar Power	GWh		25	26	-4%	420

European Energy is a 100% renewable energy company. In Q1 2024, we produced 555 GWh of renewable energy. This is a 51% increase compared to the 368 GWh we produced in Q1 2023.

Since 2004, when European Energy was founded, our vision has been to be a major global force in driving the green transition through the development, construction and operation of innovative renewable energy solutions.

With our newly released corporate 2026 strategy, we are setting the scene for further growth and innovation within a full line of value chain capabilities, ranging from solar PV energy, onshore and offshore wind energy, to Power-to-X, carbon capture and energy storage across the world.

Accounting policies

Energy production only includes volumes of wind power and solar power produced at sites that are financially consolidated.

Avoided greenhouse gas (GHG) emissions

Indicator	Unit	Target	Q1 2024	Q1 2023	Change	FY 2023
Avoided greenhouse gas (GHG) emissions						
Avoided GHG emissions	Tonnes CO_2e		129,093	85,597	51%	434,962

In Q1 2024, European Energy avoided 129,093 tonnes of CO_2e emissions through the renewable energy that was produced at our wind farms and solar parks. This is an increase of 51% as compared to the 85,597 tonnes of greenhouse gas emissions we avoided in Q1 2023. The increase is due to higher renewable energy production volumes.

Accounting policies

Avoided GHG emissions
The avoided greenhouse gas emissions due to renewable energy production from solar and wind farms are calculated based on the assumption that the renewable energy produced at our solar and wind farms replaces an equal quantity of energy produced by a mix of renewables and non-renewables.

The CO_2e greenhouse gas emissions avoided are calculated by multiplying energy production by greenhouse gas emission factors. We apply the total greenhouse gas emission factor for OECD countries in Europe, as supplied by the International Energy Agency (IEA, 2022).

Renewable energy production from wind farms and solar parks does not lead to direct greenhouse gas emissions, and indirect greenhouse gas emissions are not included. Avoided greenhouse gas emissions only include emissions avoided for the financial year, and do not include potential avoided emissions in the future.

A people-centric sustainable transformation

SUSTAINABILITY TOPIC	OUR PEOPLE	COMMUNITY ENGAGEMENT	HEALTH AND SAFETY
Sustainability challenge	The competition for qualified professionals in the energy sector is fierce. To attract and retain employees, companies must provide jobs that are purpose-driven and in which employees can thrive, personally and professionally.	The green transition must benefit and include local communities. Local support for renewable energy projects builds on stakeholder engagement initiatives. Unlocking local expertise is essential to ensure an inclusive and fair transition.	The health and safety of all employees can positively influence the welfare of individuals and communities. Preventing fatal and life-altering injuries at work and making sure everyone gets home safely is imperative.
Our ambition	Our people are our greatest resource and the foundation for creating the power of tomorrow, today. We will increase employee diversity and equity and ensure employee engagement through performance and career development plans.	Engaging with local stakeholders is a key element of building trust in our host communities. We aim to strengthen community engagement through a solid stakeholder engagement framework, with grievance mechanisms available to all.	We seek to improve our work procedures and management systems and to emphasise a zero incident culture, with zero lost time and total recordable injury rates, as well as zero fatalities. This applies to our total workforce, including both our own employees and contractors' employees.
Our approach	We have a code of conduct, policies and committees to provide our employees with physical, social and psychosocial working conditions that allow them to thrive, evolve and lead complete and healthy lives at home and at work.	We include local stakeholders and communities in the green transition by engaging in dialogue and by offering jobs on equal and competitive terms. In selected markets, we develop local engagement plans and provide grievance mechanisms whereby our local stakeholders can communicate their concerns.	Our health and safety initiatives are guided by our QHSE Policy. Broadening awareness of safety hazards and preventive measures is key to delivering on our promise to provide all people working at our sites with safe and healthy working environments.
Our progress in Q1 2024	• We have commenced implementation of our Diversity, Equity and Inclusion Policy. • We have defined and developed a female manager network, which will be launched in Q2 2024. • We are finalising our internal gender-pay equity analysis.	• We have developed a local engagement tool. • We have put our corporate templates for stakeholder engagement procedures and plans into use and started collecting feedback from internal stakeholders.	• We have started implementing our new QHSE management system to ensure a uniform approach to policies, procedures and instructions. The system features a document control section, which reduces the risk of using obsolete documentation. • We are developing a new accounting policy for reporting of contractors' work hours, to improve the data quality.
Our plan towards 2026	• We will continue our leadership training and enhance leadership opportunities. • We will achieve greater gender diversity, with a gender balance of 40:60 across all levels. • We will establish a female manager network. • We will introduce a base pay level within the different levels of our career model and ensure gender pay equity. • We will strive to improve employee satisfaction and employee participation via performance and career development reviews.	• We will implement a Stakeholder Engagement Policy and include stakeholder engagement plans with grievance mechanisms as part of our Environmental and Social Management System. • We will map affected communities in our upstream value chain and devise a plan for addressing any identified risks. • We will further develop training in good stakeholder engagement practices.	• We will review our QHSE Policy and update it in accordance with international standards and best practice. • We will implement a new management system for our Power-to-X plants (phase 1) and for the rest of the our sites (phase 2). • We will create and implement a QHSE onboarding training programme. • We will further engage with our main construction suppliers to improve our safety performance.

People

Indicator	Unit	Target	Q1 2024	Q1 2023	Change	FY 2023
Employees						
Total number of employees (as of 31 March)	Number		761	635	20%	713
-female employees	Number		268	234	15%	257
-male employees	Number		493	401	23%	456
Gender with the lowest representation (f)	%		35	37	-2%p	36
Number of nationalities	Number		41	39	5%	43
Average number of employees	FTEs		603	448	35%	551
Employee turnover						
Total employee turnover rate	%		18.2	15.5	2.7%p	20.3
Voluntary employee turnover rate	%		13.3	12.3	1.0%p	13.9

Number of employees increased by 20%

In Q1 2024, we saw a 20% increase in our workforce, bringing the total number of employees to 761, as compared to 635 employees in Q1 2023.

Our employees remain the cornerstone of our mission to champion the green transition, develop innovative green energy solutions, and inspire global participation in the green transition. In Q1 2024, 41 different nationalities were represented amongst our employees.

Employee turnover rate remains high

Our total employee turnover rate was 18.2% in Q1 2024, which is an increase of 2.7% points as compared to Q1 2023, but a decrease as compared to 20.3% in FY 2023.

The majority (13.3%) of our turnover is caused by voluntary leavers. To better understand our employees' reasons for leaving the company, we have established a taskforce, which will work on improving our current exit processes including exit questionnaires and interviews.

In Q1 2024, we also launched several initiatives focused on employee engagement, such as the establishment of HR Operations and HR Business Partner teams to better support and retain our employees.

Accounting policies

Employees
The number of employees is determined as the number of employees contractually employed by European Energy A/S at 31 March of the financial year, based on a headcount.

Employee turnover
The employee turnover rate is calculated as the number of employees who have left the company, relative to the average number of employees in the financial year. We include all employee groups, including permanent employees and hourly-paid employees.

Safety

Indicator	Unit	Target	Q1 2024	Q1 2023	Change	FY 2023
Safety						
Lost Time Injuries (LTIs)						
- Own employees	Number		0	0	0	0
- Contractor employees	Number		1	1	0	3
Lost Time Injury Rate (LTIR)						
- Own employees	Injuries per million hours worked	0 (2026)	0.0	0.0	0%	0.0
- Contractor employees	Injuries per million hours worked	0 (2030)	-	-	-	3.3
Total Recordable Injuries (TRIs)						
- Own employees	Number		0	0	0	2
- Contractor employees	Number		1	1	0	4
Total Recordable Injury Rate (TRIR)						
- Own employees	Injuries per million hours worked		0.0	0.0	0%	2.1
- Contractor employees	Injuries per million hours worked		-	-	-	4.3
Fatalities	Number		0	0	0	0

Safety performance

In Q1 2024, we commenced implementation of our new QHSE management system to ensure uniform access to policies, procedures and instructions across our projects under construction and sites in operation.

Our QHSE management system features a document control section with the purpose of giving our own employees and contractors' employees access to approved documents.

The safety of our contractors' employees is just as important as the safety of our own employees. In Q1 2024, we were, however, not able to obtain the hours worked on our projects under construction and sites in operation. In Q2 2024, we will work on improving the data quality by first and foremost strengthening the reporting culture amongst our contractors' employees, but also internally.

In Q1 2024, we had 0 Lost Time Incidents amongst our own employees, resulting in an LTIR of 0, which is in alignment with our 2026 target of 0 LTIR. One of our contractors' employees experienced a Lost Time Incident in Q1 2024 - our 2026 target is 0 LTIR.

Accounting policies

Safety
Safety data includes office spaces, projects under construction and sites in operation.

For projects under construction, we report on the health and safety of contractors' employees, irrespective of European Energy's ownership share in a given project.

For sites in operation, we report on the health and safety of contractors' employees if we manage the site under technical agreements or operation and maintenance agreements, irrespective of ownership share.

Incidents related to our own employees are recorded in our Project Life Cycle system. Incidents related to our contractors' employees are based on reports and inputs.

Hours worked by our own employees in Denmark and abroad are obtained through company records. For contractors' employees, on-site working hours are based on reports and inputs from contractors, and estimates based on the number of turbines and the capacity of solar PV modules. In Q1 2024, we were not able to obtain hours worked for contractors' employees.

Lost Time Injuries includes Lost Time Injuries and Fatalities.

Total Recordable Injuries include the following injury categories: Fatalities, Lost Time Injuries, Medical Treatment Injuries and Restricted Work Injuries.

Governance that empowers business accountability

SUSTAINABILITY TOPIC	RESPONSIBLE BUSINESS CONDUCT	RESPONSIBLE BUSINESS PARTNERSHIPS	RESPONSIBLE TAX
Sustainability challenge	Companies have a responsibility to conduct their business without labour and human rights violations, and without corruption, and to fulfil legislative requirements. Corruption and other fraudulent practices can impact society by destabilising institutions, and undermining fair business competition and sustainable growth.	Businesses have a responsibility to identify, address and mitigate any risks in connection with labour and human rights violations, corruption and environmental misconduct among their business partners. Irresponsible business conduct can have a negative impact on society by preventing just and sustainable development.	Companies are responsible for paying tax and supporting international tax reforms. This contributes to the development of the societies in which they operate and supports well-functioning tax systems and stable institutions, which are beneficial to both local societies and businesses.
Our ambition	We will reach the highest possible standards that are of relevance to us by promoting ethical business practices, and we are committed to acting professionally, fairly and with integrity in all our business dealings. We take a zero-tolerance approach to bribery, corruption, and human rights and labour rights violations. We also seek to increase the independence and diversity of our Board of Directors.	To live up to our commitment to responsible business practices, we set high expectations of our business partners. We will strengthen our resilience to supply chain disruptions through a robust business partner due diligence process and human rights assessment. We also pledge to engage and collaborate with our business partners to promote sustainable development.	We comply with local and international tax legislation and act with responsibility and integrity in all tax matters. We strive for transparent tax reporting by reporting on corporate tax as inspired by GRI 207, and we voluntarily disclose country-specific tax payments.
Our approach	We conduct our work in an honest and ethical manner and in line with our Good Business Code of Conduct. We focus on both our own operations and our stakeholders by strengthening our company-wide expertise in and know-how of responsible business conduct, and through close stakeholder engagement by prioritising our 'Know-your-Counterparty' screening programme.	We conduct screenings and assessments of our partners and suppliers to evaluate their adherence to various sustainability criteria. We work together with our counterparties to address identified material performance gaps or risks through corrective and preventive action plans.	Our business structure is established to support our commercial operations. This means that we do not use tax structures that are intended for tax avoidance and have no commercial rationale. If we establish an entity in a tax haven jurisdiction, this will be for commercial reasons.
Our progress in Q1 2024	• We further rolled out our Good Business Code of Conduct internally. • We have procured a business partner and supplier screening tool to screen critical and strategic business partners and suppliers in relation to international sanctions and anti-bribery and corruption related matters. Implementation and roll-out across the company has commenced and will continue throughout 2024.	• We began implementing our Code of Conduct for Business Partners in alignment with the UN Guiding Principles on Business and Human Rights. • We onboarded our procurement functions in Ecovadis to implement step-by-step procedures for new suppliers. • We have uploaded the full supplier base to Ecovadis and are in the process of screening all our suppliers to identify potential sustainability related risks.	• We discussed and acted on important tax-related affairs and tax risk management as part of the role and responsibility of our Tax Committee.
Our plan towards 2026	• We will strengthen the roles, expertise and monitoring of administrative, management and supervisory bodies related to responsible business conduct. • We will ensure employee training in good business conduct, including anti-corruption and anti-bribery training. • We will strengthen our 'Know-your-Counterparty' screening programme, focusing on sanctions, government watch lists and adverse media.	• We will screen the sustainability performance of all our tier 1, tier 2 and tier 3 direct suppliers for solar, wind and Power-to-X. • We will conduct in-depth sustainability assessments with supported action plans for all tier 1 suppliers. • We will conduct a human rights assessment at Group level. • We will map the value chain of six key minerals and metals across our technologies. • We will promote job opportunities and capacity building for local value chain workers.	• We will increase the transparency of our tax reporting. • We will work on publishing more transparent tax information, inspired by the GRI 207 Framework, taking the complexity of our business into consideration, and with the preparation required to fulfil our ambitions.

Board of Directors

Indicator	Unit	Target	Q1 2024	Q1 2023	Change	FY 2023
Board of Directors, European Energy A/S						
Members	Number		7	7	0	6
- Danish	Number		6	7	-1	6
- Non-Danish	Number		1	0	1	0
- Female	Number		1	1	0	0
- Male	Number		6	6	0	6
Gender with the lowest representation / female (40% in 2026)	%	40 (2023)	14	14	0%p	0
Average age	Years		59	56	3	58
Average seniority	Years		13	10	3	12
Independent board members	%		57	57	0%p	50
Board meetings	Number		2	3	-1	10
Board meeting attendance	%		100	90	10%p	94
Sustainability Committee						
Members	Number		2	-	2	2
Meetings	Number		2	-	2	2
Attendance	%		100	-	100%p	100

Board of Directors

In Q1 2024, we welcomed Hilde Bakken to our Board of Directors. Hilde Bakken adds a broad range of valuable competencies to our Board of Directors, with many years of experience from the energy sector and with a focus on sustainable business practices.

With Hilde Bakken as a member of our Board of Directors, the share of female Board members was 14% in Q1 2024. Our target is to reach 40% female representation for our Board of Directors by 2030.

In 2024, we will strengthen our efforts to further professionalise the Board of Directors, with a special focus on increasing independence and diversity among the Board members.

Accounting policies

European Energy's statement on the underrepresented gender in accordance with Section 99b of the Danish Financial Statements Act (Årsregnskabsloven) is covered in the 'Gender Diversity' section.

A Board meeting, Audit Committee meeting and Sustainability Committee meeting is defined as a verbal meeting (either physical or online), where an invitation and an agenda have been circulated in advance.

Business accountability

Indicator	Unit	Target	Q1 2024	Q1 2023	Change	FY 2023
Whistleblower cases						
Substantiated whistleblower cases	Number		0	0	0	0
Whistleblower cases transferred to the police	Number		0	0	0	0

Whistleblower mechanism

At European Energy, we want to ensure that all of our stakeholders, both internal and external, are able to report on observed potential violations of our Good Business Code of Conduct, or unethical behaviour by our employees or the company.

Our whistleblower mechanism is available on our website www.europeanenergy.com. Concerns can be reported anonymously, with all reports handled confidentially and in accordance with our whistleblower guidelines.

In Q1 2024, we did not receive any whistleblower reports. We are working on heightening the awareness of our whistleblower mechanism and on encouraging our stakeholders to report concerns to us so that we can uphold our ambitions for ethical and responsible business conduct and employee behaviour.

Accounting policies

Whistleblower cases

Whistleblower cases are received and processed by an external law firm. An internal whistleblower unit handles the cases and evaluates the action to be taken. All cases are handled in full confidentiality. Only cases which are reported during the financial year, and which have been categorised as fully or partly substantiated, are included in this report.

Consolidated financial statements

Signing an agreement to welcome Mitsubishi HC Capital Inc. as a new partner.

Table of contents for consolidated financial statements

100.6 MW

Solar Park Kvosted, Denmark

Consolidated income statement

EURk	Q1 2024	Q1 2023*	FY 2023
Revenue	33,721	43,079	420,255
Results from investments in joint ventures	-761	148	8,245
Results from investments in associates	793	610	2,540
Other income	709	1,498	59,082
Direct costs	-23,575	-14,813	-251,041
Other costs	-	-	-965
Gross profit	**10,887**	**30,522**	**238,116**
Staff costs	-8,641	-7,420	-32,278
Other external costs	-5,995	-6,835	-27,400
EBITDA	**-3,749**	**16,267**	**178,438**
Depreciation and impairment	-4,432	-4,115	-23,923
Operating profit	**-8,181**	**12,152**	**154,515**
Financial income	6,220	3,074	27,496
Financial expenses	-22,807	-11,725	-56,410
Profit/loss before tax	**-24,768**	**3,501**	**125,601**
Tax	3,234	-3,874	-12,598
Profit/loss for the period	**-21,534**	**-373**	**113,003**
Attributable to:			
Shareholders of European Energy A/S	-34,396	-5,587	102,945
Hybrid capital holders	12,363	1,957	4,809
Non-controlling interests	499	3,257	5,249
Profit/loss for the period	**-21,534**	**-373**	**113,003**
Earnings per share:			
Earnings per share, basic	-0.11	-0.02	0.34
Earnings per share, diluted	-0.11	-0.02	0.33

EURk	Q1 2024	Q1 2023*	FY 2023
Profit/loss for the period	-21,534	-373	113,003
Items that may be reclassified to profit or loss:			
Value adjustments of hedging instruments	21,246	-16,262	-47,336
Tax of value adjustments of hedging instruments	-4,639	3,304	9,729
Currency translation of foreign operations	-804	1,263	4,138
Other comprehensive income for the period	**15,803**	**-11,695**	**-33,469**
Comprehensive income for the period	**-5,731**	**-12,068**	**79,534**
Attributable to:			
Shareholders of European Energy A/S	-18,867	-15,866	73,639
Hybrid capital holders	12,363	1,957	4,809
Non-controlling interests	773	1,841	1,086
Comprehensive income for the period	**-5,731**	**-12,068**	**79,534**

*Comparative figures for Q1 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Consolidated balance sheet

EURk	31 Mar 2024	31 Mar 2023*	31 Dec 2023
Non-current assets			
Goodwill	10,649	10,655	10,652
Other intangible assets	4,113	5,379	4,430
Property, plant and equipment	186,497	156,500	177,853
Lease assets	9,471	10,519	9,251
Investments in joint ventures	99,299	16,501	85,422
Investments in associates	43,870	29,981	41,707
Other investments	10,425	14,247	10,334
Loans to joint ventures	43,257	37,899	42,727
Loans to associates	1,446	2,112	1,597
Derivatives	6,474	3,424	5,842
Trade receivables and contract assets	2,504	4,663	2,542
Other receivables	5,135	4,771	8,833
Deferred tax	34,212	18,092	33,178
Total non-current assets	**457,352**	**314,743**	**434,368**
Current assets			
Inventories	1,357,456	1,174,291	1,320,526
Derivatives	487	2,474	262
Trade receivables and contract assets	97,616	81,669	112,753
Other receivables	32,285	53,305	33,526
Prepayments	10,052	37,629	7,263
Cash and cash equivalents	86,254	129,677	93,212
Restricted cash and cash equivalents	25,154	14,663	25,690
Total current assets	**1,609,304**	**1,493,708**	**1,593,232**
Total assets	**2,066,656**	**1,808,451**	**2,027,600**

EURk	31 Mar 2024	31 Mar 2023*	31 Dec 2023
Equity			
Share capital	40,836	40,602	40,624
Retained earnings and reserves	239,571	168,993	255,951
Equity attributable to shareholders' of the company	**280,407**	**209,595**	**296,575**
Hybrid capital	115,000	157,450	115,000
Non-controlling interests	21,732	15,148	20,909
Total Equity	**417,139**	**382,193**	**432,484**
Non-current liabilities			
Bond	442,581	438,727	441,190
Project financing	691,279	686,410	652,745
Other debt	4,770	4,584	4,721
Lease liabilities	12,417	10,257	13,572
Provisions	48,779	39,539	42,586
Derivatives	45,521	40,435	66,652
Deferred tax	15,503	19,016	15,988
Total non-current liabilities	**1,260,850**	**1,238,968**	**1,237,454**
Current liabilities			
Credit Institutions	72,145	-	-
Project financing	221,652	66,611	237,600
Lease liabilities	3,443	2,945	3,505
Derivatives	2,079	7,530	1,070
Trade payables	34,277	53,880	47,910
Payables to related parties	147	95	187
Corporation tax	19,606	12,463	20,200
Provisions	-	5,181	-
Deferred income	3,783	6,888	3,474
Other payables	31,535	31,697	43,716
Total current liabilities	**388,667**	**187,290**	**357,662**
Total liabilities	**1,649,517**	**1,426,258**	**1,595,116**
Total equity and liabilities	**2,066,656**	**1,808,451**	**2,027,600**

*Comparative figures for Q1 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Consolidated statement of cash flow

EURk	Q1 2024	Q1 2023*	FY 2023
Profit/loss before tax	-24,768	3,501	125,601
Adjustment for:			
Financial income	-6,220	-3,074	-27,496
Financial expenses	22,807	11,725	56,410
Depreciation and impairment	4,432	4,115	23,923
Results from investments in joint ventures	761	-148	-8,245
Results from investments in associates	-793	-610	-2,540
Change in net working capital, excluding inventories	-2,009	-48,023	-23,906
Change in inventories	-52,733	-127,725	-342,427
Interest paid on lease liabilities	-257	-124	-604
Dividends	379	-	3,268
Other non-cash items	7,292	-236	-27,698
Cash generated from operation before financial items and tax	**-51,109**	**-160,599**	**-223,714**
Taxes paid	-4,821	-1,119	-8,192
Interest paid and realised currency losses	-20,290	-9,727	-51,170
Interest received and realised currency gains	2,449	2,435	10,980
Cash flow from operating activities	**-73,771**	**-169,010**	**-272,096**
Cash flow from investing activities			
Acquisition/disposal of property, plant and equipment	217	-1,446	-3,712
Acquisition/disposal of other investments	-155	-800	6,671
Acquisition of enterprises	-75	-	-2,806
Investments in joint ventures and associates	-16,485	-900	-11,617
Loans to joint ventures and associates	-91	171	-1,807
Cash flow from investing activities	**-16,589**	**-2,975**	**-13,271**

EURk	Q1 2024	Q1 2023*	FY 2023
Cash flow from financing activities			
Proceeds from Credit Institutions	72,145	-	-
Proceeds from issue of bonds	-	74,704	74,703
Proceeds from project financing	47,497	35,963	399,776
Repayment of project financing	-24,911	-6,701	-233,190
Repayment of lease liabilities	-887	-629	-3,264
Payables to associates	-40	-826	-734
Capital increase through exercise of warrants	1,616	-	175
Purchase of treasury shares	-	-	-280
Proceeds from issue of hybrid capital	-	99,050	113,930
Repayment of hybrid capital	-	-92,550	-150,000
Coupon payments, hybrid capital	-12,363	-1,957	-4,809
Transactions with non-controlling interests	-191	-555	-1,864
Cash flow from financing activities	**82,866**	**106,499**	**194,443**
Change in cash and cash equivalents	**-7,494**	**-65,486**	**-90,924**
Total cash and cash equivalents at 1 January	118,902	209,826	209,826
Total cash and cash equivalents end of period	**111,408**	**144,340**	**118,902**
Cash and cash equivalents	86,254	129,677	93,212
Restricted cash and cash equivalents	25,154	14,663	25,690
Total cash and cash equivalents end of period	**111,408**	**144,340**	**118,902**

*Comparative figures for Q1 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Consolidated statement of shareholders' equity

	Q1 2024									
EURk	Share capital	Share premium	Translation reserve	Hedging reserve	Treasury shares	Retained earnings	Total	Hybrid capital	Non-controlling interest	Total Group
Equity at 1 January 2024	**40,624**	**1,911**	**686**	**-70,593**	**-461**	**324,408**	**296,575**	**115,000**	**20,909**	**432,484**
Profit/loss for the period	-	-	-	-	-	-34,396	-34,396	12,363	499	-21,534
Other comprehensive income										
Value adjustments of hedging instruments	-	-	-	20,871	-	-	20,871	-	375	21,246
Tax of value adjustments of hedging instruments	-	-	-	-4,568	-	-	-4,568	-	-71	-4,639
Currency translation of foreign operations	-	-	-774	-	-	-	-774	-	-30	-804
Other comprehensive income	**-**	**-**	**-774**	**16,303**	**-**	**-**	**15,529**	**-**	**274**	**15,803**
Total comprehensive income	**-**	**-**	**-774**	**16,303**	**-**	**-34,396**	**-18,867**	**12,363**	**773**	**-5,731**
Transactions with owners										
Dividends	-	-	-	-	-	-	-	-	-191	-191
Exercise of warrants	212	1,404	-	-	-	-	1,616	-	-	1,616
Share-based compensation expenses	-	-	-	-	-	1,343	1,343	-	-	1,343
Coupon payments, hybrid capital	-	-	-	-	-	-	-	-12,363	-	-12,363
Additions	-	-	-	-	-	-260	-260	-	191	-69
Disposals	-	-	-	-	-	-	-	-	50	50
Total transactions with owners	**212**	**1,404**	**-**	**-**	**-**	**1,083**	**2,699**	**-12,363**	**50**	**-9,614**
Equity at 31 March 2024	**40,836**	**3,315**	**-88**	**-54,290**	**-461**	**291,095**	**280,407**	**115,000**	**21,732**	**417,139**

The share capital consists of nom. 303,909,613 shares of DKK 1 each, corresponding to EUR 40,836 thousand. The share capital is fully paid in.

The Equity Treasury share reserve comprises the cost of the parent company's shares held by the Group, and is recognised as retained earnings and reserves in the equity. At 31 March 2024, the Group held nom. 162,762 shares of DKK 1 each corresponding to EUR 22 thousand of the parent company's shares. The shares have been bought back under the warrant program, where the parent company has a right, but not an obligation, to buy back shares from resigned employees.

The obligation to pay coupon payments on hybrid capital is at the discretion of European Energy A/S, and treated as dividend.

Accumulated coupon payments as per 31 March 2024 amounts to EUR 2.2 million, which will reduce retained earnings if European Energy A/S does not elect to defer coupon payment on the next interest payment date in January 2025.

Consolidated statement of shareholders' equity, continued

	Q1 2023*									
EURk	**Share capital**	**Share premium**	**Translation reserve**	**Hedging reserve**	**Treasury shares**	**Retained earnings**	**Total**	**Hybrid capital**	**Non-controlling interest**	**Total Group**
Equity at 1 January 2023	**40,602**	**1,758**	**-3,582**	**-37,019**	**-181**	**223,699**	**225,277**	**150,000**	**16,077**	**391,354**
Profit/loss for the period	-	-	-	-	-	-5,587	-5,587	1,957	3,257	-373
Other comprehensive income										
Value adjustments of hedging instruments	-	-	-	-14,527	-	-	-14,527	-	-1,735	-16,262
Tax of value adjustments of hedging instruments	-	-	-	2,974	-	-	2,974	-	330	3,304
Currency translation of foreign operations	-	-	1,274	-	-	-	1,274	-	-11	1,263
Other comprehensive income	**-**	**-**	**1,274**	**-11,553**	**-**	**-**	**-10,279**	**-**	**-1,416**	**-11,695**
Total comprehensive income	**-**	**-**	**1,274**	**-11,553**	**-**	**-5,587**	**-15,866**	**1,957**	**1,841**	**-12,068**
Transactions with owners										
Dividends	-	-	-	-	-	-	-	-	-461	-461
Share-based compensation expenses	-	-	-	-	-	1,227	1,227	-	-	1,227
Issue of hybrid capital	-	-	-	-	-	-950	-950	100,000	-	99,050
Redeem of hybrid capital	-	-	-	-	-	-	-	-92,550	-	-92,550
Coupon payments, hybrid capital	-	-	-	-	-	-	-	-1,957	-	-1,957
Disposals	-	-	-	-	-	-93	-93	-	-2,309	-2,402
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**184**	**184**	**5,493**	**-2,770**	**2,907**
Equity at 31 March 2023	**40,602**	**1,758**	**-2,308**	**-48,572**	**-181**	**218,296**	**209,595**	**157,450**	**15,148**	**382,193**

* Comparative figures for Q1 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

The share capital consists of nom. 302,168,583 shares of DKK 1 each, corresponding to EUR 40,602 thousand. The share capital is fully paid in.

The Equity Treasury share reserve comprises the cost of the parent company's shares held by the Group, and is recognised as retained earnings and reserves in the equity. At 31 March 2023, the Group held nom. 95,512 shares of DKK 1 each corresponding to EUR 13 thousand of the parent company's shares. The shares have been bought back under the warrant program, where the parent company has a right, but not an obligation, to buy back shares from resigned employees.

The obligation to pay coupon payments on hybrid capital is at the discretion of European Energy A/S, and treated as dividend. Accumulated coupon payments as per 31 March 2023 amounts to EUR 3.7 million, which will reduce retained earnings if European Energy A/S does not elect to defer coupon payment on the next interest payment date in September 2023.

Notes for consolidated financial statements

304 MW

Kassø Solar Park, Denmark

Notes for consolidated financial statements

Signing an agreement with TotalEnergies to expand collaboration.

1. Basis for preparation

General information
The interim financial report of European Energy comprises a summary of the unaudited consolidated financial statements of European Energy A/S and its subsidiaries.

These unaudited consolidated financial statements for the first quarter of 2024 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2023 and public announcements made during the interim reporting period.

The principles as described in this note for basis for preparation and references made to the annual report does also count for the Parent company financial statements which is also included in this report.

Accounting policies
Accounting policies are unchanged compared to the annual report for the year ended 31 December 2023, to which reference is made.

Implementation of new or changed accounting standards
European Energy Group has adopted all new, amended or revised accounting standards and interpretations ('IFRS') as published by the IASB, and endorsed by the EU effective for the accounting period beginning on 1 January 2024.

Management has assessed that the adoption of these new or amended standards and interpretations have not had any significant impact on the financial statements.

Judgements and estimates
In preparing the interim consolidated and separate financial statements, Management has made judgements, estimates and assumptions that affect how the Group's accounting policies are applied and the amount of assets, liabilities, income and expenses reported. The actual results may deviate from these estimates.

We are constantly monitoring market developments for power prices, inflation, interest levels, etc. and are assessing the financial impact that these implies. In addition to an expected impact across multiple areas and with various effects, we are impacted by this in certain parts of our financial statements where we are recognising assets and liabilities at fair value and using quoted market prices.

When revisiting previously made key accounting estimates, we have considered the recent market developments. These developments have had a minor impact in our Q1 consolidated financial statement as previously explained, and we are expecting this to continue in the future. All key accounting estimates and judgements will be reassessed quarterly.

For all other estimates and judgements applied, reference is made to the consolidated financial statements in the Annual report for the year ended 31 December 2023, Note 1.2.

Note	Description	Key accounting estimates and judgements	Estimate/ Judgment
3	Revenue	Recognition of revenue	Judgement
3	Revenue	Allocation of revenue	Estimate
5	Inventories	Assumptions on impairment test	Estimate
5	Inventories	Classification of power producing assets	Judgement
6	Other financial derivatives	Valuation of power purchase agreements	Judgement
7	Determination of fair value	Measurement of power purchase agreements	Estimate

55 MW

Tryggevælde Solar Park, Denmark

Definitions

Alternative performance measures

A financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified according to IFRS.

The Group uses certain alternative performance measures in the financial management of the Group. The used alternative performance measures are considered to be commonly used across the industry and are defined below.

Key figures

EBITDA
Earnings before, net financial items, tax, depreciation, amortisation and impairments. This measure is a key measure to assess the operating performance.

Net working capital, excluding inventory

Trade receivables and contract assets + other receivables + prepayments – trade payables – deferred income – other payables.

Cash flow from operating activities, excluding inventories
Cash flow from operating activities – change in inventories.

Net interest-bearing debt (NIBD)
Interest-bearing debt less interest-bearing assets and cash and cash equivalents.

Financial ratios

Gross margin
Gross profit as a percentage of revenue.

EBITDA margin
EBITDA as a percentage of revenue.

Solvency ratio
Equity at the reporting date as a percentage of total assets.

Net interest-bearing debt (excluding hybrid capital)/EBITDA
A factor of current year NIBD (excluding hybrid capital) compared to current year EBITDA.

Return on equity
Profit for the year as a percentage of average equity.

Gearing
Net interest-bearing debt at the reporting date as a percentage of equity at the reporting date. Hybrid capital is included in equity, and not in net interest-bearing debt.

Share ratios

Number of shares
Total number of shares outstanding excluding treasury shares at the reporting date.

Average number of shares
Average number of shares outstanding during the reporting period.

Average number of shares diluted
Average number of shares outstanding during the reporting period including outstanding warrants.

Earnings per share
Profit attributable to the shareholders of European Energy A/S divided by the average number of shares.

Earnings per shares diluted
Profit attributable to the shareholders of European Energy A/S divided by the average number of shares diluted.

2. Segment information

EURk	Q1 2024 Sale of energy parks and projects	Q1 2024 Sale of energy	Q1 2024 Asset manage-ment and other fees	Q1 2024 Reportable segments	Q1 2024 Non-Re-portable segments	Q1 2024 Elimina-tions	Q1 2024 Total	Q1 2023* Sale of energy parks and projects	Q1 2023* Sale of energy	Q1 2023* Asset manage-ment and other fees	Q1 2023* Reportable segments	Q1 2023* Elimina-tions	Q1 2023* Total	FY 2023 Total
Revenue external	4,231	27,091	2,399	33,721	-	-	33,721	14,531	26,353	2,195	43,079	-	43,079	420,255
Inter-segment revenue	-	-	1,855	1,855	-	-1,855	-	-	-	402	402	-402	-	-
Revenue	**4,231**	**27,091**	**4,254**	**35,576**	**-**	**-1,855**	**33,721**	**14,531**	**26,353**	**2,597**	**43,481**	**-402**	**43,079**	**420,255**
Results from investments in joint ventures	-	-761	-	-761	-	-	-761	-	148	-	148	-	148	8,245
Results from investments in asso-ciates	-	793	-	793	-	-	793	-	610	-	610	-	610	2,540
Other income	-	709	-	709	-	-	709	800	698	-	1,498	-	1,498	59,082
Direct costs	-12,140	-10,343	-1,092	-23,575	-	-	-23,575	-7,404	-6,099	-1,310	-14,813	-	-14,813	-251,041
Other costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-965
Gross profit	**-7,909**	**17,489**	**3,162**	**12,742**	**-**	**-1,855**	**10,887**	**7,927**	**21,710**	**1,287**	**30,924**	**-402**	**30,522**	**238,116**
Staff costs	-8,002	-548	-91	-8,641	-	-	-8,641	-5,222	-1,833	-365	-7,420	-	-7,420	-32,278
Other external costs	-4,328	-835	-832	-5,995	-	-	-5,995	-6,144	-503	-188	-6,835	-	-6,835	-27,400
Inter-group costs	-	-1,855	-	-1,855	-	1,855	-	-	-402	-	-402	402	-	-
EBITDA	**-20,239**	**14,251**	**2,239**	**-3,749**	**-**	**-**	**-3,749**	**-3,439**	**18,972**	**734**	**16,267**	**-**	**16,267**	**178,438**
Depreciation and impairment	-316	-4,116	-	-4,432	-	-	-4,432	-316	-3,799	-	-4,115	-	-4,115	-23,923
Segment profit (Operating profit)	**-20,555**	**10,135**	**2,239**	**-8,181**	**-**	**-**	**-8,181**	**-3,755**	**15,173**	**734**	**12,152**	**-**	**12,152**	**154,515**
Financial income							6,220						3,074	27,496
Financial expenses							-22,807						-11,725	-56,410
Tax							3,234						-3,874	-12,598
Profit/loss for the period							**-21,534**						**-373**	**113,003**

*Comparative figures for Q1 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

3. Revenue by segment and type

EURk	Q1 2024	Q1 2023	FY 2023
Sale of energy parks and projects			
Wind	381	801	50,308
Solar	284	7,659	226,350
Other activities	3,566	6,071	22,994
Total	**4,231**	**14,531**	**299,652**
Sale of energy			
Wind	26,351	23,460	88,509
Solar	740	2,893	25,042
Total	**27,091**	**26,353**	**113,551**
Asset management and other fees			
Wind	874	621	3,101
Solar	1,451	1,198	3,822
Other activities	74	376	129
Total	**2,399**	**2,195**	**7,052**
Total segment and type			
Wind	27,606	24,882	141,918
Solar	2,475	11,750	255,214
Other activities	3,640	6,447	23,123
Total revenue	**33,721**	**43,079**	**420,255**

4. Property, plant and equipment

	31 Mar 2024					31 Mar 2023					31 Dec 2023
EURk	Wind power generating assets	Solar power generating assets	Tools and equipment	Land and buildings	Total	Wind power generating assets	Solar power generating assets	Tools and equipment	Land and buildings	Total	Total
Cost at 1 January	176,519	12,095	8,001	35,488	232,103	176,616	12,514	5,981	6,711	201,822	201,822
Exchange rate adjustments	273	131	-3	36	437	134	90	-1	-19	204	1,655
Additions	4,655	-	427	1,373	6,455	202	-	354	880	1,436	10,655
Disposals	-	-	-	-6,687	-6,687	-702	-614	-	-	-1,316	-19,440
Transfer to/from inventories	-	-	-	12,178	12,178	3,890	-	-	-	3,890	37,411
Cost end of period	**181,447**	**12,226**	**8,425**	**42,388**	**244,486**	**180,140**	**11,990**	**6,334**	**7,572**	**206,036**	**232,103**
Accumulated depreciation and impairment losses at 1 January	-47,107	-2,382	-4,365	-396	-54,250	-40,470	-2,408	-2,882	-306	-46,066	-46,066
Exchange rate adjustments	-173	-30	1	11	-191	-92	-20	-	4	-108	-604
Disposals	-	-	-	15	15	-	-	-	-	-	12,497
Depreciation	-3,558	-153	-470	-12	-4,193	-3,682	578	-232	-26	-3,362	-15,517
Impairment/reversal of impairment	630	-	-	-	630	-	-	-	-	-	-4,560
Accumulated depreciation and impairment losses end of period	**-50,208**	**-2,565**	**-4,834**	**-382**	**-57,989**	**-44,244**	**-1,850**	**-3,114**	**-328**	**-49,536**	**-54,250**
Carrying amount end of period	**131,239**	**9,661**	**3,591**	**42,006**	**186,497**	**135,896**	**10,140**	**3,220**	**7,244**	**156,500**	**177,853**

5. Inventories

	Q1 2024				Q1 2023				FY 2023
EURk	Under development	Under construction	In operation	Total	Under development	Under construction	In operation	Total	Total
Cost at 1 January	262,330	193,189	898,990	1,354,509	182,781	461,905	438,906	1,083,592	1,083,592
Reclassification opening amounts	4,152	131,507	-135,659	-	-	-	-	-	-
Exchange rate adjustments	-232	-44	-170	-446	-144	1,250	-924	182	17,341
Additions	24,319	20,886	16,938	62,143	35,547	105,830	-2,529	138,848	631,049
Disposals	-	-248	-9,384	-9,632	-1,272	-181	-11,888	-13,341	-214,841
Deconsolidated entities	-	-	-	-	-	-	-	-	-124,647
Transfers to/from PPE	-	-	-12,178	-12,178	-	-	-3,890	-3,890	-37,411
Write-offs	-1,569	-	-	-1,569	1,492	-	-	1,492	-574
Transfers	-24,517	-81,078	105,595	-	-9,535	-168,038	177,573	-	-
Cost end of period	**264,483**	**264,212**	**864,132**	**1,392,827**	**208,869**	**400,766**	**597,248**	**1,206,883**	**1,354,509**
Writedown at 1 January	-33,153	-	-830	-33,983	-32,592	-	-	-32,592	-32,592
Exchange rate adjustments	-35	-9	8	-36	-	-	-	-	44
Impairments	-1,352	-	-	-1,352	-	-	-	-	-1,454
Disposals	-	-	-	-	-	-	-	-	19
Writedown end of period	**-34,540**	**-9**	**-822**	**-35,371**	**-32,592**	**-**	**-**	**-32,592**	**-33,983**
Carrying amount end of period	**229,943**	**264,203**	**863,310**	**1,357,456**	**176,277**	**400,766**	**597,248**	**1,174,291**	**1,320,526**

Inventory recognised in profit or loss (EURk)	Q1 2024	Q1 2023
Disposals	-9,632	-13,341
Write-offs	-1,569	1,492
Impairments, recognised in direct costs	-1,352	-
Total	**-12,553**	**-11,849**

6. Other financial derivatives

Other financial instruments comprises Power purchase agreements that qualify for recognition according to IFRS 9. This concerns both contracts for difference derivatives (CFD's) related to long-term power purchase agreements and other power purchase agreements considered within the IFRS 9 scope. Power purchase agreements have a duration of up to 15 years.

In Q1 2024, the fair value adjustments net of tax recognised through Other comprehensive income for our portfolio of Other financial derivatives amounts to a gain of EUR 15.6m compared to a loss of EUR 0.3 million for Q1 2023.

The total fair value adjustment of Other financial derivatives recognised in Other comprehensive income as per 31 March 2024, is a negative adjustment net of tax of EUR 23.6m.

The presentation of the instrument in the balance sheet follows the maturity of the contract under both the assets and liabilities as Derivatives. Value adjustment is included in Other comprehensive income, as the relevant accounting requirements for hedge accounting have been met.

Furthermore, The European Energy Group have entered into power purchase agreements that are physical contracts. We consider these contracts as executory contracts, and therefore have not recognised these as in the financial statements.

Valuation principles and methodology

The fair value of power purchase agreements is measured on the basis of level 3 within the fair value hierarchy, since we are utilising non-observable inputs as described in Note 7.

We have entered into contracts on both markets and for periods where a market quoted price is available. When estimating a fair value of financial derivatives where no quoted market prices are available, we are using a discounted cash flow model.

The significant valuation inputs are consistent with those applied previously, which are disclosed in our financial statements for 2023.

7. Fair value measurement

The group uses fair value for certain disclosures and measurement of financial instruments and other investments. Fair value is the price that would be received if selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, presuming they are acting in their economic best interest.

The group uses valuation techniques appropriate in the circumstances and for which sufficient data is available to measure fair value, thus maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, described as follows, on the basis of the lowest level input significant to the fair value measurement as a whole.

Principles for determination of fair value of hedging instruments are described in Note 1.1 Basis for preparation in the 2023 Group financial statements and principles applied when preparing the Q1 2024 interim financial statements are consistent herewith.

Level 1
Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2
Valuation techniques for which the lowest level input significant to the fair value measurement is directly or indirectly observable.

Level 3
Valuation techniques for which the lowest level input significant to fair value measurement is unobservable. In addition to the other financial derivates as explained in Note 6 the Group also recognises fair value adjustments from contracts related to interest rates and currencies. Combined fair values recognized in the consolidated financial statements from all financial derivates measured on all levels in the fair value hierarchy amounts to a loss of EUR 62.8m.

Other financial derivatives
Other financial derivatives are recognised and measured at a net amount of EUR 22.9m following Level 3 techniques. Of this amount EUR 29.4m is classificed as financial long term financial liabilities in the balance sheet and EUR 6.5m is classified as financial assets.

8. Pledges and Securities for debt

Pledges as security of debt
We operate a two-layered capital structure, where financing is obtained both at parent- and project level.

End of Q1 2024 total outstanding debt at the parent level equalled EUR 507m (Q1 2023: EUR 439m), comprising of issued bonds and debt towards credit institutions. Total debt on project level amounted to EUR 913m (Q1 2023: EUR 753m) including short-term construction financings and long-term project financing.

All financing on the parent company level is obtained without security and structurally subordinated to the project level financing. To secure financial obligations of the projects towards financing partners, the projects usually provide security in the form of asset- or share pledges.

End of Q1 2024 the total consolidated outstanding project level financing with pledged assets or shares amounted to EUR 908m (Q1 2023: EUR 753m). The corresponding carrying book value of the pledged assets or shares amounted to EUR 1,402m (Q1 2023: 1,074m) corresponding to a debt to book value ratio of 65% of leveraged assets (Q1 2023: 70%).

Guarantees as security of debt
Besides asset- and share pledges, we also provide parent company guarantees toward financial counterparts for short-term construction financing. For long-term project financing, this guarantee is removed, and the debt is obtained as non-recourse.

End of Q1 2024 the total recourse debt at the project levels amounted to EUR 588m (Q1 2023: EUR 436m).

Parent company financial statements

22.5 MW

Quatro Ventos Wind Park, Brazil

Table of contents for Parent company financial statements

Income statement

EURk	Q1 2024	Q1 2023*	FY 2023
Revenue	9,537	12,587	113,183
Results from investments in subsidiaries	-16,534	4,913	61,267
Results from joint ventures	741	123	7,951
Results from associates	233	489	903
Other income	374	-	12,262
Direct costs	-9,990	-10,665	-52,980
Gross profit	**-15,639**	**7,447**	**142,586**
Staff costs	-6,231	-3,984	-16,470
Other external costs	-2,480	-3,696	-13,717
EBITDA	**-24,350**	**-233**	**112,399**
Depreciation	-854	-656	-3,151
Operating profit	**-25,204**	**-889**	**109,248**
Financial income	14,570	12,662	58,645
Financial expenses	-13,711	-12,085	-47,794
Profit/loss before tax	**-24,345**	**-312**	**120,099**
Tax	2,312	-3,318	-12,345
Profit/loss for the period	**-22,033**	**-3,630**	**107,754**
Attributable to:			
Shareholders of European Energy A/S	-34,396	-5,587	102,945
Hybrid capital holders	12,363	1,957	4,809
Profit/loss for the period	**-22,033**	**-3,630**	**107,754**

EURk	Q1 2024	Q1 2023*	FY 2023
Profit/loss for the period	-22,033	-3,630	107,754
Items that may be reclassified to profit or loss:			
Value adjustments of hedging instruments	20,871	-14,527	-42,355
Tax of value adjustments of hedging instruments	-4,568	2,974	8,781
Currency translation of foreign operations	-774	1,274	4,267
Other comprehensive income for the period	**15,529**	**-10,279**	**-29,307**
Comprehensive income for the period	**-6,504**	**-13,909**	**78,447**
Attributable to:			
Shareholders of European Energy A/S	-18,867	-15,866	73,638
Hybrid capital holders	12,363	1,957	4,809
Comprehensive income for the period	**-6,504**	**-13,909**	**78,447**

*Comparative figures for Q1 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Balance sheet

EURk	31 Mar 2024	31 Mar 2023*	31 Dec 2023
Non-current assets			
Other intangible assets	4,113	5,379	4,430
Property, plant and equipment	2,609	2,273	2,702
Lease assets	1,476	2,742	1,782
Investments in subsidiaries	210,888	146,493	215,593
Investments in joint ventures	9,197	10,085	8,902
Investments in associated companies	23,292	8,935	21,675
Other investments	4,243	8,838	4,137
Loans to subsidiaries	678,114	659,144	625,367
Loans related to joint ventures and associates	38,022	31,995	37,303
Trade receivables and contract assets	97	1,038	97
Derivatives	314	-	-
Other receivables	547	-	4,319
Deferred tax	9,988	5,575	8,342
Total non-current assets	**982,900**	**882,497**	**934,649**
Current assets			
Inventories	7,238	7,538	12,830
Derivatives	487	-	262
Trade receivables and contract assets	17,373	8,854	17,045
Other receivables	6,078	5,123	4,508
Prepayments from goods and services	3,031	3,083	2,997
Free cash and cash equivalents	3,496	9,198	5,542
Restricted cash and cash equivalents	32	-	32
Total current assets	**37,735**	**33,796**	**43,216**
Total assets	**1,020,635**	**916,293**	**977,865**

EURk	31 Mar 2024	31 Mar 2023*	31 Dec 2023
Equity			
Share capital	40,836	40,602	40,624
Retained earnings and reserves	239,571	168,993	255,951
Equity attributable to shareholders of the Company	**280,407**	**209,595**	**296,575**
Hybrid capital	115,000	157,450	115,000
Total equity	**395,407**	**367,045**	**411,575**
Non-current liabilities			
Bond	442,581	438,727	441,190
Lease liabilities	1,528	1,508	1,533
Provisions	22,582	6,859	30,431
Derivatives	7,793	10,436	7,761
Deferred tax	851	2,422	1,281
Other liabilities	1,476	1,431	1,464
Total non-current liabilities	**476,811**	**461,383**	**483,660**
Current liabilities			
Credit Institutions	64,316	-	-
Lease liabilities	34	1,357	347
Derivatives	1,084	7,530	1,070
Trade payables	4,145	2,791	3,602
Payables to subsidiaries	59,014	55,282	34,286
Payables to related parties	146	94	34
Corporation tax	12,925	6,523	13,754
Provisions	-	2,950	-
Deferred income	746	2,877	825
Other payables	6,007	8,461	28,712
Total current liabilities	**148,417**	**87,865**	**82,630**
Total liabilities	**625,228**	**549,248**	**566,290**
Total equity and liabilities	**1,020,635**	**916,293**	**977,865**

*Comparative figures for Q1 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Statement of cash flow

EURk	Q1 2024	Q1 2023*	FY 2023
Profit/loss before tax	-24,345	-312	120,099
Adjustment for:			
Financial income	-14,570	-12,662	-58,645
Financial expenses	13,711	12,085	47,794
Depreciations	854	656	3,151
Profit after tax from subsidiaries	16,534	-4,913	-61,267
Profit after tax from Joint Venture's	-741	-123	-7,951
Profit after tax from associates	-233	-489	-903
Change in net working capital	-13,588	-12,663	-19,830
Dividends received	-	-	49,311
Other non-cash items	3,843	921	4,263
Cash flow from operating activities before financial items and tax	**-18,535**	**-17,500**	**76,022**
Taxes paid	-828	-119	-3,738
Interest paid and realised currency losses	-11,434	-10,490	-42,891
Interest received and realised currency gains	12,687	12,687	55,005
Cash flow from operating activities	**-18,110**	**-15,422**	**84,398**
Cash flow from investing activities			
Acquisition/disposal of property, plant and equipment	-299	-364	-1,898
Acquisition of enterprises	-	-	-2,816
Purchase of other investments	-68	-	6,539
Investments in subsidiaries, joint ventures and associ-ates	-2,103	-907	-15,396
Loans to subsidiaries	-57,131	-108,293	-130,036
Loans to joint ventures and associates	-262	1,102	-1,775
Cash flow from investing activities	**-59,863**	**-108,462**	**-145,382**

EURk	Q1 2024	Q1 2023*	FY 2023
Cash flow from financing activities			
Proceeds from Credit Institutions	61,947	-	-
Proceeds from issue of bonds	-	74,704	74,703
Capital increase through exercise of warrants	1,616	-	175
Purchase of treasury shares	-	-	-280
Payments to subsidiaries	24,728	7,829	-13,167
Proceeds from issue of hybrid capital	-	99,050	113,930
Repayment of hybrid capital	-	-92,550	-150,000
Coupon payments, hybrid capital	-12,363	-1,957	-4,809
Cash flow from financing activities	**75,928**	**87,076**	**20,552**
Change in cash and cash equivalents	**-2,045**	**-36,808**	**-40,432**
Total cash and cash equivalents at 1 January	5,573	46,006	46,006
Total cash and cash equivalents end of period	**3,528**	**9,198**	**5,574**
Cash and cash equivalents	3,496	9,198	5,542
Restricted cash and cash equivalents	32	-	32
Total cash and cash equivalents end of period	**3,528**	**9,198**	**5,574**

*Comparative figures for Q1 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Statement of shareholders' equity

	Q1 2024								
EURk	**Share capital**	**Share premium**	**Reserves (equity meth- od)**	**Hedging reserve**	**Treasury shares**	**Retained earnings**	**Total**	**Hybrid capital**	**Total Parent**
Equity at 1 January 2024	**40,624**	**1,911**	**37,400**	**-24,440**	**-461**	**241,541**	**296,575**	**115,000**	**411,575**
Profit/loss for the period	-	-	-15,560	-	-	-18,836	-34,396	12,363	-22,033
Other comprehensive income									
Value adjustments of hedging instruments	-	-	19,793	1,078	-	-	20,871	-	20,871
Tax of value adjustments of hedging instruments	-	-	-4,321	-247	-	-	-4,568	-	-4,568
Currency translation of foreign operations	-	-	-774	-	-	-	-774	-	-774
Other comprehensive income	**-**	**-**	**14,698**	**831**	**-**	**-**	**15,529**	**-**	**15,529**
Total comprehensive income	**-**	**-**	**-862**	**831**	**-**	**-18,836**	**-18,867**	**12,363**	**-6,504**
Transactions with owners									
Exercise of warrants	212	1,404	-	-	-	-	1,616	-	1,616
Share-based compensation expenses	-	-	-	-	-	1,343	1,343	-	1,343
Coupon payments, hybrid capital	-	-	-	-	-	-	-	-12,363	-12,363
Other adjustments	-	-	30	-	-	-30	-	-	-
Other transactions	-	-	-185	-	-	-75	-260	-	-260
Total transactions with owners	**212**	**1,404**	**-155**	**-**	**-**	**1,238**	**2,699**	**-12,363**	**-9,664**
Equity at 31 March 2024	**40,836**	**3,315**	**36,383**	**-23,609**	**-461**	**223,943**	**280,407**	**115,000**	**395,407**

The share capital consists of nom. 303,909,613 shares of DKK 1 each, corresponding to EUR 40,836 thousand. The share capital is fully paid in.

The Equity Treasury share reserve comprises the cost of the parent company's shares held by the Group, and is recognised as retained earnings and reserves in the equity. At 31 March 2024, the Group held nom. 162,762 shares of DKK 1 each corresponding to EUR 22 thousand of the parent company's shares. The shares have been bought back under the warrant program, where the parent company has a right, but not an obligation, to buy back shares from resigned employees.

The obligation to pay coupon payments on hybrid capital is at the discretion of European Energy A/S, and treated as dividend. Accumulated coupon payments as per 31 March 2024 amounts to EUR 2.2 million, which will reduce retained earnings if European Energy A/S does not elect to defer coupon payment on the next interest payment date in January 2025.

Statement of shareholders' equity, continued

	Q1 2023*								
EURk	**Share capital**	**Share premium**	**Reserves (equity method)**	**Hedging reserve**	**Treasury shares**	**Retained earnings**	**Total**	**Hybrid capital**	**Total Parent**
Equity at 1 January 2023	**40,602**	**1,758**	**35,902**	**-22,538**	**-181**	**169,734**	**225,277**	**150,000**	**375,277**
Profit/loss for the period	-	-	5,525	-	-	-11,112	-5,587	1,957	-3,630
Other comprehensive income									
Value adjustments of hedging instruments	-	-	-10,043	-4,484	-	-	-14,527	-	-14,527
Tax of value adjustments of hedging instruments	-	-	1,988	986	-	-	2,974	-	2,974
Currency translation of foreign operations	-	-	1,274	-	-	-	1,274	-	1,274
Other comprehensive income	**-**	**-**	**-6,781**	**-3,498**	**-**	**-**	**-10,279**	**-**	**-10,279**
Total comprehensive income	**-**	**-**	**-1,256**	**-3,498**	**-**	**-11,112**	**-15,866**	**1,957**	**-13,909**
Transactions with owners									
Regulation on disposal of companies	-	-	-98	-	-	98	-	-	-
Share-based compensation expenses	-	-	-	-	-	1,227	1,227	-	1,227
Issue of hybrid capital	-	-	-	-	-	-950	-950	100,000	99,050
Coupon payments, hybrid capital	-	-	-	-	-	-	-	-92,550	-92,550
Other adjustments	-	-	888	-	-	-888	-	-1,957	-1,957
Other transactions	-	-	-	-	-	-93	-93	-	-93
Total transactions with owners	**-**	**-**	**790**	**-**	**-**	**-606**	**184**	**5,493**	**5,677**
Equity at 31 March 2023	**40,602**	**1,758**	**35,436**	**-26,036**	**-181**	**158,016**	**209,595**	**157,450**	**367,045**

*Comparative figures for Q1 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

The share capital consists of nom. 302,168,583 shares of DKK 1 each, corresponding to EUR 40,602 thousand. The share capital is fully paid in.

The Equity Treasury share reserve comprises the cost of the parent company's shares held by the Group, and is recognised as retained earnings and reserves in the equity. At 31 March 2023 the Group held nom. 95,512 shares of DKK 1 each corresponding to EUR 13 thousand of the parent company's shares. The shares have been bought back under the warrant programme, where the parent company has a right, but not an obligation, to buy back shares from resigned employees.

The obligation to pay coupon payments on hybrid capital is at the discretion of European Energy A/S, and treated as dividend. Accumulated coupon payments as per 31 March 2023 amounts to EUR 3.7 million, which will reduce retained earnings if European Energy A/S does not elect to defer coupon payment on the next interest payment date in September 2023.

Management's Statement

150 MW

Troia Solar Park, Italy

Statement by the Board of Directors and Management Board

The Board of Directors and the Management have considered and adopted the Interim Report of European Energy A/S for the period 1 January – 31 March 2024. The Interim Report is presented in accordance with the International Accounting Standard IAS 34 on Interim Financial Reporting.

The accounting policies applied in the Interim Report are consistent with those applied in the Group's Annual Report 2023.

We consider the accounting policies appropriate, accounting estimates reasonable and overall presentation of the Interim Report adequate. Accordingly, we believe that the Interim Report gives a true and fair view of the Group's financial position, results of operations and cash flows for the period.

In our opinion, the Interim Report includes a true and fair account of the matters addressed and describes the most significant risks and elements of uncertainty facing the Group.

The Interim Report has not been audited or reviewed by the auditors.

Søborg, 31 May 2024

Registered Executive Management

Knud Erik Andersen

Board of Directors

Jens Due Olsen
Chair

Keiro Tamate
Deputy Chair

Knud Erik Andersen

Mikael Dystrup Pedersen

Hilde Bakken

Jesper Helmuth Larsen

Claus Dyhr Christensen

Disclaimer and cautionary statement

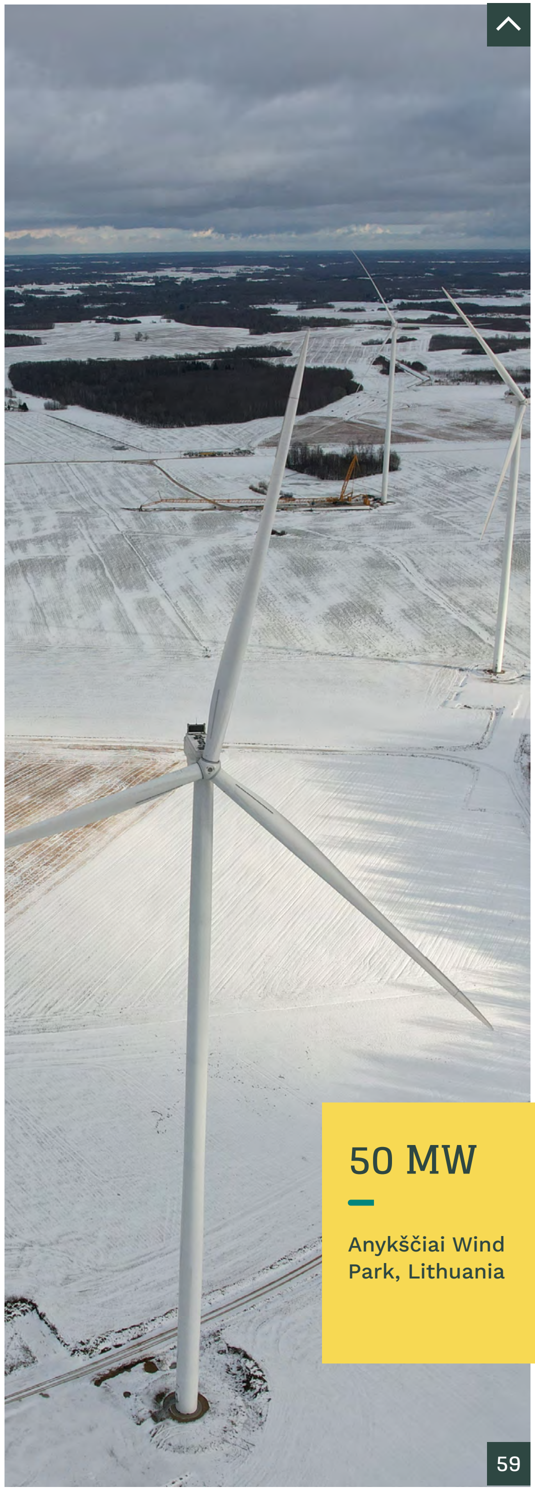
This document contains forward-looking statements concerning European Energy's financial conditions, results of operations and business activities.

All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on Management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

Forward-looking statements include, among other things, statements concerning potential new accounting standards and policies, and European Energy's potential exposure to market risks and statements expressing Management's expectations, beliefs, estimates, forecasts, projections and assumptions. There are a number of factors that could affect European Energy's future operations and could cause European Energy's results to differ materially from those expressed in the forward-looking statements included in this document, including (without limitation):

- changes in demand for European Energy's products;
- currency and interest rate fluctuations;
- loss of market share and industry competition;
- environmental and physical risks;
- legislative, fiscal and regulatory developments, including changes in tax or accounting policies;
- economic and financial market conditions in various countries and regions;
- political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, and delays or advancements in the approval of projects;
- ability to enforce patents;
- project development risks;
- cost of commodities;
- customer credit risks;
- supply of components from suppliers and vendors; and
- customer readiness and ability to accept delivery and installation of products and transfer of risk.

All forward-looking statements contained in this document are expressly qualified by the cautionary statements contained or referred to in this statement. Undue reliance should not be placed on forward-looking statements. Each forward-looking statement speaks only as of the date of this document. European Energy does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events other than as required by Danish law. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.



50 MW

Anykščiai Wind Park, Lithuania

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