Annual Report 2023

A year of growth and resilience

European Energy A/S - Gyngemose Parkvej 50 - DK-2860 Søborg - Reg. no. 18351331

Table of contents

Management's Review

Sustainability statements

Financial statements

Frontpage image: Derly Mateus, Project Manager at European Energy at Troia Solar Park in Italy.

Vision statement

We aim to be a major global force in driving the green transition

Management's Review

Growth and resilience in a turbulent year

In 2023, European Energy continued to achieve the expected growth in revenue and earnings.

2023 was another record year for European Energy. We increased EBITDA by 27% from EUR 140m to EUR 178m. Similarly, we increased profit before tax by 10% from EUR 115m to EUR 126m. Since 2020, EBITDA has almost tripled.

This financial performance is also reflected in our greenhouse gas emissions. In 2023, we avoided greenhouse gas emissions of 434,962 tonnes CO_2e by producing 1,870 GWh of renewable energy at our wind farms and solar parks, which is an increase of 140% compared to avoided greenhouse gas emissions of 181,195 tonnes CO_2e in 2022.

At European Energy, we support the standardisation of sustainability reporting, and we want to drive the sustainability agenda forward. Integrating ESG performance indicators with financial performance indicators is not only in compliance with regulatory requirements, but also reflects the close connection of core business with our planet's sustainable development. In accordance with this, we have integrated Sustainability and ESG performance indicators into our 2023 Annual Report, as one integrated annual report.

This year's growth results from deliveries across our business activities. We have set new records for the power generated from our plants, in MW of divested projects, and in MW of new grid connections.

To support future growth, it is positive that our development pipeline (i.e. excluding screening) set a new record of 39 GW at this year-end, with growth of 26% from 31 GW at the end of 2022.

These results should be seen in the light of a year with challenging market conditions for developer companies like European Energy: High interest rates have challenged investment decisions and slowed down M&A activities, and energy prices have fallen significantly to more stable and balanced levels, impacting earnings, compared to 2021 and 2022.

Our achievements thus demonstrate the resilience of European Energy's business model – and the 713 employees' dedication to driving the business forward.

Partnerships continue to be an important part of European Energy's business model by contributing capital, sharing risks or bringing in required competences. In 2023, we partnered with Mitsui & Co. in our Power-to-X business, with their investment in our frontrunning e-methanol project in Kassø, Denmark, and with TotalEnergies on offshore wind in Denmark, Sweden and Finland.

> To successfully steer through a year with unfavourable market conditions and still deliver guided 30% growth in EBITDA is a testimony to the resilience of European Energy's business model – and to our organisation's 713 employees, who are dedicated to driving the business forward

The fact that partnerships are not only relevant at project level was apparent in January 2024, when Mitsubishi HC Capital signed up for 20% ownership of European Energy. This will substantially increase our equity, enabling a new wave of growth consolidating our ambition as a significant global renewable energy player.

On a political level, throughout the year we saw continued strong support for renewable energy across our markets, not least in the EU, where we saw a strong focus on implementing RePowerEU, with a emphasis on speeding up the permit processes. At the same time, a cautious approach was taken to the reform of the electricity market announced at the end of 2022. The EU agreed on a solution that will ensure healthy competition in the electricity market, for the future benefit of EU citizens, without undermining the well-functioning elements of the market.

2023 also marks the end of our previous business strategy whereby we focused on expanding our business capacity, developing our competences in new technologies such as Power-to-X, and scaling and professionalising our organisation to cope with the high pace of growth.

Our ambitious targets have been achieved, and now we look forward to a new 2026 strategy period. We target to be a global major in the green transition.

In 2024, we expect to increase EBITDA by approximately 30% to EUR 230m.

Jens Due Olsen
Chair

Knud Erik Andersen
CEO

Main events 2023

January

Received permits for 412 MW across the UK, Italy and Lithuania

February

For the first time since its founding, European Energy reached one GW of capacity in owned assets

March

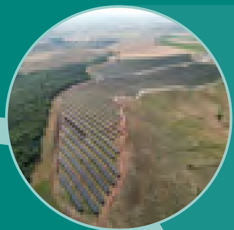
European Energy and Asahi Europe & International sign a PPA to offtake power from new-to-be-built Marksbury Solar Farm, 19 MW, in England

April

European Energy signs an agreement with the LEGO Group and Novo Nordisk on the supply of e-methanol

May

- Groundbreaking of the Kassø Power-to-X facility, as well as the official opening of Kassø Solar Farm in Denmark
- Vårgrønn and EE partner up on Baltic offshore development
- EE North America sells a 350 MW solar project in Texas to Osaka Gas USA
- EE North America adds 700 MW of Colorado solar projects to the pipeline



June

- European Energy signs a PPA with Faerch in the UK
- European Energy divests a 20 MW solar project in Sicily, Italy

July

European Energy and Mitsui agree on sale of 49% of Kassø Solar Park and the Kassø e-methanol facility in Denmark

August

European Energy fuelled our Power-to-X expansion through a biogenic CO_2 sourcing agreement with Montauk Renewables in North America. Biogenic CO_2 can be used for e-methanol facilities that will produce e-fuels

September

- The divestment of 49% of the Kassø Solar Park and the Kassø e-methanol facility to Mitsui was completed
- TotalEnergies and European Energy agreed on the intention to jointly develop, build and operate a 65/35 joint venture for at least 4 GW of onshore renewable energy projects in multiple geographies

October

European Energy wins Danish Power-to-X tender to start the next generation of e-fuel production

November

- Ammongas, a division of European Energy, installs biogas upgrading facility in New York
- European Energy and Petrobras evaluate potential opportunities for an e-methanol facility in Brazil
- European Energy unveils a novel EUR 150m portfolio financing facility to propel renewable energy projects in Northern Europe
- European Energy divests two ready-to-build projects for 231 MW in total in Italy

December

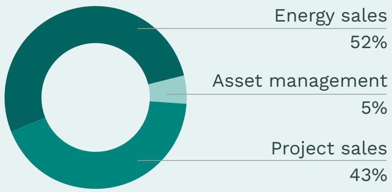
European Energy successfully divests more than 100 MW of renewable energy projects in Germany and the United Kingdom

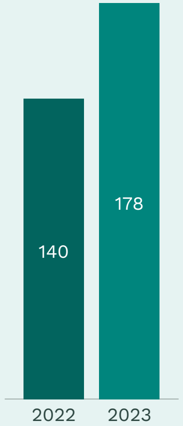
Financial highlights

EBITDA

EURm

+27%



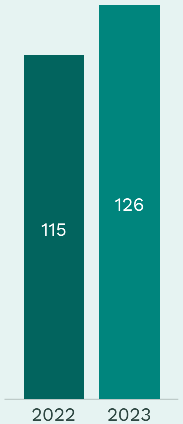


EBITDA increased to EUR 178m or 27%, which is a record-high result and met our 2023 financial outlook. The increase in EBITDA stems mainly from sale of energy parks and projects (including re-evaluation gain from Kassø), partly counterbalanced by a small decrease in profits from sale of power and an increase in staff costs and other external expenses as a consequence of higher activity.

Profit before tax

EURm

+10%

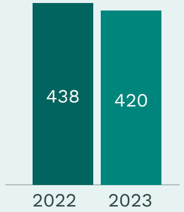


Profit before tax increased to EUR 126m, with growth of 10% compared to last year, and well within the guided outlook of EUR 140m +/- 20%. The increase in the profit before tax stems mainly from the increase in EBITDA, partly counterbalanced by increases in depreciation and net financial expenses.

Revenue

EURm

-4%

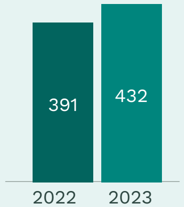


Revenue decreased by 4%, mainly due to lower project sales, partly offset by increased sales of energy and asset management services.

Equity

EURm

+11%

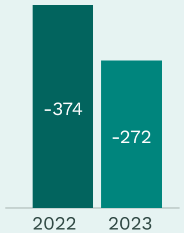


Equity increased by EUR 41m to EUR 432m, mainly as a result of the profit for the period, partly offset by negative fair value adjustments on hedging instruments and net redemption of hybrid capital.

Cash flow from operating activitives

EURm

+27%



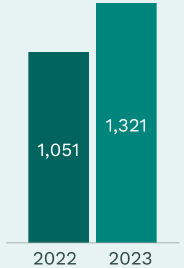
Cash flow from operating activities improved by 27%, mainly as a result of increased profit and a lower increase in inventories.

Inventory

EURm

+26%

Inventory increased by EUR 270m or 26%, which is lower growth than last year, as overall construction activities were slightly lower due to difficult market conditions and the Kassø Power-to-X plant was deconsolidated following the 49% divestment to Mitsui.

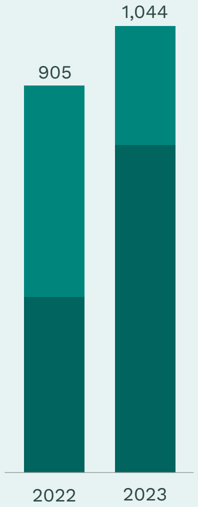


We met our guiding targets for 2023

Business highlights

Power producing assets
MW

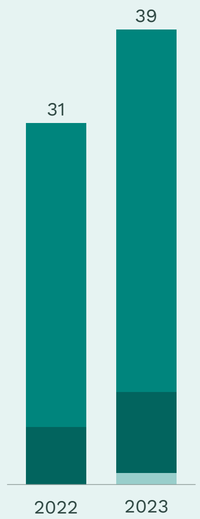
+15%



During 2023, our power producing capacity increased further by 139 MW to 1.044 MW, as the net result of new renewable energy parks being successfully grid-connected and the divestment of 357 MW of operating solar and wind parks during 2023 (including the deconsolidation of Kassø solar park).

Development pipeline
GW

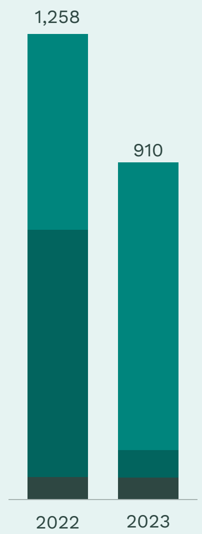
+26%



In 2023, our development pipeline increased by 26% to 39 GW, reflecting the efforts of the project development organisation, and which will ensure a steadily increasing flow of ready-to-build projects and construction of renewable energy farms in the years to come.

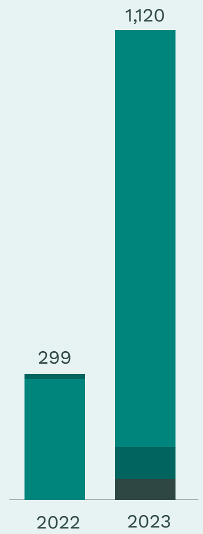
Under construction
MW

-28%



At the end of 2023, we had 910 MW of projects under construction, a decline of 348 MW compared to the end of 2022. This reflects a record-high number of MW being COD'ed during 2023, as well as lower new construction activity initiated, due to difficult market circumstances.

Divested capacity
MW



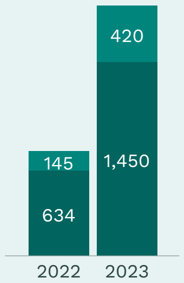
European Energy divested a total capacity of 1.1 GW during 2023, with 713 MW as ready-to-build projects and 407 MW as operating parks. In 2022 the total divested capacity where 299 MW, hereof 39 MW ready-to-build projects and 260 MW as operating parks.

Power-to-X Other

Sustainability highlights

Renewable energy production

1,870 GWh

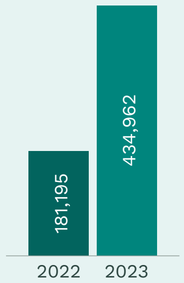


We are a 100% renewable energy company. In 2023, we produced a total of 1,870 GWh wind power and solar power, which is an increase of 140% compared to 2022.

Avoided greenhouse gas emissions

434,962

tonnes CO_2e



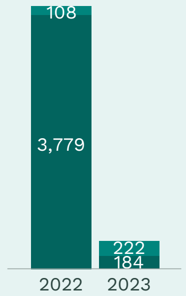
We avoided 434,962 tonnes of CO_2e GHG emissions through the 1,870 GWh renewable energy we produced in 2023, which is 140% more than in 2022.

Greenhouse gas emissions

(Scope 1 and 2)

406

tonnes CO_2e



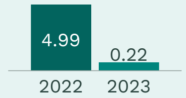
100% of power purchased for own consumption was certified renewable energy in 2023. Our market-based indirect GHG emissions (scope 2) declined accordingly.

Greenhouse gas emission intensity

(Scope 1 and 2)

0.22

g CO_2e/kWh

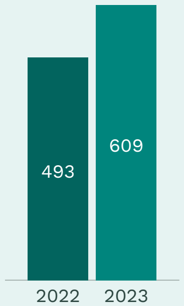


The greenhouse gas emission intensity (scope 1 and 2) was 0.22 g CO_2e/kWh in 2023, which is significantly lower when compared to 4.99 CO_2e/kWh in 2022.

Employee

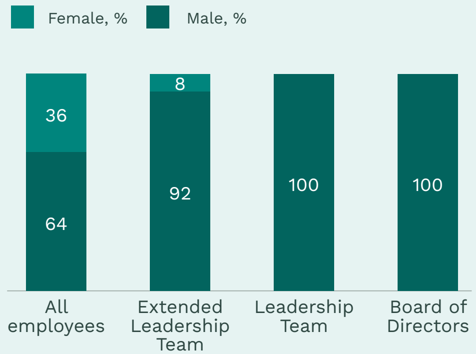
Full time equivalents

609 FTE



Our workforce grew by 24% from 493 employees in 2022 to 609 employees in 2023. We recognise that our employees are our most essential resource.

Gender diversity



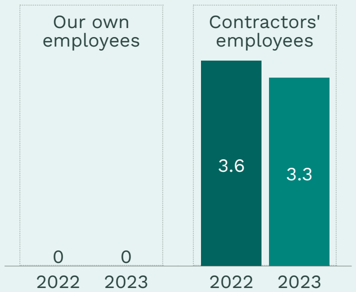
In 2023, we did not succeed in increasing the gender diversity of our workforce. Despite this, our high ambitions are maintained, with a target of 40/60 across all levels.

Safety

Lost time injury rate

0 EE

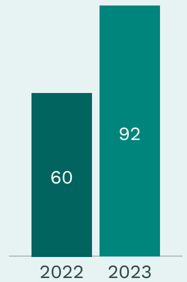
3.3 CE



The lost time injury rate of our contractors' employees of 3.3 is a slight improvement compared to the year before. The rate for our own employees remains 0.

Supplier due diligence

92 %



To ensure responsible business practices, we conducted risk screening of 92% of our critical suppliers in 2023, bringing us close to our target of 100%.

Key figures and financial ratios

EURk	2023	2022*	2021	2020	2019
Income Statement					
Revenue	420,255	438,077	328,653	206,962	238,804
Direct costs	-251,041	-270,440	-226,407	-132,946	-190,614
Gross profit	238,116	186,671	104,516	73,946	57,529
EBITDA	**178,438**	**140,106**	**81,224**	**61,197**	**44,305**
Operating profit	154,515	125,155	63,799	49,526	38,411
Net financial items	-28,914	-10,441	-1,075	-11,751	-969
Profit before tax	**125,601**	**114,714**	**62,724**	**37,775**	**37,442**
Tax	-12,598	-16,360	-5,091	-8,109	-1,461
Profit for the year	113,003	98,354	57,633	29,666	35,981
Balance sheet					
Property plant and equipment	177,853	155,756	157,283	130,594	134,213
Inventories	1,320,526	1,051,000	524,830	325,211	227,131
Total assets	2,027,600	1,744,410	1,174,002	739,817	605,671
Hybrid capital	115,000	150,000	150,000	75,000	-
Equity	432,484	391,354	350,488	235,268	137,603
Net interest-bearing debt (NIBD)	1,229,897	892,815	427,794	303,730	302,657
Net interest-bearing debt (excluding hybrid capital)/EBITDA	6.9	6.4	5.3	5.0	6.8
Gearing (NIBD as % of group equity)	284%	228%	122%	129%	220%
Cash flow statement					
Cash flow from operating activities	-272,096	-374,341	-114,775	-35,616	19,684
Change in inventories	-342,427	-479,039	-188,724	-92,446	153
Cash flow from operating activities, excluding inventories	70,331	104,698	73,949	56,830	19,531
Investments in property, plant, and equipment	10,655	10,337	46,484	3,831	1,330
Cash flow from investing activities	-13,271	-25,054	-63,165	-22,975	-11,594
Cash flow from financing activities	194,443	381,860	283,409	66,961	36,934
Change in cash and cash equivalents	-90,924	-17,535	105,469	8,370	54,936

EURk	2023	2022*	2021	2020	2019
Financial key figures					
Gross margin	**57%**	**43%**	**32%**	**36%**	**24%**
EBITDA margin	42%	32%	25%	30%	19%
Group solvency ratio	21%	22%	30%	32%	23%
Return on equity (average)	27%	27%	20%	16%	29%
Average number of full-time employees (IFRS)	615	431	265	168	117
Number of employees end of year	713	550	343	203	148
Earnings per share, basic	0.34	0.27	0.17	0.06	0.09
Earnings per share, diluted	0.33	0.26	0.17	0.05	0.09
Number of outstanding shares (1,000), excluding treasury shares	302,166	302,073	301,807	300,860	300,145

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

For a definition of key figures and ratios, see Note 7.6

Sustainability key figures

	Unit	2023	2022	2021
Energy production and consumption				
Renewable share of energy production	%	100	100	100
-Wind power	%	78	81	70
-Solar power	%	22	19	30
Renewable energy production	GWh	1,870	779	606
-Wind power	GWh	1,450	634	425
-Solar power	GWh	420	145	181
Direct and indirect energy consumption (total)	MWh	11,972	9,582	-
Renewable share of total direct and indirect energy consumption	%	42	45	-
Direct energy consumption (GHG - Scope 1)	MWh	828	404	-
Fuels used for vehicles and vessels	MWh	828	404	-
Indirect energy consumption (GHG - Scope 2)	MWh	11,144	9,178	-
Power sourced for own consumption	MWh	9,293	7,700	-
-covered by renewable energy certificates	%	100	25	-
Heat sourced for own consumption	MWh	1,851	1,478	-
Avoided greenhouse gas (GHG) emissions				
Avoided GHG emissions	Tonnes CO_2	434,962	181,195	140,956
Greenhouse gas (GHG) emissions (Scope 1 and 2)				
Direct GHG emissions (Scope 1)				
Total direct GHG emissions (Scope 1)	Tonnes CO_2	222	108	-
Indirect GHG emissions (Scope 2)				
Location-based indirect GHG emissions (Scope 2)	Tonnes CO_2	2,974	2,627	-
Market-based indirect GHG emissions (Scope 2)	Tonnes CO_2	184	3,779	-
Greenhouse gas (GHG) intensity (Scope 1 and 2)				
GHG emissions intensity, energy production	g CO_2e/kWh	0.22	4.99	-
GHG emissions intensity, revenue	g CO_2e/EUR	0.97	8.87	-
GHG emissions intensity, EBITDA	g CO_2e/EUR	2.27	28.90	-

	Unit	2023	2022	2021
People				
Employees (total number of employees (31. December)	FTEs	609	493	313
Employee turnover (Total employee turnover rate)	%	20.3	13.9	12.1
Employees who are satisfied with their job	%	84	-	80
Diversity **Gender with the lowest representation / female**				
Board of Directors, European Energy A/S	%	0	14	0
Leadership Team	%	0	0	0
Extended Leadership Team	%	8	9	24
All employees	%	36	38	39
Average age of employees	Years	39	39	40
Number of nationalities	Number	43	37	30
Safety				
Lost Time Injury Rate (LTIR) - own employees	Per million hours	0.0	0.0	4.5
Lost Time Injury Rate (LTIR) - contractors' employees	Per million hours	3.3	3.6	5.0
Fatalities	Number	0	0	0
Business accountability				
Supplier due dilligence				
Critical supplier risk screenings	%	92	60	33
Anti-corruption and anti-bribery				
Employees who have completed online anti-corruption and anti-bribery course	%	82	80	90
Stakeholder engagement				
Stakeholder engagement plans implemented	%	25	39	-
Whistleblower cases				
Substantiated whistleblower cases	Number	0	2	0
Whistleblower cases transferred to the police	Number	0	0	0

Our global footprint

European Energy holds a strategic portfolio of 25 markets, to deliver on our agenda of diversification and optionality. Our footprint resides predominantly in lower-risk OECD markets, of which ~95% of the pipeline resides in OECD markets and 75% in EU markets. Here, we hold expertise and local capability, and can display a proven track record of value creation and attractive returns across either parts of, or the full value chain. In its totality, our geographical presence captures ~70% of projected global RES build-out towards 2028 (excluding China).

Northern Europe

With a longstanding track record in Northern Europe, we have established ourselves as a key player in markets such as Denmark, the UK, Lithuania and Sweden. We hold a pipeline of over 30 GW and with various renewable energy technologies. As of December 2023, we have over 80 employees in the region, focusing on the development of additional renewable energy projects. Our strategic focus includes the continued construction of several MWs in multiple markets, alongside the ongoing development of new projects spanning all technologies.

Central Europe

In Central Europe, our company legacy is deeply rooted, particularly in Germany and Poland. Our pipeline exceeds 10 GW, encompassing Solar PV, Onshore Wind, Storage and PtX projects. Over 100 people, both in project development, construction and asset management, and in cross-functional roles, are dedicated to these markets. Expectations for the next few years include continued construction in established markets and the initiation of projects in emerging markets.

Southern Europe

In Southern Europe, most of our markets have projects in the developing stage, with Italy leading the way. Currently, we have around 8 GW in the pipeline across Solar PV and Onshore Wind. Today, 40 employees reside in our Southern European markets. Our strategic vision involves expanding our construction efforts in the coming three years.

South America

In Brazil, our operations span the development, construction and operation of energy projects. The market for European Energy has a more established history, and we currently hold around 2 GW in our pipeline. Our projects predominantly feature Solar PV, supplemented by Onshore Wind and a growing interest in PtX applications. With 14 employees as of December 2023, and local offices, our focus for the upcoming strategy period involves further project development of Solar PV and Wind, while also exploring PtX opportunities, through a strategic partnership with local player PetroBras.

North America

In the US, our focus is on developing cutting-edge projects in the energy sector. While the energy efficiency market is relatively new, we have successfully established ourselves with over 4 GW in the pipeline. Our projects primarily involve Solar PV, supplemented by storage, and anticipated growth in Power-to-X applications over the next three years. As of December 2023, we have 8 employees and a local office.

Oceania

In Australia, we are actively involved in developing projects within Solar PV and Onshore Wind, with the construction phase for the first projects expected in the next three years. This market shows great potential, with over 8 GW in our pipeline, primarily from Solar PV projects. With around 15 employees and a local office established, we are positioned to capitalise on the opportunities in the Oceania region.

Outlook

Achieving 2023 targets

We announced the 2023 financial outlook on 28 February 2023. EBITDA and profit before tax were expected to be EUR 180m and EUR 140m[1], respectively, with a risk margin of +/- 20%. With a final EBITDA for the year of EUR 178m and a profit before tax of EUR 124m[2], the targets for the year were achieved, despite the challenging market conditions. This is the fifth consecutive year that European Energy has reached or exceeded our financial guidance.

Outlook for 2024

For the 2024 financial year, we expect growth in our financial results compared to 2023, due to continued expansion of European Energy's activity level.

Our outlook is based on a balanced set of assumptions, although there are factors associated with developing and constructing solar, wind and Power-to-X projects that could meaningfully impact our achieved results. On the risk side, during 2022-23 we saw significant increases in financial market volatility, impacting power prices, inflation and interest rates, and adversely affecting power sales and project sales during 2023.

Market volatility and inflation declined during 2023 and inflation appears to be under control. On the back of declining inflation, long-term interest rates have also fallen. If any of these development trends is detrimentally reversed, new adverse financial impacts might be experienced. Other factors that could have negative impacts on the Group's ability to meet its goals are the success in obtaining relevant permits, a delay in grid connection upgrade works, the supply chain, negative events in the power markets, regulatory changes or delays in the timing of asset divestments.

Based on the above, we expect EBITDA of EUR 230m for 2024, equivalent to growth of approximately 30% over realised EBITDA in 2023. We expect that the result will fluctuate over the quarters as usual, depending upon the timing of larger divestment of energy parks.

Profit before tax[3] is also expected to continue to grow, but at a lower rate than EBITDA. We assess that the aforementioned risk factors constitute a less risky environment compared to last year and could therefore only impact realised EBITDA by a margin of +/- 10% compared to the outlook.

EBITDA 2024 outlook increase by approx. 30% compared to 2023

> We expect to continue our growth in financial results and activity level.

1) Based on an assessment of EUR 0m in financial impact from power hedging instruments.
2) 2023 profit before tax of EUR 126m, reduced by EUR 2m in realised financial impact on P&L from power hedging instruments.
3) Based on an assessment of EUR 0m in financial impact from power hedging instruments and FX.

Strategy and insights

The renewable energy market

In this section we will take a look at macro trends impacting our business. We will dive into the climate and political environment, the business environment, the development in power prices and the offtake market, and finally, the operational environment.

Climate change drives increased political ambition

The need for climate action is critical

Climate change did not slow down in 2023; instead, it intensified its impact. The year 2023 was the hottest ever recorded in human history, with the global average temperature surging by 1.4°C above pre-industrial levels. This rise puts the world close to exceeding the critical limit of 1.5°C set by the Paris Agreement - a point beyond which scientists warn that global ecosystems will struggle to adapt.

Global CO_2 emissions from fossil fuels continued to rise in 2023. Europe, however, witnessed a shift, as it embarked on a downward trajectory in fossil fuel emissions. This trend was particularly pronounced in the realm of power generation, where significant emission reductions were achieved.

This year's development once again underlined the importance of an accelerated green transition.

A year of political progress

During 2023, political initiatives to support the development of renewable energy were continued across European Energy's main markets. In the EU, the political focus centred around the implementation of RePowerEU, as emergency regulation and a new Renewable Energy Directive were adopted, to support the increase in permits for renewable energy. This shift should grant wind and solar power projects priority status in member states' permit procedures, streamlining public permit processes.

This development illustrates a notable departure from the European Commission's 2022 proposal to introduce windfall taxes on inframarginal electricity producers, which challenged the viability of renewable energy projects across the EU. Instead, European regulators reached an agreement to reform the electricity market, with far less impact on renewable energy projects developed on market terms, while still ensuring competitive electricity prices for European consumers.

In Denmark, European Energy's home market, a new government assumed office in late 2022, firmly articulating its aspirations to quadruple onshore renewable energy generation by 2030. This commitment was reinforced in December when all political parties in the Danish Parliament reached an agreement to accelerate onshore renewable energy deployment significantly.

Concrete financial support for the green transition

2023 was marked by several European governments' decisions to increase state subsidies to counter the recent adoption of the Inflation Reduction Act in the US. In Denmark, European Energy successfully participated in the world's first green hydrogen tender, securing state subsidies of more than DKK 1 billion. In the EU, the European Hydrogen Bank committed to channelling a total of EUR 3 billion into additional green hydrogen projects in the coming years. Simultaneously, the German government elevated its renewable energy ambitions, offering state aid for future energy ventures and wind turbine technology manufacturers. Just prior to Christmas, the Danish Government unveiled similar initiatives. In the US, the Inflation Reduction Act has incentivised American expansion of renewable energy significantly. Nonetheless, the US' Anti Inflation Reduction Act continues to outpace the European initiatives.

Accelerating green hydrogen development

In June, the European Commission's final adoption of guiding rules for green hydrogen producers brought clarity for investments in green hydrogen projects. While not yet fully matured, the deployment of green hydrogen generated from renewable sources, such as solar and wind power, gained momentum. European Energy commenced the construction of two green hydrogen facilities in Denmark in 2023, with expectations of green fuel production commencing in 2024. Simultaneously, several national governments, including Germany and Denmark, initiated plans for a green hydrogen infrastructure by announcing significant investment decisions.

In alignment with the Inflation Reduction Act, the US Administration announced the establishment of 6-10 hydrogen hubs, emphasising its commitment to establishing regulatory frameworks for future renewable energy and green fuel development. Just before Christmas, the US Government expressed its intention to harmonise future green hydrogen regulations with recent European rules, creating market opportunities for green hydrogen producers on both sides of the Atlantic.

Welcoming standardised sustainability requirements

Since the approval of the European Green Deal in 2020, various initiatives have been launched to support the green energy transformation, with the ultimate goal of achieving climate neutrality by 2050. As a significant development within the EU Green Deal, the European Parliament ratified the European Sustainability Reporting Standards (ESRS) in 2023. The ESRS will come into effect through the Corporate Social Reporting Directive (CSRD) in 2024, mandating compliance with the ESRS for all large and listed companies.

The ESRS will establish standardised disclosure requirements, empowering companies to navigate their sustainable journey while addressing material and strategically relevant sustainability impacts, risks and opportunities. Standardised sustainability reporting will also aid investors and financial institutions in making informed choices that align with a sustainable economy.

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

1.4°C

Increase in average global temperature in 2023. The hottest year ever recorded in human history.

Business environment

Positive sentiment in financial markets with expectations of lower interest rates

For capital-intensive industries such as renewable energy, higher interest rates, in particular long-term interest rates, will increase the cost of capital and increase return expectations for investors. Higher inflation expectations pushed up long-term interest rates in 2022 and the first part of 2023, which impacted European Energy's divestment opportunities and increased interest expenses.

Among other things, short-term interest rate increases successfully reduced inflation expectations and long-term interest rates declined during the second part of 2023. This will reduce European Energy's funding costs gong forward and is expected to gradually improve the market for divestment of assets.

Improving the M&A market after a significant slowdown

The M&A landscape for renewable energy projects experienced a notable shift, from a seller's advantage in 2022 to a buyer's market, leading to a substantial slowdown in transaction activity, particularly in the first half of 2023 - a trend also experienced by European Energy. This transition was driven by several factors, including:

- Significant volatility and uncertainty in key value drivers for renewable energy projects, such as power prices and ongoing regulatory discussions, including windfall taxes and potential revisions to power pricing regimes in Europe.
- The significant increases in interest rates experienced from 2022 and into 2023, causing investor return requirements to increase in parallel.
- An inflation spike, introducing some market uncertainty regarding construction costs for renewable energy assets
- The need for institutional investors to rebalance their portfolios, reducing their appetite for illiquid investments such as renewable energy projects.

Throughout 2023, both buyers and sellers of renewable energy projects saw a period of recalibration, gradually leading to a modest upswing in M&A activity. However, this activity remained considerably below the levels seen in 2022. Despite the slowdown, the valuations of executed M&A deals at European Energy yielded profits consistent with previous years. Looking ahead to 2024, European Energy anticipates an improvement compared to 2023, but expects the market conditions to continue to favour buyers.

10Y EUR interest rate

Power prices and offtake market developments

Power prices down after record prices in 2022

Wholesale power prices in 2023 decreased significantly from the record-high levels in 2022. The annual DK1 average wholesale price declined from EUR 219/MWh to EUR 87/MWh. Each quarter performed lower than the previous quarter in 2023, with Q1 starting from EUR 110/MWh and ending at EUR 72/MWH in Q4. Correspondingly, forward expectations of market prices have retraced.

Compared to 2022, generation from conventional power (coal and gas) was offset by increased generation from solar, wind and hydro. In addition, overall European electricity demand declined by 3% year-on-year, driven by EU calls for demand restraint as a consequence of the energy crisis. This development in supply and demand, coupled with diminished supply uncertainty (for gas), and weather conditions for renewables, helped drive down spot prices.

Increased PPA activity and EU market reform aim to promote even more PPAs

In 2023, 293 major PPA transactions were announced in Europe, which is an increase of 70% compared to 2022, when 172 PPAs were announced. Germany and Spain are once again the countries with the most PPAs announced (51 and 50 in 2023). New PPA buyers continue to come to market, to address the green agenda. The first Power-to-X PPA has also been signed, as the industry develops and looks to secure green power supplies.

The EU windfall tax on inframarginal generation was in place from 1 December 2022 to 30 June 2023 in most member states. As the price cap was set at EUR 180/MWh, it was only seldom applied and had little effect. The EU has reached a provisional agreement on a suggested reform of the European power market. The reform aims to promote the use of PPAs and CFDs in member states, to help increase the deployment of more renewable generation capacity.

Power price index, DK1

Operational environment

The green transition bottlenecked by grids and permits

Persistent challenges related to permits and grid planning have continued, as the progress of many new projects is slowed down. As the effects of these issues become more apparent, there is a stronger political focus in many of European Energy’s markets.

European regulators' increased focus on accelerating permit procedures is a significant step forward. In early June 2023, emergency regulations were put into effect, underlining the critical importance of expediting the permit process. This move is seen as a clear acknowledgement of the urgency of streamlining the permit path for renewable energy projects.

Given the urgency and scale of the issues, additional efforts will be needed going forward. According to Wind Europe, a European interest organisation, approximately 80 GW of wind power projects remain stuck in the permit phase. This substantial backlog underscores the pressing need for measures to alleviate these obstacles. To address this issue, initiatives such as the EU Grid Action Plan and the Wind Power Package have been introduced. European Energy welcomes all initiatives that allow the renewable energy sector to gain much-needed momentum and is in ongoing dialogue with regulators to support the continued improvement.

Bottlenecks in awarding permits and grid planning continue to play a negative role in the stalling of many new renewable energy projects. European regulators' increased focus on speeding up the awarding of permits, with emergency regulation coming into force in early June 2023, is a clear sign of what is of vital importance. A substantial proportion of these challenges can be attributed to the increasing need for grid expansion and modernisation. These are efforts required to accommodate the increasing electrification demands.

Talent is a very scarce resource

In a renewable energy sector grappling with a global talent shortage, European Energy remains committed to cultivating a skilled workforce. The challenge lies in addressing the impending shortage, as we continue and accelerate our growth trajectories.

The renewable energy sector faces a pressing global talent shortage. Recent research from McKinsey reveals an expected quadrupling of the need for skilled employees by 2030, to develop, build and operate solar and wind assets.[1] The shortage of skilled talent, coupled with the rapid growth of the renewable energy sector, underscores the importance of proactive talent strategies.

The battle for talented employees is already taking place, with increased expectations for employers going forward. At European Energy, we are successfully addressing these challenges, scaling our business and welcoming new colleagues. As a committed and active contributor to the green transition, we welcome many new employees who are excited to participate in the journey. Furthermore, our commitment to our employees and their development is key in developing and maintaining our knowledgeable colleagues. Through an even stronger commitment to diversity and inclusion, we believe that we can help alleviate the gender gap traditionally seen in the energy sector and attract talented new employees.

Favourable component prices, but the market is exposed to global events

In 2023, the overall cost base for solar plant construction experienced a continued decline. Notably, the prices of solar panels, primarily sourced from China, have shown a consistent decline, reaching levels significantly below the previous low point observed in 2021. This decline can be attributed to substantial production capacity expansion in China. Additionally, lower commodity prices for materials such as steel, copper and aluminium have further contributed to an improvement in construction costs.

Wind turbine prices appear to have reached a stabilisation point, remaining approximately 30% above the earlier low point. Nevertheless, these prices still allow for attractive construction profits, particularly in the European market.

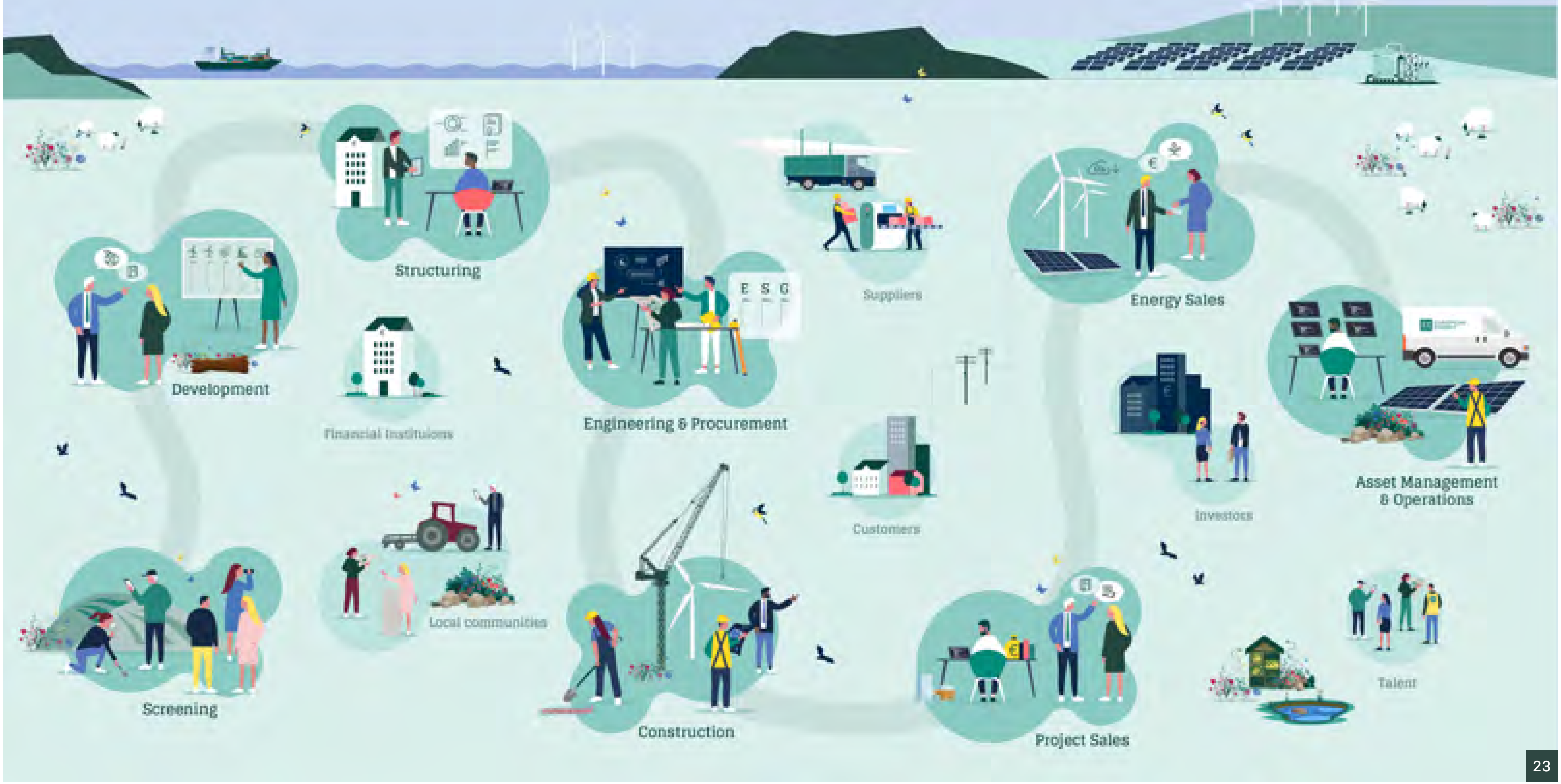
Throughout 2023, the renewable energy supply chain operated smoothly, in stark contrast to the disruption experienced during the Covid-19 pandemic. In the latter part of 2023, however, the unrest in the Middle East and incidents in the Suez Canal and the Red Sea raised concerns about potential transportation delays and increased transportation costs in 2024. This comes after witnessing lows in transportation costs during the second half of 2023.

> ~80 GW of wind power projects are stuck in the permit process
>
> Wind Europe

1) Renewable development: Overcoming talent gaps | McKinsey

Our business model

Our business model consists of 8 steps. The flow of our business model is flexible and we do not see it as a fixed process line. A big part of each step involves interaction with various stakeholders, such as the local communities, investors, etc.



Strategy

For European Energy, stepping into 2024 entails launching our new 2026 strategy, “Powering Up”, to fuel the next wave of growth and innovation – thereby concluding our 2023 "Global Major" strategy.

Concluding our 2023 strategy

Since our establishment in 2004, our vision has been to become a major global force in driving the green transition. This imperative was the guiding star for our 2023 strategy and will continue to guide our next strategy towards 2026. While executing our 2023 strategy, we achieved significant milestones, which we describe further below.

Building a diversified growth platform and becoming a first-mover in Power-to-X

Over the past three years, our growth strategy has yielded success in expanding and diversifying our business across technologies, markets and value chain capabilities. We have ventured into new technology spaces such as Power-to-X, carbon capture and battery storage, and have expanded from 16 markets in early 2021 to 25 by the end of 2023. This includes strengthening our presence in European markets and selected high-potential OECD markets, namely the US and Australia, to further bolster our diversified growth platform and optionality and capture growth well above market rates.

Growing the gross renewable energy pipeline to 63 GW and accelerating project conversion

Our gross development pipeline has grown from 14 GW in early 2021 to 63 GW by the end of 2023 – an almost fivefold increase in just three years. Focusing on larger projects increased our average project size to 91 MW at the end of 2023.

Delivering 43% EBITDA growth since 2020 and building a strong capital base

EBITDA increased from EUR 61m in 2020 to EUR 178m in 2023, yielding a year-on-year EBITDA growth rate of 43%. Furthermore, we increased our capital base in the parent company from EUR 429m at end-2020 to EUR 973m at end-2023 via refinancing of all outstanding senior debt into new bonds with reset terms, enabling scaleable and efficient leveraging of the parent company.

Bringing Sustainability to the forefront of everything we do

European Energy is “born-green” and we view this as both an obligation and an opportunity to impact Environmental, Social and Governance issues. For example, we have taken action to lead change for the supply chain visibility of solar PV modules and will continue pushing an ambitious agenda on supplier screening. Another example includes a major transformation programme across the business, to anchor sustainability work streams and initiatives broadly across 60 employees of European Energy. Coupled with a central Sustainability Department and a Sustainability Committee

+63 GW

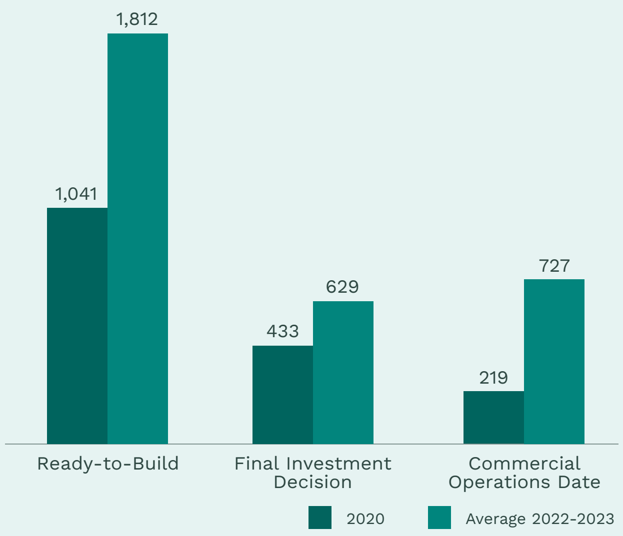
Pipeline grown from 14 GW in early 2021 to over **63 GW** by the end of 2023 with representatives from top-level management besides our Board Chair, this has put Sustainability at the centre of everything we do.

Building a scaleable organisation

We have grown from 200 FTEs in early 2021 to more than 700 by the end of 2023. To ensure continued scalability, we have professionalised and centralised key functions and competences such as treasury, financial planning and IT. We have updated and formalised our management hierarchy and established new management fora, such as our Leadership Team (LT) and our Extended Leadership Team (ELT). Simultaneously, we refined our company-wide project management model and implemented a new project management IT system. Lastly, significant Board governance efforts were made to set up committees (e.g. Remuneration, Nomination Sustainability, etc.) and expand our Board with new independent Board members, including our new Chair, Jens Due Olsen.

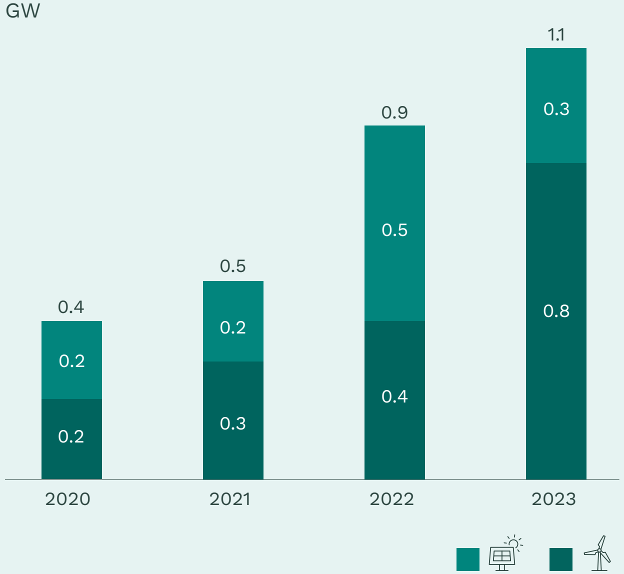
Gate passings

MW



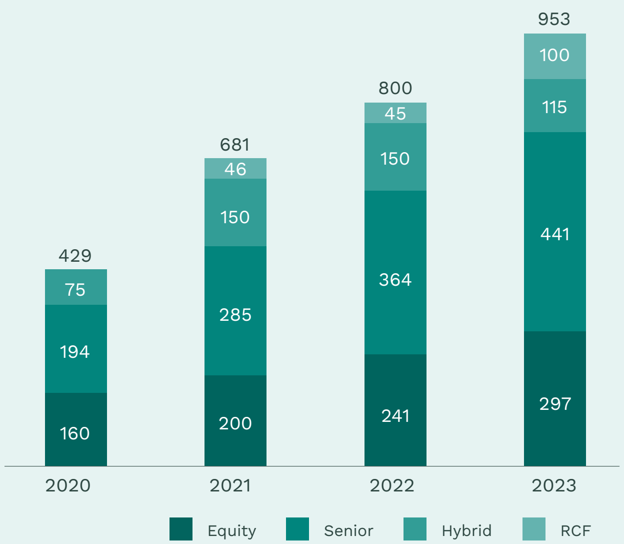
IPP portfolio (assets owned by European Energy)

GW



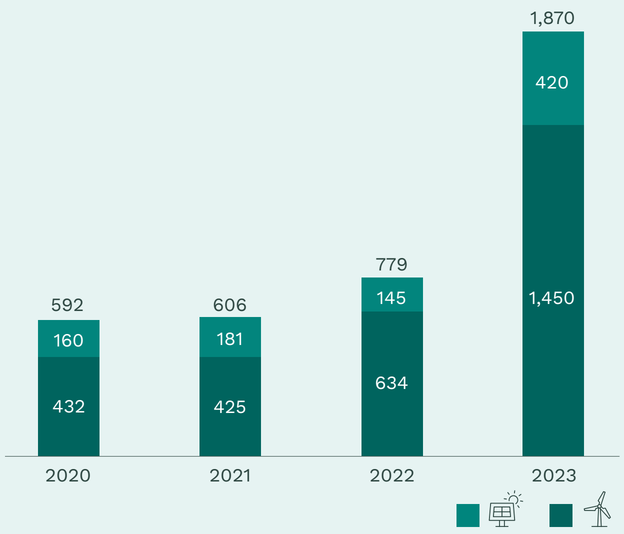
Capital base

EURm



Power production

GWh



1 Accelerate world-class core position in solar and wind

2 Expand first-mover position in Power-to-X

3 Deliver operational excellence

4 Establish European Energy with a robust sustainability model

5 Build a scalable operating model

Strategy 2026 – Powering Up

Launch from a growth-ready platform

The point of departure for our 2026 strategy is stronger than ever. We hold a diversified platform that provides multiple avenues for growth across 25 markets, 6 technologies, a full suite of value chain capabilities for solar, wind and Power-to-X, and a local presence in all of our markets. With the introduction of battery energy storage systems (BESS), and carbon capture, we already have an early foothold in two potential future growth avenues. Our pipeline comprises 65 GW and holds ~800 high-quality projects.

1. Accelerate world-class core in solar and wind

First, we want to accelerate and strengthen our core in solar PV and wind, and harness our position as a balanced value chain player. This will be driven by enhancing capabilities and growing our footprint in development, construction and operation across 25 markets, predominantly in high-growth and lower-risk regions within the OECD and the EU. Furthermore, coupling our technology portfolio across solar, wind, Power-to-X and BESS at scale can provide powerful end-to-end energy system solutions.

Our offshore business will be driven forward via partnerships in selected attractive regions, where our focus will be on sharing risk and ensuring execution by teaming up with strong players in the offshore industry, such as our most recent partnership with Total Energies in the Nordics.

- We will grow our pipeline and construction programme via accelerated development and construction of a diversified pipeline of solar, wind and battery projects across 25 markets.

- We will grow EBITDA via increased divestments at both RTB and COD, and further harness our position as a balanced value chain player with in-house capabilities across the value chain and a strong gravitation towards greenfield development.

- We will grow and enhance the value our IPP portfolio to support our ambition for power sales, Power-to-X, battery storage and repowering, and maintain a stream of recurring revenues, in addition to divestment proceeds, to fund our business activities.

2. Expand first-mover position in Power-to-X

Second, we want to expand our first-mover position in Power-to-X to push the technological frontier forward and unlock a new global high-growth market for green fuels. Towards 2026, we will leverage our blueprint and learnings from the world's largest e-methanol facility in Kassø, Denmark, to penetrate new high-potential hydrogen and e-methanol markets.

- We will take the world's first large-scale e-methanol facility in Kassø, Denmark, successfully into operation and expand our first-mover position in e-methanol, and also strengthen hydrogen capabilities across target markets.

- Monetise technology coupling to accelerate RES build-out for solar, wind and Power-to-X in our core markets.

- Build a platform for future Power-to-X products and carbon capture and utilisation (CCU).

3. Deliver operational excellence

Third, we want to accelerate our ongoing operational excellence journey across the full value chain in all markets by cascading our repository of operational best practice that we have codified since 2004. This means focus on digitalisation, processes and governance to further uplift speed, quality, safety and sustainability.

- Achieve EPC excellence to boost project quality, performance and returns.

- Build best-in-class project development capabilities and HSE, and master technology coupling with Power-to-X and BESS.

- Lift Asset Management as a strategic capability to the next level and expand services to third-party customers.

4. Establish European Energy with a robust sustainability model

Fourth, we will leverage our "born green" DNA. For this, we have formulated an ambitious sustainability strategy and have prioritised Sustainability in our strategic and commercial decision-making throughout the business.

- Build a front position on decarbonisation, circularity and biodiversity by setting near-term net-zero targets, contributing to a nature-positive world and embedding circularity in our business.

- Become a social contributor by offering employee opportunities, prioritising a Health & Safety culture and building inclusive stakeholder relationships.

- Reach high standards for business accountability, with a focus on responsible business partnerships, ethical employee conduct and transparent tax practices.

5. Build a scalable operating model

Fifth, we want to further strengthen our operating model to ensure continued scalability. This means investing in core business processes, tools, systems, data and analytics, and making sure that we hold a growth-ready capital base.

- Build a fit-for-growth scalable operating model and organisation to support delivery on business targets.

- Streamline processes and governance, and upgrade capabilities across finance and IT.

- Strengthen capital structure, financing and capital recycling to fuel growth.

Business performance

Performance review

Project development and construction

Solar and wind energy

European Energy has continued to grow its project development pipeline by developing new greenfield projects and entering into partnering agreements. We are predominantly active in OECD countries, with a core focus on low-risk markets in Europe, but we are also present in Brazil, the US and Australia.

European Energy is active in 25 countries, having constructing projects in six countries, and managing renewable energy assets in 11 countries. This broad geographical reach and a local presence are key enablers for securing new projects and diversifying country-specific risk.

At the end of 2023, European Energy had 63 GW of renewable energy pipeline, of which 24 GW is in screening, 36 GW is in development and 3 GW is in structuring. The development pipeline is up by 8 GW from one year ago, mainly through growth from projects in Australia, Brazil, Bulgaria, Latvia, Spain and the USA.

This pipeline positions European Energy as one of the largest European wind and solar energy developers. European Energy plans to develop this pipeline in the course of the coming years, aiming at increasing construction activity in the years to come. Of the total development pipeline (excluding screening), wind energy accounts for around 7.1 GW (19%), while solar PV accounts for 30.5 GW (81%). Geographically, the development pipeline is distributed on Denmark (29%), Northern Europe (13%), Southern Europe (14%), Central Europe (21%) and rest of the world (23%).

Our key focus was maintained throughout 2023, i.e. growing and maturing our project pipeline, as this is considered to be a key value driver to ensure continued earnings growth.

In 2023, European Energy was engaged in construction activities at 18 different sites in five European countries, as well as Australia. At the end of 2023, projects for 0.9 GW were under construction – down from 1.3 GW in 2022 due to completion of parks and a slight slowdown in new construction activities due to difficult market conditions.

At the end of 2023, European Energy had 12 solar PV projects under construction. The construction activities at year-end constitute capacity of 0.8 GW of new renewable energy. The main construction sites are located in Denmark (0.5 GW), the UK (0.1 GW) and Poland (0.1 GW), respectively.

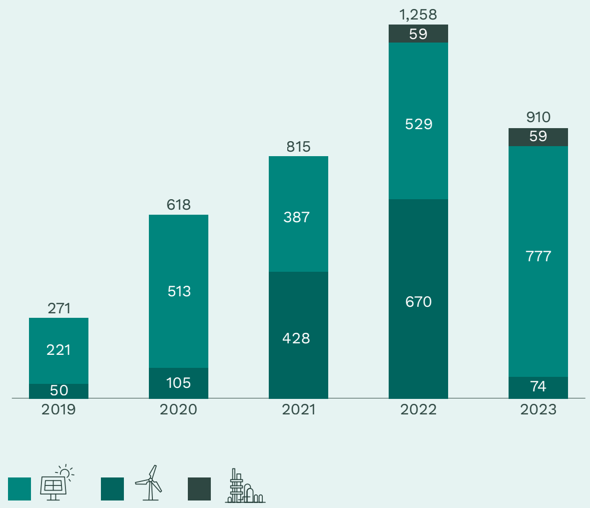
European Energy completed the construction of four new solar PV parks in 2023. In total, the constructed solar parks added 146 MW to the grid.

European Energy had four wind power projects under construction at the end of 2023. The construction activities at year-end constitute capacity of 0.1 GW in Germany, upon completion of the construction sites in Lithuania, Sweden, Germany, Poland, Brazil and the Netherlands during 2023.

During 2023, European Energy completed the construction of 16 new wind parks. In total, the constructed wind parks added 604 MW to the grid. We aim for a volume towards around 2 GW of wind and solar parks under construction by the end of 2024, supporting our continued growth into 2025.

Construction pipeline

MW



In total, since the company's establishment in 2004, European Energy had acquired, developed or grid-connected more than 3.7 GW of renewable energy capacity by the end of 2023, making European Energy a key player among the European market's renewable energy developers.

Power-to-X

In recent years, European Energy has built up downstream activities within Power-to-X, primarily within green hydrogen, e-methanol and SAF (methanol-to-jet fuel Sustainable Aviation Fuel). At the end of 2023, we had two Power-to-X projects in construction in Denmark, at Måde and Kassø.

At Kassø, we completed a 304-MW solar park in 2022, which will provide green power to an adjacent e-methanol plant. The plant 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. Offtake agreements have been made with, among others, the Danish integrated logistics company, Mærsk, which will use the e-methanol for their first methanol-operated vessel. In addition, European Energy has signed offtake agreements with Novo Nordisk A/S and LEGO Group that will enable the two companies to replace some fossil-based plastic with lower-carbon alternatives in the future.

At the end of 2023, European Energy had 59 MW Power-to-X under construction.

We expect to complete the hydrogen plant in Esbjerg, Denmark, with the first (out of three) electrolysers and to produce the first e-methanol at our e-methanol plant in Kassø, Denmark during 2024.

Energy sales

The total power production volume in 2023 ended at 1,870 GWh, an increase of 1,091 GWh or 140% compared to 2022.

Almost half of the production stems from Denmark and Germany. Energy sales during 2023 were impacted by an increase in average power producing assets from 905 MW in 2022 to 1,044 MW in 2023, an increase of 15%, but also lower capture prices, index 47 and 40 for wind in Germany and Denmark (DK1), and index 49 and 43 for solar in Germany and Denmark (DK1). Wind resources were at an all-time high in December 2023 and at the level of 2022 for the rest of 2023. In Denmark and Germany, we had higher solar irradiation in 2023 than in 2022.

Project sales

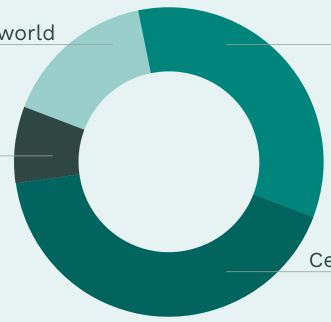
2023 was a year with challenging market conditions, where especially the M&A market for renewable energy projects experienced a significant slowdown in activity compared to earlier year's sellers' markets. European Energy divested total capacity of 1.1 GW, of which 713 MW was ready-to-build projects, 50 MW was Power-to-X projects under construction and 357 MW was operating projects (2022: 39 MW of ready-to-build and 259 MW of operating projects). The divestments resulted in total revenue of EUR 300m (2022: EUR 325m), a decline of 8%. The solar and wind parks divested in 2023 generate green power to supply 114,000 European households.

The highlight of the year was the sale of the combined solar park Kassø (304 MW) and Power-to-X plant (50 MW) to Mitsui & Co. Ltd. The divestments in 2023 also include ready-to-build sales of three solar projects located in Italy (237 MW), two solar projects located in the UK (67 MW), one solar project located in the US (346 MW) and one wind project located in Germany (63 MW). The divestments in 2023 include the sale of two operating wind parks, one wind park located in Germany (13 MW) and one solar park loacted in the UK (40 MW).

The completed sales underline the significant potential and value of our built-up pipeline in the European market, consisting of a mix of solar and wind projects located in a number of countries. In Denmark, the UK and Poland, for example, a number of new projects are under construction,

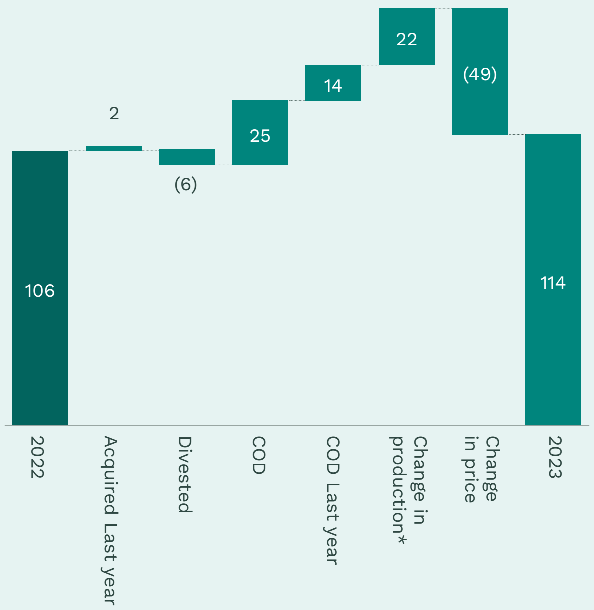
Energy sales by region in %

GW



Energy sales bridge

EURm



* increased production, operating parks

with commissioning expected in 2024. The potential is further underlined by a great interest from investors in acquiring assets from our pipeline at or after the Commercial Operation Date (COD), when ready-to-build and, in some cases, already in the development phase.

Asset Management & operations

European Energy's Asset Management team is dedicated to optimising the operation of wind and solar farms across many countries.

Asset Management offers investors a full 360-degree range of asset management services. Investors can therefore make passive investments without worrying about the operation and maintenance of the wind or solar park in question.

In 2023, European Energy increased its portfolio of power producing assets under management by 35%. At the end of 2023, European Energy managed a total of 2.9 GW of power generating assets, of which 1.7 GW was wind power and 1.2 GW was solar power. European Energy controlled 1.0 GW while the remainder is managed on behalf of investors.

By the end of 2023, we had skilled technicians located across Denmark, where we deliver both scheduled preventive maintenance and corrective maintenance. In addition, we have a control room at our headquarters with a team of engineers providing technical support and plant monitoring. During 2024, we expect the O&M service business to increase further.

European Energy monitors and analyses asset performance with a view to implementing optimal strategies regarding production, cost structure, refinancing and repowering. European Energy also manages legal, technical and safety compliance and consistently reports to stakeholders, such as investors and financing banks.

The services delivered by Asset Management range from ensuring access to turbines requiring maintenance, to conducting operation and management tasks, and to bookkeeping and negotiating with insurance companies and power traders. European Energy seeks to identify risks at an early stage and thereby reduce the impact on hardware, as well as on the performance and production of the assets. This is achieved through a combination of remote monitoring and site visits.

In 2024, European Energy will continue to expand its asset management. European Energy's asset management team stands ready to take over operation and management of assets once construction has been completed. With European Energy's presence in the full value chain, from development and construction to operations and our own power producing assets, we have in-house competences such as engineering and/or hedging/PPA deal origination. These in-house competences can be applied to our assets under management to achieve the optimal life cycle for the assets, for the benefit of our customers.

Asset management

Skilled technicians located across Denmark, where we deliver both scheduled preventive maintenance and corrective maintenance

Financial performance

Group results

Income statement

Revenue

Revenue for 2023 amounted to EUR 420.3m, a decrease of EUR 17.8m or 4% (2022: EUR 438.1m).

Sale of energy parks and projects totaled EUR 299.7m in 2023, a decrease of EUR 25.4m or 7.8% (2022: EUR 325.1m). The total capacity of divested energy parks in 2023 amounted to 1,120 MW.

Seven out of the ten sold parks were sold at the ready-to-build stage, hereof six solar parks and one wind park, except the combined operating 304 MW solar park/50 MW Power-to-X Kassø plant under construction. In 2022, almost all 299 MW of divested capacity was operational parks.

Sale of energy totaled EUR 113.6m in 2023, an increase of EUR 8.0m or 7.1% (2022: EUR 105.5m). The increase mainly reflects the increase in renewable energy capacity under our ownership. We have sold more than double-up in MW compared to last year, but at much lower capture prices.

Revenues in our asset management segment totaled EUR 13.3m in 2023, hereof EUR 7.3m to external customers, an increase of EUR 2.6m or 24.3% (2022: EUR 10.7m, hereof EUR 7.5m to external customers). The increase was due to an increasing base of energy parks with 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 a gain of EUR 10.8m in 2023 compared to a gain of EUR 16.2m in 2022. In September 2023, the 49% divestment of Kassø solar park and Power-to-X plant to Mitsui resulted in the company being reclassified to results from joint ventures with effect from Q4 2023. In 2022, the majority of the gain was nonrecurring and related to the re-evaluation of a net equity interest, following the change of control of an associate, combined with a reversal of the prior year's write-down of our Brazilian assets.

Gross profit

Gross profit amounted to EUR 238.1m, an increase of EUR 51.4m or 28% (2022: EUR 186.7m.) Of this, 2023 gross profit from sales of energy parks and projects totalled EUR 127.3m (2022: EUR 74.9m) and gross profits from power sales EUR 105.6m (2022: EUR 107.1m).

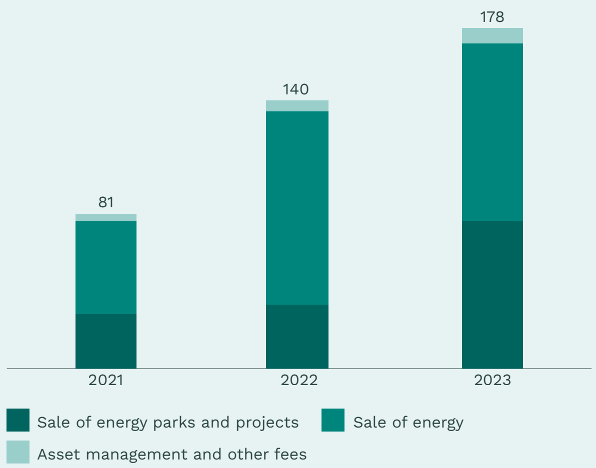
The increase in gross profit was mainly related to a re-evaluation gain of European Energy's remaining 51% ownership share of Kassø solar park and Power-to-X as a consequence of the sales transaction with Mitsui. This re-evaluation gain caused an extraordinary high gross profit margin for the year. Direct costs and gross profit were also positively affected by compensation received from a supplier related to performance issues for two wind parks in Sweden.

EBITDA

EBITDA for 2023 totalled EUR 178.4m (2022: EUR 140.1m), an increase of EUR 38.3m or 27%.

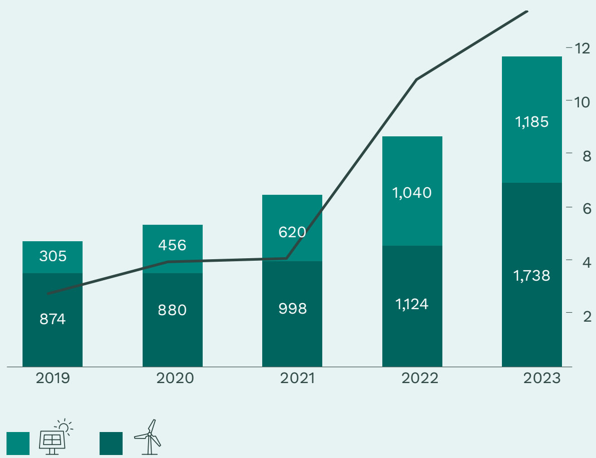
The increase in EBITDA is mainly stemming from higher other income i.e. re-evaluation gains and contractual compensations for lost productions counterbalanced by an increase in staff costs.

EBITDA
EURm



Asset management MW

Revenue EURm



Staff expenses totaled EUR 32.3m, up by EUR 9.8m or 44% (2022: EUR 22.4m). The increase in staff costs is a natural consequence of the increase in new hires following our higher activity level.

Other external costs amounted to EUR 27.4m, an increase of EUR 3.3m or 14% (2022: EUR 24.1m). Other external costs where kept almost even to last year despite the Group's continued expansion.

The realised EBITDA margin for 2023 was 42% (2022: 32%). The main reasons for the margin increase are the positive impact from the Kassø re-evaluation gain and a higher share of high margin ready-to-build projects sales.

Profit before tax

Profit before tax totalled EUR 125.6m (2022: 114.7m), an increase of EUR 10.9m or 15% mainly as a result of the higher EBITDA which was partly counterbalanced by higher depreciations and impairments and higher net financial expenses.

Depreciation and impairment totaled EUR 23.9m in 2023, an increase of EUR 9.0m or 60% compared to 2022. In 2002, a reversal of prior years impairments lowered the depreciations.

Net financial expenses were EUR 28.9m (2022: EUR -10.4m), an increase of EUR 18.5m, mainly stemming from an increased number of operating parks, where financial expense are expensed and not capitalized, a general higher interest base rate partly counterbalanced by net currency gains on especially PLN of EUR 12m.

Tax on the profit for the year amounted to EUR 12.6m in 2023 (2022: EUR 16.4m). The effective tax rate for 2023 landed at 10%, compared to 14% for 2022.

Other comprehensive income

Other comprehensive income for 2023 totalled a loss of EUR 33.5m, an improvement of EUR 4.1m (2022: loss of EUR 37.6m). During 2023, value adjustments from hedging of power prices, currencies and interest rates resulted in a net loss of EUR 47.3m (2022: EUR 44.7m), with a corresponding tax asset of EUR 9.7m (2022: tax asset of EUR 10.7m).

The 2023 value adjustments of hedges can be attributed to a loss of EUR 17.3m from power hedging agreements (PPAs), a net loss of EUR 4.9m from currency hedges and a loss of EUR 25.1m from interest rate hedges.

The value adjustments of PPAs are related to wind parks under construction and as we expect, over time, to divest all parks classified as inventories, any negative value adjustments will later be presented as gains at the time of the divestment.

Balance sheet

Goodwill and other intangible assets

Goodwill relates to the Ammongas and REIntegrate acquisition with a carrying amount of EUR 10.7m. The purchase price allocation of Ammongas was finalized in 2023 and an other intangible asset were recognised with a carrying amount EUR 4.4m (2022: 5.7m).

Property, plant and equipment

At end of 2023, the book value of property, plant and equipment was EUR 177.9m, an increase of EUR 22.1m (2022: EUR 155.8m). The increase stems mainly from acquisition of land and buildings and transfer from inventories of wind generating assets.

Inventories

Inventories at 31 December 2023 amounted to EUR 1,320.5m (2022: EUR 1,051.0m), an increase of EUR 269.5m. The Group has completed the construction of a number of energy parks, increasing the value of operational parks in the inventory to EUR 899.0m (2022: EUR 195.1m). As a consequence, the value of energy parks under construction has decreased to EUR 193.2m at year-end 2023 (2022: EUR 705.7m) but also due to fewer new constructions being initiated in 2023 due to difficult market conditions. This increase in operational parks forms the basis for continued income from sales of energy parks and projects in the quarters to come and in the interim period, a recurring income from power sales. As the parks are intended to be sold, they are recorded as inventories.

European Energy reviews and evaluates the likelihood of a project's success on an ongoing basis with the aim of making impairments if needed. There is special focus on projects in their early development stages (before construction). At the end of 2023, the value of projects in development phases had increased to EUR 228.3m (2022: EUR 150.2m).

In 2023, European Energy recognised an impairment loss on inventories of EUR 0.6m (2022: EUR 8.1m). Write-offs during the year were related to projects not materialising and totalled EUR 1.5m. End of 2023, impairment of inventories totaled EUR 33.1m (2022: EUR 32.6m).

Investments in and loans to joint ventures and associates

Our total investments in and loans to joint ventures and associates totaled EUR 171.5m, an increase of EUR 86.8m compared to 31 December 2022. The increase is mainly the result of the partial sale of 49% of Kassø after which the remaining 51% investment has been reclassified to investments in joint ventures from line-by-line consolidated investments in subsidiaries.

Equity

At the end of 2023, equity totalled EUR 432.5m (2022: EUR 391.4m), up by EUR 41.1m. The increase is a result of the profit for the period totaling EUR 113.0m, and a negative fair value adjustment on hedging instruments of EUR -37.6m net of tax, and a gain on translation reserve and other adjustments of EUR 1.8m.

During 2023, European Energy issued EUR 115m of new hybrid capital with maturity in 3023 and redeemed the EUR 150m hybrid bond with maturity in 3020 (at its first call in September 2023) resulting in a net redemption of EUR 36.1m of hybrid capital.

The non-controlling interests increased by EUR 4.8m to EUR 20.9m (2022: EUR 16.1m). The increase was related mainly to subsidiaries, which was previously accounted for as associated entities, thereby gaining a minority interest.
Bond financing

At end of 2023, the book value of outstanding senior bonds totalled EUR 441.2m (2022: EUR 363.7m), an increase of EUR 77.5m. This increase stems mainly from the EUR 75m tap in January 2023 of our 2026 senior bond.

Project financing

Project financing (current and non-current) increased to EUR 890.3m, an increase of EUR 166m (2022: EUR 723.8m) due to more projects under construction or in operation. We are cooperating with several financial institutions on project financing, depending on the geographical area of the construction site, the size of the project and of any co-investors.

During 2023, the value of PPE and inventories increased to a total of EUR 1,498m, an increase of EUR 291.6m. Of this, EUR 890.3m or 59.4% was financed by project financing with the remainder of the project asset being financed by the parent company in the form of proceeds from senior bond, hybrid capital and operating results.

Cash flow statement

Cash flow from operating activities

Cash flow from operating activities ended at a negative EUR -272.1m (2022: EUR -374.3m), an improvement of EUR 102.2m

The main part of the negative operating cash flow was inventories which resulted in a cash outflow of EUR 342.4m in 2023, a decrease of EUR 136.6m compared to 2022 (2022: EUR -479.0m). The change in inventories in 2023 compared to 2022 is the result of the deconsolidation of Kassø following the 49% divestment to Mitsui in 2023 and a lower construction activity in 2023 due to difficult market conditions while the impact from divestments was unchanged.

Excluding changes to inventories, cash flow from operating activities ended at EUR 70.3m (2022: EUR 104.7m), an decrease of EUR 34.4m. The decrease in cash flows mainly stems from the non-cash re-evaluation gain on Kassø related to the divestment to Mitsui and increasing interests paid.

Cash flow from investing activities

Cash flow from investing activities was negative at EUR -13.3m (2022: EUR -25.1m). The negative impact was caused by capital increases in several of the groups joints ventures and associates in Germany and Denmark.

Cash flow from financing activities

Cash flow from financing activities ended with a cash inflow of EUR 194.4m (2022: EUR 381.9m), an decrease of EUR 187.4m. This decrease was mainly stemming from a decrease in net proceeds from project financing of EUR 106.1m due to lower proceeds from financing activity, but also by higher amount of repayment of project financing of EUR 63.6m, including deconsolidation of project debt in Kassø solar park and Power-to-X as well as net-redemption of hybrid capital of EUR 36.1m.

Project financing was obtained for all projects in the construction and operating phases and is spread across several European countries primarily Denmark, Germany, Lithuania, Sweden, Poland and the UK.

During 2023, coupon payments to hybrid bond holders amounted to EUR 4.8m. The coupon payments are considered to be dividend, rather than interest costs

Total cash flow

During the year, cash and cash equivalents decreased by EUR 90.9m (2022: an decrease of EUR 17.6m) and resulted in a cash position of EUR 118.9m (including cash with restrictions), compared to EUR 209.8m at the end of 2022.

During 2023, the value of PPE and inventories increased to a total of EUR 1,498m, an increase of EUR 291.6m.

Parent company's financial performance

Income statement

Revenue

Revenue in 2023 totalled EUR 113.2m (2022: EUR 229.5m), an decrease of EUR 116.3m. This decrease was mainly driven by the lower sale of energy parks and projects that amounted to EUR 32.5m (2022: 180.9m), while development and construction fees contributed with an increase.

Revenue from sale of energy parks and projects primarily related to the sale of Haseloff and Ramacca, that were sold directly by the Parent company. Profit from other project sales in the Group are included in Parent company's results from investments in subsidiaries, joint ventures and associates.

Development and construction fees increased to EUR 72.4m (2022: EUR 41.0m), an increase of EUR 31.4m or 77%, driven by increased activities.

Asset management fees totalled EUR 8.3m (2022: EUR 7.5m).

Other income of EUR 12m in 2023 stemmed mainly from re-evaluation gain of the Parent company's remaining shares following partial sales of projects and from Parent Company Guarantee fees.

Results from equity-accounted investments

Results from investments in subsidiaries, joint ventures and associates totalled EUR 70.1m (2022: EUR 57.6m), an increase of EUR 12.5m. The increase in profit compared to 2022, mainly stems from sales of energy parks and projects including the re-evaluation gain from Kassø solar park and Power-to-X.

Direct costs and gross profit

Direct costs amounted to EUR 53.0m (2022: EUR 177.0m), an decrease of EUR 124.0m. The decrease was driven by lower sale of energy parks and projects.

Staff costs

Total staff costs increased to EUR 58.5m (2022: EUR 42.8m), an increase of EUR 15.7m or 37%. This stems from the increase in the number of employees due to the increasing activity levels.

Of total staff costs, EUR 42.0m (2022: EUR 28.6m) is recognised as indirect costs (capitalized) while EUR 16.5m (2022: EUR 14.2m) was recognised in the Income Statement.

Gross profit totaled EUR 142.6m (2022: EUR 110.1m), an increase of EUR 32.5m or 29.5%.

Net financial income

Net financial income amounted to EUR 10.9m (2022: EUR 12.6m). While net financial income is similar to 2022, both financial income and financial expenses increased due to higher interest base rates and increasing debt. Financial income stems from the parent company funding of its subsidiaries, joint ventures and associates with shareholder loans along potential project financing in projects under construction or in operation.

Profit before tax

Profit before tax totalled EUR 120.1m (2022: EUR 93.3m), an increase of EUR 26.8m or 29% mainly due to the increase in EBITDA.

Tax

Tax for the year was an expense of EUR 12.3m (2022: EUR 4.0m).

Other comprehensive income

In 2023, the company recognised a negative value adjustment, net of tax, of EUR -33.6m (2022: EUR -36.9m) related to hedging instruments. The loss derives primarily from the value adjustment of power purchase agreements and losses on interest hedges.

EUR 12.3m

Parent company's **tax expense** for the year was an expense of EUR 12.3m.

Balance sheet

Investment in subsidiaries increased to EUR 215.6m (2022: EUR 142.6m). The increase mainly stems from profits due to project sales recognised in subsidiaries and projects taken into operation.
Furthermore, the Parent company has in some cases converted shareholder loans into share capital. Dividends paid by subsidiaries as well as negative hedges partly offset the increase.

Loans to subsidiaries increased to EUR 625.4m (2022: EUR 554.2m), as part of the parent company's financing of the acquisition and development of new projects, as well as ongoing construction projects in subsidiaries.

Equity increased to EUR 411.6m (2022: EUR 375.3m), an increase of EUR 36.3m. The primary changes in equity are related to the profit for the year (EUR 107.8m) partly counterbalanced by net value adjustment of hedging instruments (EUR 33.6m) and net redemption of hybrid capital of EUR 36.1m.

Cash flow statement

Cash flow from operating activities

Cash flow from operating activities ended at EUR 84.4m (2022: EUR 47.6m), an increase of EUR 36.8m.
Profit before tax totalled EUR 120.1m, an increase of EUR 26.8m. This increase reflects higher profit from the parents company's business segments, higher dividends received from subsidiaries, negative working capital change and higher net interest received compared to 2022.

Of total 2023 profits before tax, EUR 70.1m stems from results in subsidiaries, JV and associates, an increase of EUR 12.5m due mainly to higher project sales. These profits are reflected in the parent company cash flows as either dividends recorded under cash flows from operating activities or repayments of loans to subsidiaries, JV and associates recorded under investing cash flows. Dividends totaled EUR 49.3m, an increase of EUR 31.6m compared to 2022.

Cash flow from investing activities

Cash flow from investing activities was EUR -145.4m (2022: EUR -137.8m), a higher outflow of EUR 7.6m mainly related to investments in subsidiaries, JV and associates of EUR 15.4m.

The net loans to subsidiaries of EUR -130.0m primarily consists of newly established and increased loans to subsidiaries of EUR 625m (2022: EUR 554m), which is partially offset by repayments of loans mainly stemming from profits from operating companies (profits from energy sales) or from sale of energy parks and projects. Total net sales proceeds after repayment of project financing from sale of energy parks and projects totaled EUR 134m in 2023.

Cash flow from financing activities

The cash flow from financing activities totaled EUR 20.6m (2022: 75.8m), an decrease of EUR 55.2m mainly due to the net redemption of hybrid capital of EUR 36.1m and payments to subsidiaries.

Total cash flow

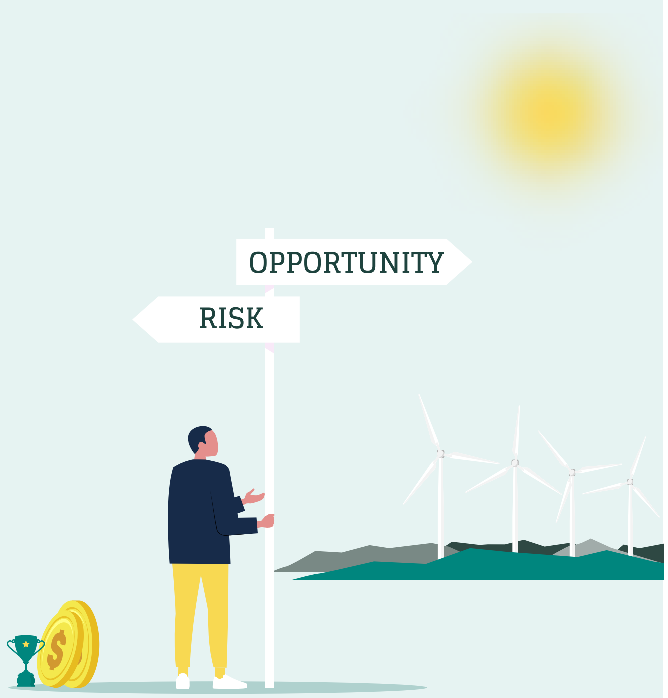
The change in cash and cash equivalents for the year was a cash outflow of EUR -40.4m (2022: net cash outflow of EUR 14.4m) and total cash and cash equivalents decreased to EUR 5.6m (2022: EUR 46.0m).

Marnie Westh Olsen and Katja Hjorth Wulff

Governance

Risk management

As a global wind and solar developer and asset manager of renewable energy projects, we are exposed to a variety of risks inherent in our day-to-day business operations and value creation.



European Energy's risk management is intended to continuously identify, assess and manage business and financial risks, and to reduce and ensure an acceptable level of impact on financial results, the company's values, and financial covenants in financing arrangements.

While these risks can take different forms and dimensions, they can, broadly speaking, be divided into market risk, operational risk, political, regulatory and legal risk, and financial risk. Financial risk consists of funding risk, foreign currency risk and interest rate risk. The primary risks and associated risk management measures are addressed below, in line with these risk categories.

As a continuing and natural element of the company's overall growth strategy, an Enterprise Risk Management framework was developed and agreed on in Q4 2023. The aim of Enterprise Risk Management (ERM) is to manage risks, support our operational and strategic goals, ensure risk awareness, and protect and balance risk against reward. The framework provides a holistic and transparent view of our operational risk position, with the aim of continuously assessing and adjusting our overall risk exposure.

Our risk management and reporting framework is linked to our organisational structure, whereby all parts of the organisation engage in risk management as a natural element of their day-to-day operations. Appointed risk champions serve as the primary reporting line to Group Risk Management, and coordinate mitigation of identified and allocated risks across the organisation. The Risk Committee challenges, discusses and executes on risk mitigation and allocates accountability for risks to risk owners.

Market risk

Developing, constructing and operating wind and solar farms involves exposure to fluctuating electricity prices in the market. To mitigate this market risk, European Energy enters into long-term Power Purchase Agreements (PPAs), or secures long-term feed-in tariffs for the majority of power production for its projects that are under construction or in operation. Furthermore, geographical diversification of development and operational projects alike across primarily low-risk OECD countries ensures that electricity market price risk is spread across multiple electricity markets.

Another uncertainty, as well as opportunity, in European Energy's market is the ongoing development of solar and wind energy production technologies, which calls for adjustment and responsive project development. To limit its exposure to potential technological changes that favour one technology over the other, European Energy has project development activities within both wind and solar technologies. In addition, European Energy limits counterparty and technology risk by contracting with various first-tier technology suppliers across different projects.

> "Appointed risk champions act as the primary reporting line to Group Risk Management, and coordinate mitigation of identified and allocated risks across the organisation.

Operational risk

European Energy develops greenfield projects, acquires pre-developed renewable energy projects at varying stages of their development cycle, and participates in repowering projects. To be able to continuously realise profitable new projects, European Energy relies on a broad project development pipeline, ensuring cross-border market intelligence, agility and responsiveness if conditions change in individual markets.

European Energy limits its risk exposure to specific projects or countries by selectively entering partnerships and ensuring that development risks are appropriately shared between European Energy and its partners, which, for example, can be the original project developers.

Development costs usually constitute a minor part of the total project costs, especially for greenfield development, and European Energy is typically able to discontinue a project if this is warranted by the circumstances.

Once development projects enter the construction phase, European Energy faces a construction risk, such as potential delays due to unfavourable weather conditions or supply chain issues, cost overruns or quality issues (design, components or construction).

European Energy reduces these risks via conservative construction planning and budgeting, to make provision for contingencies.

Furthermore, it builds on established and proven relationships with top-tier technology providers and experienced subcontractors, to ensure best-in-class quality.

Reputational, regulatory and legal risk

In addition to our ordinary business risks, we are exposed to risks which have a very small probability of occurring, but which could potentially impact our reputation.

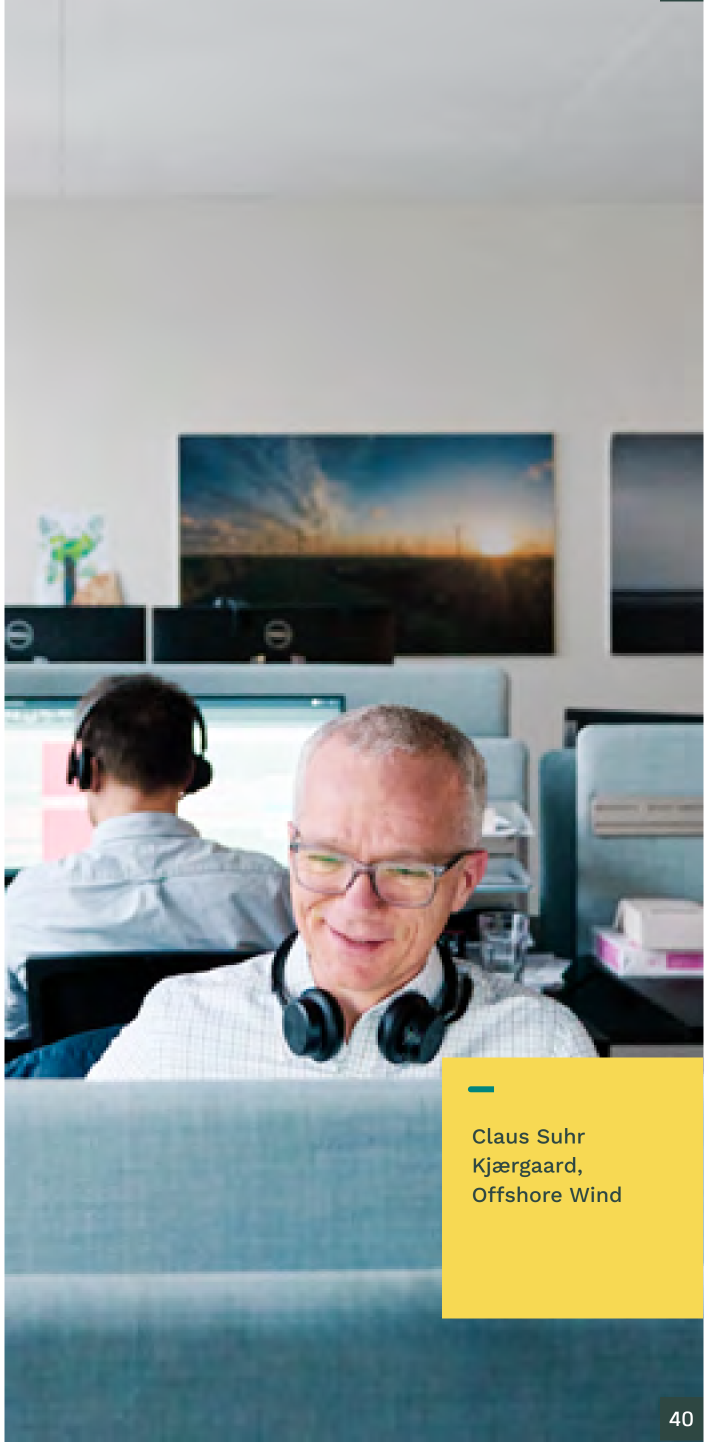
These risks include Quality, Health, Safety and Environment (QHSE) issues in connection with the construction of our parks, lack of supply chain transparency, especially inside the PV supply chain, and local resistance to the development of our parks.

As our sustainability report states, these issues are becoming a more integrated aspect of our business. To ensure that we continue to deliver on our sustainability priorities and to mitigate potential reputational risks, we need to continue to strengthen our efforts to integrate sustainability into our business model.

The successful development of renewable energy projects is dependent on the political and regulatory environment, even though renewable energy development can be undertaken on a fully commercial basis today, and is far less dependent on state subsidies than just a few years ago.

To reduce European Energy's exposure to country-specific changes in government policies and subsidy-related regulation, we pursue a geographical and technological diversification strategy.

In 2023, European Energy was developing actively in 23 different countries across the world. To reduce its political risk in relatively higher-risk countries outside Europe, European Energy strives for joint venture development projects in collaboration with local partners.



Claus Suhr Kjærgaard, Offshore Wind

Financial risks

Funding risk

As a developer of large-scale renewable energy projects, European Energy naturally relies on sufficiently large amounts of liquid capital to finance construction activities. When projects enter the construction phase in particular, they rely on timely equity capital (normally provided by the parent company, European Energy A/S) and debt capital (normally provided by a bank through construction financing facilities, which are subsequently refinanced with long term, non-recourse project loans, once the project is operational). If sufficient capital is not available, the development and construction of projects may be delayed or jeopardised altogether.

In order for European Energy to mitigate underlying funding risk, it dedicates considerable effort to ongoing liquidity monitoring and forecasting of financing needs at both Group and project level, and by maintaining an ample liquidity buffer, e.g. through revolving credit facilities. On a recurring basis, we also evaluate whether our existing funding sources are extensive enough to protect us from key business risks, or whether new sources need to be identified and developed.

In addition, particularly at project level, European Energy reduces the funding risk related to construction activities via pre-agreed payment schedules and milestone payments, and by securing construction financing from renowned and trusted banks (minimum A-credit rating) as early as possible.

Foreign currency risk

European Energy's activities abroad expose the company to fluctuations in exchange rates. The majority of European Energy's foreign exchange operations are linked to the EUR, but increasingly also to other currencies such as USD, SEK, GBP, BRL, AUD and PLN. European Energy does not hedge the EUR risk, since this is our Group functional currency and the Danish fixed exchange rate policy is considered unlikely to change. The aim of our financial risk management activities is to protect the equity value of European Energy, and the local currency value of our renewable energy projects and their profitability.

Currency exposure and hedging activities at parent company level mainly relate to non-EUR investments in foreign subsidiaries via equity or shareholder loans. At project level, we aim to neutralise all currency risk vis-à-vis the project's functional currency (often the local currency). This primarily means hedging of currency risk – if any – on offtake agreements, project financing and construction costs, against the project's functional currency.

Interest rate risk

At both Group and individual project level, European Energy relies on interest-bearing debt financing, which exposes it to interest rate risk. European Energy counters this risk by balancing its portfolio of fixed- and variable-rate loans and borrowing. Particularly for long-term project financing, interest rate and power risk are matched as far as possible in terms of duration, as well as variability, e.g. the larger the share of fixed-price power offtake, the higher the share of fixed-rate financing.

Inflation risk

An increase in inflation can impact the construction costs for new energy farms. To mitigate this, the Group enters into fixed-price procurement agreements for most of the capital expenditure for new parks shortly after the final investment decision is made. The Power Purchase Agreements are established at the same time, thereby securing the value of the energy park. A positive correlation between inflation and energy prices can provide an implicit hedge for the Group.

> We limit our risk exposure to specific projects or countries by selectively entering partnerships

Corporate Governance

Corporate Governance

European Energy is a privately held company, with Knud Erik Andersen as the majority shareholder, holding 74.16% of the voting rights. All shareholders may exercise their voting rights at the general meeting, according to a one-share-one-vote principle. The general meeting adopts decisions, such as election of the Board of Directors and the auditor, in accordance with the ordinary Danish rules.

The overall and strategic management of European Energy is anchored in the Board of Directors appointed by the shareholders. The Board of Directors is responsible for the overall management of the Company and will ensure the proper organisation of the Company's organisation and the Company's business.

The Board of Directors will appoint the executive directors (Executive Board) responsible for the day-to-day management of the company.

As part of European Energy's continued growth, strengthening the corporate governance model was a key focus area in 2023. As part of this, the Board has established additional Board committees within selected areas, to strengthen the decision-making basis in the Board of Directors. Furthermore, the Board has updated their internal rules and procedures regarding rules of procedure for both the Board of Directors and Executive Board, including roles and responsibilities, mandates and reporting obligations.

Board committees

In 2023, the Board of Directors, in addition to the existing Audit Committee, appointed additional committees from among its members, so that the Board committees now consist of the following:

- The Audit Committee
- The Sustainability Committee
- The Nomination Committee
- The Remuneration Committee

The Board committees are preparatory committees and the committees' suggestions must be approved by the Board.

The Audit Committee monitors the company's risk management, financial reporting, regulatory compliance and internal controls, as defined in an annual plan, and oversees the work of the external auditors. Its principal tasks are:

- To monitor the financial reporting process and compliance with existing legislation, standards and other regulations for listed companies relating to the presentation and publication of financial reporting.
- To monitor whether the company's internal control and risk management systems are properly designed and function effectively.
- To monitor the statutory audit of the annual financial statements.
- To monitor the company's legal compliance programme, including the Business Code of Conduct, training and whistleblower scheme.
- To monitor cyber security measures.
- To monitor the ESG reporting.

The Sustainability Committee reviews and provides an oversight of programmes, and makes recommendations to the Board of Directors on the Company's policies and strategies pertaining to sustainability issues and associated impacts, with the purpose of supporting the sustainable growth of the Company. Its principal tasks are to:

- Ensure that the Company has a robust and documented corporate process in place to identify and manage ESG issues.
- Ensure alignment with the overall business strategy.
- Ensure that appropriate polices are in place.
- Monitor the Company's performance against relevant external sustainability indices, and ensure that ESG disclosures are of high quality.

The Nomination Committee's duties include defining and recommending to the Board of Directors which qualifications are deemed to be required of all members of the Board of Directors, including:

- Continuous assessment of the Board's relevant competences and whether there are areas in which the Board's competences and knowledge should be improved.
- The Nomination Committee must annually ensure that the performance and result of the Board as a whole, and its individual members, together with the Board's collaboration with the Group Leadership Team, are evaluated.
- The Nomination Committee will ensure that succession plans exist for the Group Leadership Team.
- The Committee will issue recommendations to the Board on the long-term succession planning and talent development.

The purpose of the Remuneration Committee is to update, prepare and submit the remuneration policy to the Board of Directors and Executive Management, including:

- Making proposals to the Board of Directors concerning the remuneration of members of the Board of Directors.
- Monitoring and making recommendations to the Board of Directors regarding the overall remuneration of the Executive Management and the Global Leadership Team (GLT).
- Analysing and benchmarking the remuneration and employment conditions of the Executive Management (CEO/CFO) and GLT.
- Ensuring that remuneration is consistent with the Company's remuneration policy.

See our sustainability statements for further details of the number of Board members, Board members' independence and Committee meetings.

Corporate Governance model

European Energy has the usual governance set-up for Danish companies, where a board of non-executive directors and executive directors is responsible for the management of the company.

Leadership Team

European Energy has a Leadership Team of seven members, with Knud Erik Andersen as CEO, who undertake the day-to-day management of the company. These members cover the main functions of the company. The responsibility for maintaining sufficient and effective internal controls and risk management in connection with financial reporting lies with the Leadership Team.

Extended Leadership Team

Furthermore, we also have an Extended Leadership Team, representing a broader set of managers and functions, for communicating, collaborating and aligning on key business decisions.

From left to right:

Emil Vikjær-Andresen
Executive Vice President, Head of Power-to-X

Poul Jacobsen
Executive Vice President, Head of EPC

Jonny Thorsted Jonasson
Chief Financial Officer

Knud Erik Andersen
Chief Executive Officer

Jens-Peter Zink
Deputy Chief Executive Officer

Thorvald Spanggaard
Executive Vice President, Head of Project Development

Jacob Gotfred Johansen
Executive Vice President, Head of Asset Management, Operations & Energy Trade

Board of Directors

Each year at the annual general meeting, the shareholders elect three to eight board members. Currently, the Board is comprised of seven members. The majority of the Board of Directors, including the Chair, are independent. During 2023, the newly elected board member, Louise Hahn, had to step down, due to her taking up another role outside the company that was incompatible with her role as board member in European Energy. In February 2024, we welcomed Hilde Bakken as a newly elected board member.

Jens Due Olsen
Chair of the Board

Experience
Chair of the Board of Directors at NKT, NIL Technology, Børnebasketfonden and Vice-chairman of the Board of Directors at KMD. Previously with operational roles at A.P. Møller-Maersk, FLSmidth and GN Store Nord.

Hilde Bakken
Member of the Board

Experience
Amongst other board member in Cadre A/S and HV Cadre Holding A/S and previous Chair of the Board of Directors of Skagerak. Previous operational roles at Statkraft AS.

Jesper Helmuth
Member of the Board and Chairman of the Audit Committee

Experience
CFO at BHS Logisitics A/S and BHS Service Center. Previously held executive positions with AJ Vaccines, Faerch Plast, Welltec and TDC.

Claus Dyhr
Member of the Board and member of the Audit Committee

Experience
Chair of the Board in Right A/S and member of the board of representatives in Repræsentantskabet for Forenet Kredit. Former CFO of BasisBank and Tivoli, and Certified Public Accountant.

Knud Erik Andersen
Member of the Board

Experience
CEO and co-founder of European Energy. Former co-founder of Sentic and Inside Technology.

Jens-Peter Zink
Member of the Board

Experience
Deputy CEO at European Energy. Previous experience within the financial industry working 10 years for KPMG.

Mikael D. Pedersen
Member of the Board

Experience
Vice President, Head of Chief Engineers and co-founder of European Energy. Former co-founder of Sentic and Inside Technology.

Sustainability statements

Table of contents Sustainability statements

KPMG has issued an Independent Limited Assurance Report on selected ESG data presented in data tables and accounting policies marked with an "assurance report"-icon next to the headline(s) of the individual page(s).

Integrating sustainability

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.

Sustainability as a key element of 2026 strategy

In 2023, our focus was to ensure that sustainability plays a key role in our 2026 strategy. We strengthened our sustainability governance model to ensure we can deliver on our strategic sustainability priorities and ambitions as identified through a double materiality assessment.

Our strategic sustainability priorities are:

- Renewable energy that revitalises the environment
- A people-centric sustainable transformation
- Governance that empowers business accountability

To complement the integration of sustainability in our corporate strategy, we have merged our Annual Report and ESG Report into one integrated report for the 2023 financial year.

Integrating sustainability in our Annual Report

Integrating sustainability and ESG data with our financial data makes high requirements of the quality of our ESG data. Throughout 2023, our focus has thus been on improving the quality of our ESG data to match the quality of our financial data.

One of many ways to enhance the quality of our ESG data has been to engage our independent auditors in providing a limited assurance of the ESG performance data presented in our Sustainability Statements. Together with the implementation of an ESG Data Warehouse, these are major milestones signifying that ESG data is becoming just as important as financial data.

83% Taxonomy-eligible revenue

The increasing focus on sustainability in general and also on ESG data is particularly evident from the requirements for companies to report in accordance with the EU Taxonomy and thereby direct investments towards sustainable business activities.

In 2023, for the first time, we assessed our economic activities in accordance with the EU Taxonomy. The results of our assessment showed that, although contributing substantially to mitigating climate change through our core business activities, our company is not yet fully aligned with the EU Taxonomy.

Our proportion of revenue associated with Taxonomy-eligible activities was 83% in 2023. This proportion mainly included revenue from sale of wind farms, solar parks and projects under development or construction, in addition to sale of renewable energy and asset management.

Our proportion of Taxonomy-non-eligible revenue (17%) was primarily associated with the sale of Power-to-X facilities. European Energy's Power-to-X activities are not categorised as eligible economic activities within the EU Taxonomy.

At European Energy, we strongly believe that Power-to-X will be a great catalyst for decarbonising energy-intensive industries and will thereby contribute to the sustainable development of society. Power-to-X development, construction and production will play an increasing role in our portfolio of renewable energy activities, even though it is not considered sustainable within the EU Taxonomy.

Sustainability reporting to drive progress

Since the European Green Deal was approved in 2020, regulatory requirements such as the EU Taxonomy and the Corporate Sustainability Reporting Directive and its European Sustainability Reporting Standards have been launched to support the transformation of the European Union into a fair and prosperous society, with the ultimate goal of achieving climate neutrality by 2050.

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

Our increased focus on sustainable business practices and the reporting of our performance and progress is not only in compliance with regulatory requirements, but also reflects how our core business within renewable energy is closely connected to the sustainable development of society.

In 2023, we avoided 434,962 tonnes of CO_2e greenhouse gas emissions through the 1,870 GWh of renewable energy we produced at our wind farms and solar parks, which is an increase of 140% compared to the 181,195 CO_2e tonnes of greenhouse gas emissions we avoided in 2022.

Long-lasting positive impact of renewable energy

The close connection between our core business and sustainable development is also demonstrated by our recently launched corporate 2026 strategy, in which sustainability is a key element covering material environmental, social and governance topics.

Our massive build-out of renewable energy solutions can drive positive change far beyond substantially contributing to mitigating climate change. It can reinforce a just and thriving planet and have a lasting positive impact on both nature and society – if done sustainably.

Through our strategic sustainability priorities and ambitions towards 2026, we will further embed sustainability in our business activities and across our value chain, to deliver long-term value for society, our stakeholders and our business. In parallel to this, we will also take significant steps towards becoming Taxonomy-aligned and ESRS-aligned.

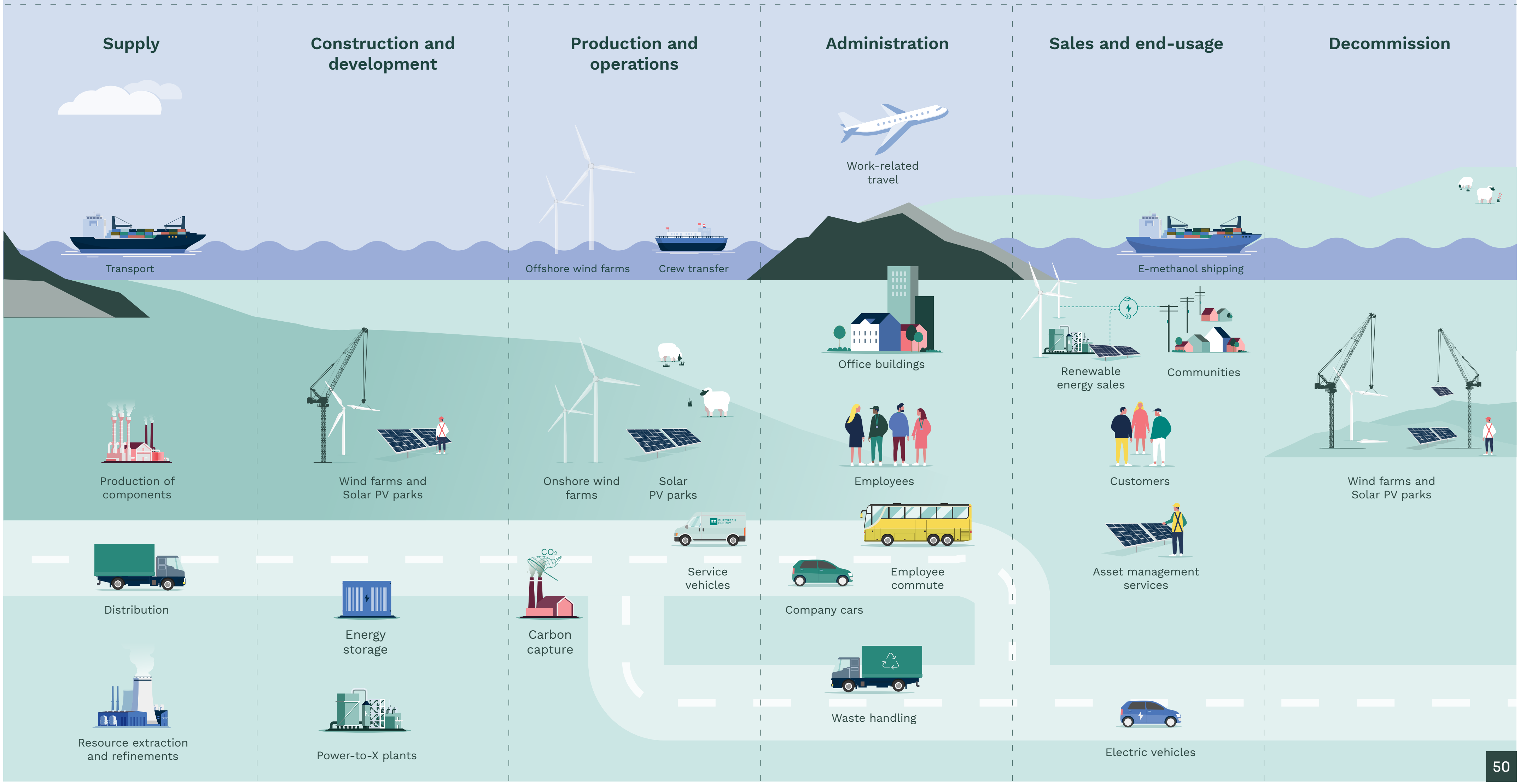
CO_2

434,962 tonnes

Avoided greenhouse gas emissions
- an increase of 140%

Our value chain

Our value chain represents an overview of our core business activities and upstream and downstream activities. Inherent in all aspects are material sustainability impacts, risks and opportunities, which we address through our strategic sustainability priorities.



Double materiality assessment

The context in which we operate is changing rapidly and we constantly consider new formal and informal stakeholder requirements and expectations.

In 2023, we conducted a double materiality assessment to identify our material sustainability impacts, risks and opportunities throughout our value chain. Our double materiality assessment has provided us with an understanding of how European Energy affects, and is affected by, our surroundings.

The double materiality assessment was conducted in alignment with the requirements of the European Union's Corporate Sustainability Reporting Directive (CSRD) and its European Sustainability Reporting Standards (ESRS), published on July 31. 2023 and effective from 2024.

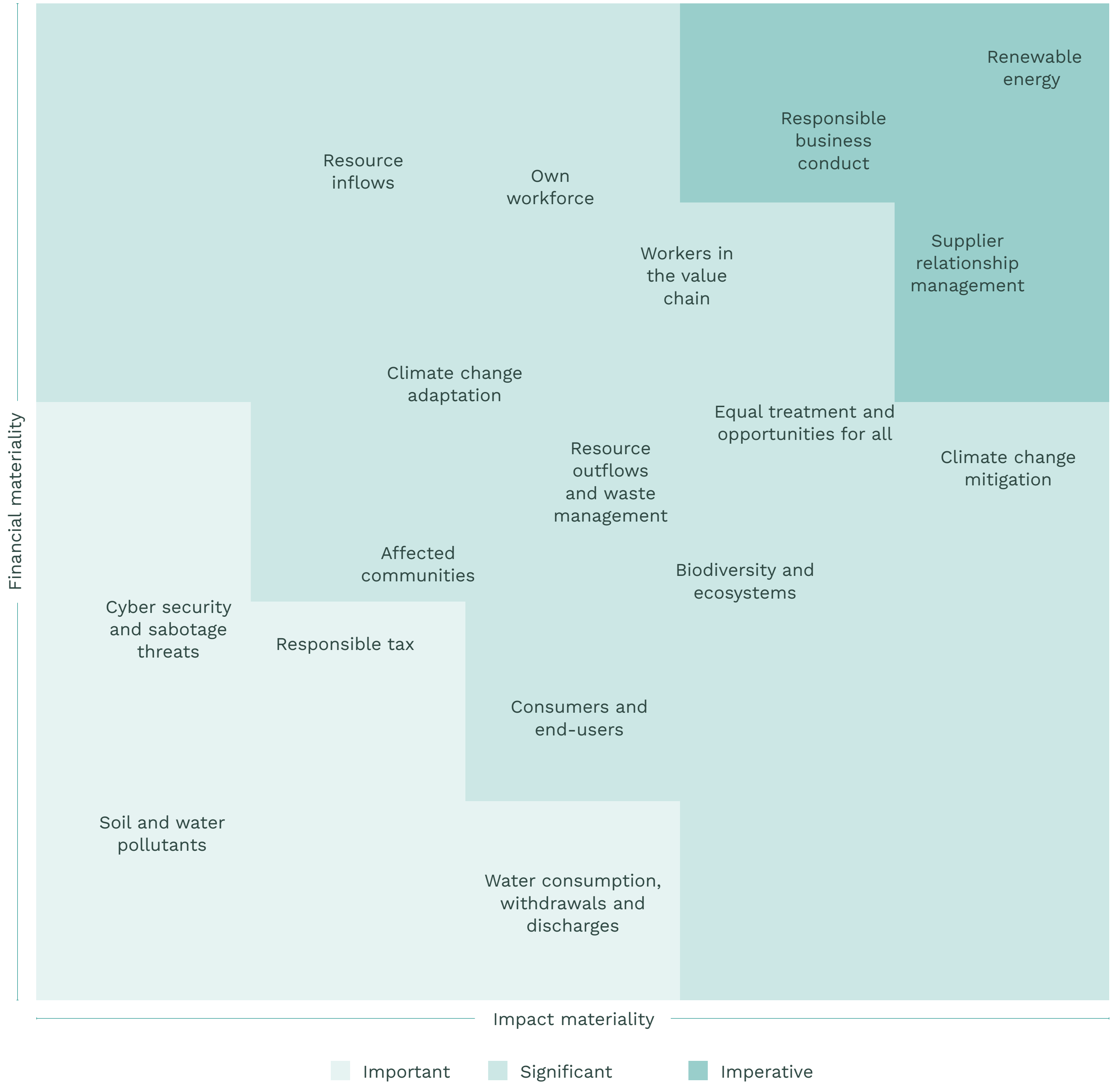
Outcome

The outcome of the assessment has guided us in identifying material sustainability topics and strategic sustainability priorities. These are embedded in our new sustainability strategy through which we aim to support a just and green transition by further embedding sustainability in our business activities and across our value chain.

We have assessed all topics and presented them in our double materiality assessment matrix. The three most material topics identified through our materiality assessment are:

- Renewable Energy (ESRS E1)
- Responsible business conduct (ESRS G1)
- Supplier relationship management (ESRS G1)

As a renewable energy company, we see opportunities for a high-scale renewable energy build-out. Renewable energy solutions can drive positive change far beyond substantially contributing to mitigating climate change. It can reinforce a just and thriving planet and have a lasting positive impact on both nature and society – if done sustainably.



Accounting policies

Methodology

In 2023, European Energy conducted its first double materiality assessment (DMA), informed by the requirements set in the European Union's Corporate Sustainability Reporting Directive (CSRD), and supported by the European Sustainability Reporting Standards (ESRS), published on 31 July 2023 and effective from 2024.

As part of this process, we assessed the materiality of environmental , social and governance-related topics, taking account of their impact, risks and opportunities from an inside-out perspective. We also considered situations where environmental, societal and governance-related issues could potentially affect our business and financial standing from an outside-in perspective — hence the term "double materiality assessment".

Our assessment shaped the development of our three strategic sustainability priorities and underlying work streams, which will guide our efforts in driving sustainability initiatives, critical for prioritisation in order to mitigate risks and seize opportunities.

Given the rapidly changing context in which we operate, we will continuously evaluate and reassess our material sustainability topics following a DMA approach. In 2024, we will further refine our process and methodology based on the final guidance from EFRAG. This will ensure that we adapt to the evolving nature of our business and societal context, while meeting regulatory requirements.

Process

A materiality assessment is a step-by-step process involving a broad range of stakeholders, desk research analysis and interactive workshops. As we embarked on this journey for the first time, we made the deliberate choice to conduct a materiality assessment over a medium-term time horizon — a period that aligns with our 2023-2026 corporate strategy.

The input from our stakeholders, both internal and external, as well as input from desk research, was factored in when identifying and assessing the materiality of relevant topics. A medium-term horizon was considered while conducting the impact and financial materiality assessment, together with the corresponding likelihood of occurrence for each topic.

The materiality assessment was conducted in six steps, which are outlined below.

Steps 1 and 2: Understanding our value chain impacts and relevant stakeholders.

Our business model and value chain underwent analysis and discussion. We first developed a value chain overview to facilitate the process. This overview helped us identify relevant stakeholders, both internal and external, and compile an initial list of ESG topics, including their potential impact, risks and opportunities. Subject matter experts from across the company were consulted to ensure comprehensive representation across the business.

Steps 3 and 4: Workshop to gather input from internal stakeholders and external sources.

We conducted a workshop involving internal stakeholders to validate and rank the initial set of ESG topics identified in the previous step. During the workshop, participants assessed whether the shortlisted ESG topics were relevant and discussed whether additional topics should be included. Subsequently, the participants ranked the ESG topics in relation to each other, considering both their impact and financial materiality.

To complement the internal perspective on topic choice and ranking, we also conducted interviews with external stakeholders, including banks and industry associations. These interviews provided further validation of the impact of the identified ESG topics.

Steps 5 and 6: Consolidation of topics and assessment of materiality

When conducting our materiality assessment, we developed the process by combining internal and external knowledge, along with evidence, assumptions and estimates. After establishing the initial ranking of ESG topics, we further formalised the impact of each topic. This assessment involved analysing the scope and scale of each topic. For negative impacts, we also considered irremediability. For financial risks and opportunities, we assessed the magnitude of the financial impact. Additionally, we evaluated the likelihood of each ESG topic occurring in the medium term.

As part of our commitment to improvement, we will continuously refine our materiality assessment methodology. We aim to incorporate more quantitative assessments wherever feasible. Detailed information on calculating the materiality impact can be found in the following section.

Impact and financial materiality

The most material topics were compiled into a shortlist, and each topic was then assessed for impact and financial materiality.

The impact materiality of each sustainability topic, related to people, the environment and European Energy, is assessed on the basis of likelihood and impact severity. To calculate this, we conducted qualitative assessments of the following:

Likelihood: Each topic is assessed qualitatively on a scale from 0 to 5, representing zero likelihood (not occurring) to full certainty (definitely occurring).

Impact severity: We consider the following parameters:

- **Scale:** The extent of either a negative or positive impact on European Energy or the external environment, including all relevant stakeholders.

- **Scope:** For environmental impacts, scope refers to the extent of an environmental impact or a geographical perimeter. For impacts on people, scope refers to the number of people affected.

- **Irremediability:** Whether and to what extent negative impacts could be remediated, such as restoring the environment or affected people to their prior state.

The financial materiality of a sustainability topic is assessed on the basis of a combination of financial severity and the likelihood of the topic occurring. The same likelihood score is used for calculating both impact severity and financial severity.

To calculate the financial severity of a topic, we assessed the topic's magnitude of financial impact, which can be either negative or positive. We used a qualitative scale ranging from 0 (denoting no impact) to 3 (indicating a high magnitude of financial impact). During the assessment, we considered several factors, including the impact on European Energy's ability to sell renewable energy assets, secure financing, access subsidies or incur potential costs.

After conducting discussion and assessment work, we compiled a concise list of material topics. These topics were categorised using the ESRS system, and we subsequently combined the results of our overall double materiality assessment. This process culminated with the creation of the double materiality matrix.

Step 7: Matrix overview, final ranking and validation, and management review of the results.
As a last step, the draft materiality assessment matrix was presented and reviewed by the Board of Directors and the Leadership Team. The 2023 DMA results are displayed in the matrix. The results of the impact and financial materiality scoring from the DMA set the foundation for the development of our strategic sustainability priorities.

Strategic sustainability priorities

Sustainability plays a central role in European Energy's recently launched 2026 strategy, emphasising our ambition to be a sustainability role model.

Through a corporate-wide commitment, our sustainability vision is to support a just and green transition by further embedding sustainability in our business activities and across our value chain.

Strategic sustainability priorities to increase impact and reduce risks

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

On this page, we unfold our three strategic sustainability priorities. Further details of our 2023 progress and performance and our 2026 ambitions and targets in relation to our material sustainability themes are presented throughout our Sustainability Statements.

E

Renewable energy that revitalises the environment

Build a frontrunner position on decarbonisation, circularity and biodiversity by setting near-term and net-zero targets, contributing to a nature-positive world and embedding circularity in our business decisions.

- Decarbonisation of value chains
- Resource use and circular economy
- Biodiversity and ecosystems

S

A people-centric sustainable transformation

Become an industry-leading social contributor by offering best-in-class employee opportunities, prioritising a Health & Safety culture for all employees and building inclusive stakeholder relationships.

- Our people
- Community engagement
- Health and safety

G

Governance that empowers business accountability

Reach the highest possible standards of relevance to the company in business accountability through responsible business partnerships, ethical employee behaviour and transparent tax practices.

- Responsible business conduct
- Responsible business partnerships
- Responsible tax

Sustainability governance model

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.

On this page, we present our sustainability governance model, illustrating the interplay between the different parties and their areas of responsibility.

Shareholders and general meeting

Our shareholders exercise their rights at the annual general meeting, at which they, for example, appoint the Board of Directors and the auditors.

Board of Directors

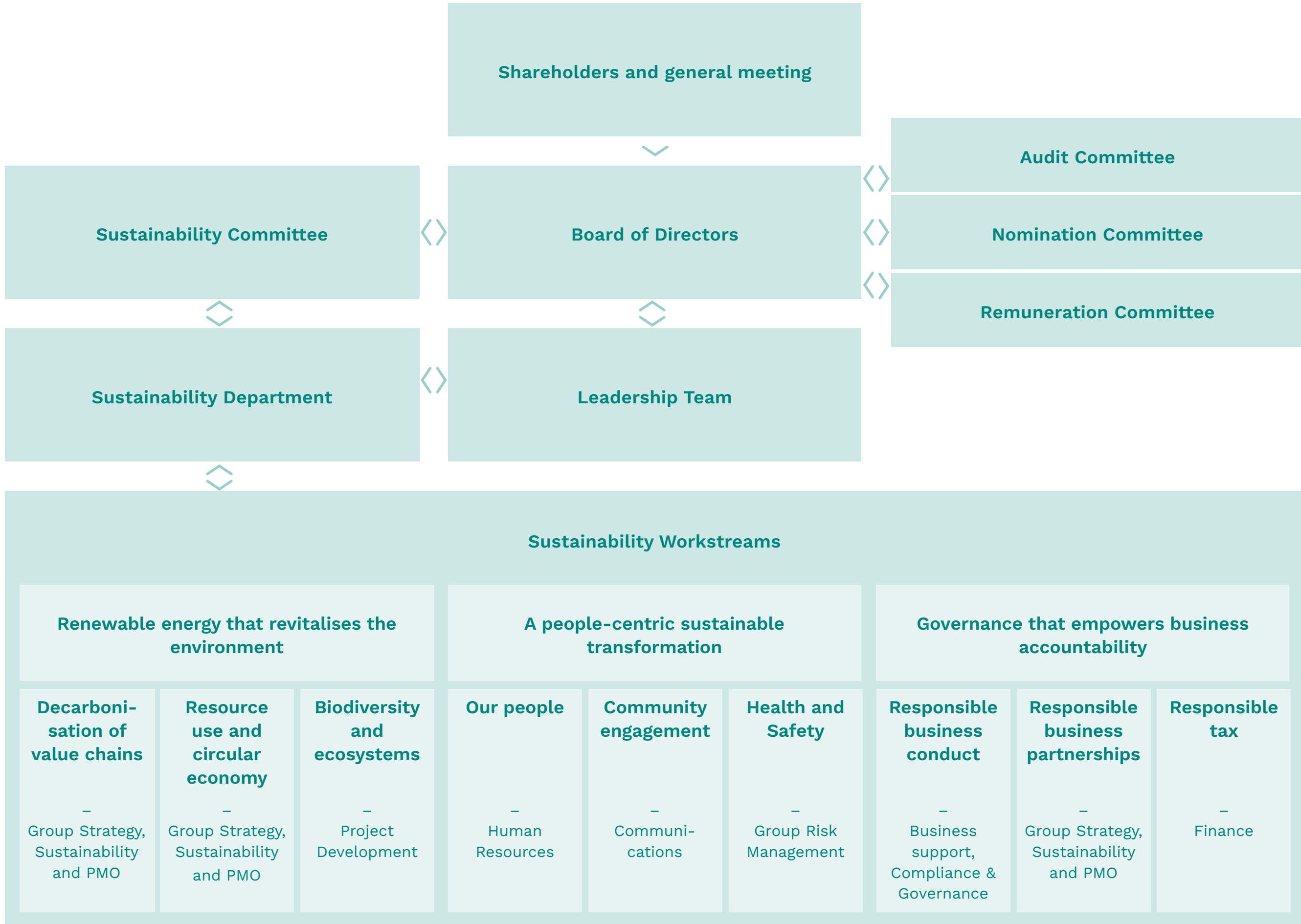
The Board of Directors consists of six members (five elected at the annual general meeting) and is responsible for the overall management of the company and endorses our sustainability strategy.

Audit Committee

The Audit Committee consists of two members appointed from among the Board of Directors and assists in the ongoing supervision of internal control and risk management systems related to financial and sustainability reporting processes.

Nomination Committee

The Nomination Committee consists of two members appointed from among the Board of Directors and defines and recommends to the Board of Directors which qualifications are deemed to be required of all members of the Board of Directors.



Remuneration Committee

The Remuneration Committee consists of two members appointed from among the Board of Directors and updates, prepares and submits the remuneration policy for the Board of Directors and Leadership Team.

Sustainability Committee

The Sustainability Committee consists of two members appointed from among the Board of Directors. The committee's responsibility is to review our sustainability strategy and ambitions and oversee sustainability progress and performance. Last but not least, the Sustainability Committee advises our Board of Directors, Leadership Team and Sustainability Department.

Leadership Team

The Leadership Team consists of seven members and is responsible for the day-to-day management of the company. The Leadership Team facilitates and approves our sustainability strategy.

Sustainability Department

The Sustainability Department is part of Group Strategy, Sustainability and the Project Management Office, reflecting the strategic importance of integrating sustainability in our business activities.

The Sustainability Department develops our sustainability strategy, oversees implementation of our strategic sustainability priorities and targets, advises the Sustainability Committee, the Leadership Team and Sustainability Workstreams, and monitors and reports on sustainability performance and progress.

Sustainability Workstreams

Sustainability Workstreams consists of subject matter experts across functions, led by appointed Sustainability Leads. Sustainability Workstreams ensure progress on strategic sustainability priorities and targets, and ensure the integration of these in policies and procedures, tools and guidelines.

United Nations Global Compact

We are committed signatories of the United Nations Global Compact and we apply the Sustainable Development Goals to our business activities. Our Good Business Code of Conduct and our Sustainability Policy guide our employees on ethical conduct and sustainability compliance.

Basis of reporting

European Energy A/S' Sustainability Statements present a complete set of environmental, social and governance (ESG) performance data, together with development explanations and accounting policies.

Starting with the 2023 financial year, we are merging our Annual Report with our ESG Report, to publish one integrated report. This correlates with our recently published 2026 strategy in which sustainable considerations are integrated throughout our business activities. Integrated reporting also correlates with the increasing investor requests and regulatory demands for high-quality ESG performance data.

Our 2023 Annual Report represents our statutory statements in accordance with Sections 99a, 99b, and 99d of the Danish Financial Statements Act (Årsregnskabsloven) and EU Taxonomy reporting in accordance with Article 8(1).

European Energy has been a signatory member of the United Nations Global Compact since 2020. As required by the United Nations Global Compact, our yearly Communication on Progress (CoP) is submitted via its electronic reporting platform.

The reporting period covers 1 January 2023 to 31 December 2023. Our Annual Report 2023 was published on 28 February 2024. Previous years' reports are available online. Please visit europeanenergy.com/sustainability.

ESG data and consolidation

The ESG performance data presented in our Annual Report is consolidated at Group level in accordance with our financial statements.

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

The scope for and consolidation of health and safety injuries 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 contractor 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 contractor 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 our Annual Report 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.

Our ESG data set is developed for the purpose of disclosing relevant and transparent information to our stakeholders.

As a foundation for our reporting, we seek to comply with the reporting principles as defined by the Corporate Social Reporting Directive in its European Sustainability Reporting Standards: Relevance, Faithful representation, Comparability, Verifiability and Understandability.

Towards ESG Data Excellence

In recent years, we have seen increasing demands from investors in particular for high-quality ESG data, spearheaded by increasing regulatory requirements made of both financial institutions and companies that support the European Union's Green Deal. In 2023, we therefore instigated several initiatives to raise ESG data quality to the same level as financial data.

An ESG Data Warehouse has been implemented, enabling us to collect ESG data automatically from ESG input data providers on a quarterly basis and to store all of our ESG data in one place. This not only ensures systematisation and a single set of numbers, but also means that our auditors can track our data all the way to its source.

We have engaged our independent assurance provider in our process of increasing ESG data quality in order to ultimately document to our stakeholders that the ESG performance data presented in our Annual Report is of a high enough quality to obtain a limited assurance statement.

This means that, for the first time, KPMG has issued an Independent Limited Assurance Report on selected ESG data in the Sustainability Statements in our Annual Report. The selected ESG data is presented in data tables and accounting policies with an "assurance report"-icon next to the headline(s) of the individual page(s).

To drive our 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.

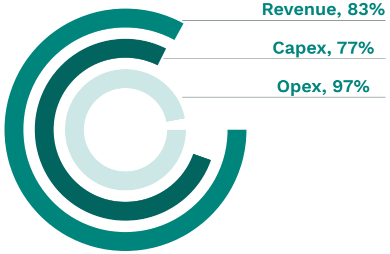
In combination, our initiatives towards ESG Data Excellence constitute a strong foundation from which we can grow our ESG data set.

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 performance to our stakeholders and work towards compliance with the European Union's Corporate Sustainability Reporting Directive and its European Sustainability Reporting Standards, effective from 2024.

EU Taxonomy-eligible KPIs

	Economic activities	Code	Total revenue (EURk)	Proportion of revenue (%)	Total Capex (EURk)	Proportion of Capex (%)	Total Opex (EURk)	Proportion of Opex (%)
A.2	**Taxonomy-eligible, but not Taxonomy-aligned activities**							
	Electricity generation using solar photovoltaic technology	CCM 4.1	185,285	44	6,260	55	12	1
	Electricity generation from wind power	CCM 4.3	131,754	31	2,518	22	3,082	96
	Storage of electricity	CCM 4.10	2,491	1	0	0	0	0
	Installation, maintenance and repair of renewable energy technologies	CCM 7.6	28,026	7	0	0	0	0
	Research, development and innovation for direct air capture of CO_2	CCM 9.2	791	0	0	0	0	0
A.2	**Total Taxonomy-eligible activities**		**348,347**	**83**	**8,777**	**77**	**3,094**	**97**
B	**Total Taxonomy-non-eligible activities**		**71,908**	**17**	**2,649**	**23**	**112**	**3**
	Total		**420,255**	**100**	**11,426**	**100**	**3,206**	**100**

EU Taxonomy-eligible KPIs



In 2023, for the first time, we assessed our economic activities in accordance with the EU Taxonomy. The results of our assessment show 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 been able to document that we do not significantly harm the other five environmental objectives and that we comply with all of 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, to deliver long-term value for society, our stakeholders and our business. In parallel to this, we will also take significant steps towards becoming Taxonomy-aligned.

Taxonomy-eligible revenue

83% of European Energy's revenue was Taxonomy-eligible in 2023. The primary contributors to the eligible share of revenue were sales of wind farms, solar parks and projects, as well as sales of renewable energy and asset management.

Our proportion of Taxonomy-non-eligible revenue (17%) was primarily associated with the sale of Power-to-X facilities. Power-to-X is not categorised as an eligible economic activity within the EU Taxonomy.

At European Energy, we strongly believe that Power-to-X will be a great catalyst for decarbonising energy-intensive industries and will thereby contribute to the sustainable development of society. Power-to-X development, construction and production will play an increasing role in our portfolio of activities within renewable energy and renewable fuels, despite not being considered sustainable within the EU Taxonomy.

See the Financial Statements for further specification of revenue.

Taxonomy-eligible Capex

77% of our Capex was Taxonomy-eligible in 2023. The primary contributor to the eligible share of Capex is investments in wind and solar assets held as property, plant and equipment.

See the Financial Statements for further specification of Capex additions within property, plant and equipment, and lease assets.

Taxonomy-eligible Opex

97% of our Opex was Taxonomy-eligible in 2023. The primary contributor to the eligible share of Opex in 2023 is repair and maintenance costs related to wind farms recognised as property, plant and equipment.

Opex expenditures are included in the Direct costs line item in the Financial Statements.

Accounting policies

Taxonomy-alignment
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 Non-Financial Reporting Directive (NFRD) must publish information on the extent to which their activities are associated with environmentally sustainable economic activities.

In 2023, 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 have 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:

- 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 4.10. Storage of electricity (Nace code n.a.)
- CCM 7.6. Installation, maintenance and repair of renewable energy technology (Nace codes F42.22, F42.99)
- CCM 9.2. Research, development and innovation for direct air capture of CO_2 (Nace codes M71.12, M72.19)

The Taxonomy eligibility of our activities has been assessed 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 has been evaluated at Group level.

Substantial contribution
When assessing our economic activities, we applied the technical screening criteria for climate change mitigation defined in the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139).

As we are only engaged in economic activities within the renewable energy sector, a field widely recognised for its crucial role in mitigating climate change, we have decided to only assess our five Taxonomy-eligible activities against their substantial contribution to climate change mitigation.

We have thus not screened our Taxonomy-eligible activities against the substantial contribution criteria for climate change adaptation, water, circular economy, pollution, and biodiversity.

For activities 4.1 and 4.3, our solar and wind farms automatically fulfil their substantial contribution to climate change mitigation, as we generate electricity using solar photovoltaic technologies and through wind power. By being engaged in installing, maintaining and repairing renewable energy technologies onsite, we meet the substantial contribution sub-requirements (a) and (d) for activity 7.6. By developing a carbon capture and storage facility in collaboration with the Technical University Denmark (DTU), we fulfil the requirements for activity 9.2.

We have not screened activity 4.10 against its technical screening criteria, since we divested our battery storage projects before reaching the construction phase.

Do no significant harm (DNSH)
Our activities can only be assessed as Taxonomy-aligned if we can document compliance with all applicable DNSH criteria. Consequently, if an activity fails to meet one or more of the DNSH criteria, we have evaluated that activity to be Taxonomy-eligible, but not Taxonomy-aligned.

DNSH 1: Climate Change Adaptation
We have not yet conducted a climate risk and vulnerability assessment at site level to identify material physical and climate risks to our activities. However, the assessment will be part of our Environmental and Social Management System for all new projects subject to screening.

DNSH 2: Sustainable use and protection of water and marine resources
We are required by EU law to conduct Environmental Impact Assessments (EIAs) as part of all projects under construction, to guarantee that potential impacts on water and marine resources are avoided, mitigated and properly addressed. However, we cannot provide documentation in accordance with Directive 2011/92/EU for all our sites within and outside the EU. As part of our Environmental and Social Management System we will ensure that EIAs are carried out for all our new projects subject to screening.

DNSH 3: Transition to a circular economy
We do not yet have a policy in place to assess the recyclability and durability of used equipment and components.

DNSH 4: Pollution prevention and control
We cannot provide documentation for this criterion, which is only applicable to activity 9.2.

DNSH 5: Protection and restoration of biodiversity and ecosystems
We are required by EU law to conduct EIAs as part of all projects under construction, to guarantee that potential impacts on biodiversity and ecosystems are avoided, mitigated and properly addressed. However, we cannot provide documentation in accordance with Directive 2011/92/EU for all our sites within and outside the EU. As part of our Environmental and Social Management System we will ensure that EIAs are carried out for all our new projects subject to screening.

Minimum safeguards (MS)
We are committed to respecting human rights and living up to the United Nations Guiding Principles on Business and Human Rights and the OECD's Guidelines for Multinational Enterprises. Our assessment of compliance with the minimum safeguards criteria was performed at Group level and comprises four main topics.

Human rights and labour rights
We have developed a Code of Conduct for Business Partners which describes our commitment to abolish labour rights violations through e.g. risk analysis and other processes focusing on prevention. Grievance mechanisms are implemented at site level for the sites that comply with the performance standards of the International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD). In jurisdictions in which grievance mechanisms have not yet been implemented, stakeholders can always resort to submitting a grievance through our online whistleblower mechanism. Furthermore, a quality, health, safety and environment manual has been developed.

As of 2023, we have not yet implemented a human rights due diligence framework as required under Article 18 of the Climate Delegated Act. This means that, despite all the minimum safeguards we do have in place, we cannot report compliance with the minimum safeguard criteria.

Corruption
We conduct our work in an honest and ethical manner and in line with our Good Business Code of Conduct. We will reach the highest possible standards by promoting ethical business practices and are committed to acting professionally, fairly and with integrity in all our business dealings. We take a zero-tolerance approach to bribery and corruption and we focus on both our own operations and our stakeholders by strengthening company-wide expertise and know-how on responsible business conduct, and by close stakeholder engagement through prioritising our 'Know-your-Counterparty' screening programme.

Fair competition
We have developed a Good Business Code of Conduct and adopted adequate internal controls, ethics and compliance programmes and measures for preventing and detecting bribery, in compliance with Article 18 of the Climate Delegated Act.

Our commitment to honest and ethical business conduct is outlined in the Good Business Code of Conduct, which sets global standards for stakeholder engagement to ensure high integrity in all business dealings.

Taxation
We comply with local and international tax legislation and act with responsibility and integrity in all tax matters. Our business structure is established to support our commercial operations and we do not use tax structures that are intended to promote tax avoidance. We discuss and act upon important tax-related affairs and tax risk management as part of the role and responsibilities of our Tax Committee. We strive towards transparent tax reporting by reporting on corporate tax inspired by GRI 207, and we voluntarily disclose country-specific tax payments.

Taxonomy-eligible KPIs
Our accounting policies for the EU Taxonomy KPIs are based on our interpretation of the Disclosures Delegated Act Annex I (Commission Delegated Regulation (EU) 2021/4987) and further guidelines from the European Commission.

Linkage principal
When allocating financial figures to our identified Taxonomy-eligible activities a linkage principle has been applied, signifying that when Revenue, Capex and Opex have been linked to a Taxonomy-eligible activity, it can be classified as an eligible activity and included in the numerator of the respective KPI.

Double counting
The risk of double counting in the process of allocating financial figures to the Taxonomy-eligible activities is assessed to be limited, since our reporting structure is split within our different activities. In some individual cases we have split the divestment of a project, since it relates to two of the identified eligible activities. In these cases, we have either split the sale in terms of the capacity of the different activities or, if possible, analysed the conditions stated within the signed sales agreements.

Materiality
When allocating financial figures to the specified Taxonomy-eligible activities, we have identified financial figures that are not directly linked to a sustainable activity or that fall below our materiality threshold. Consequently, we have not conducted further investigations to determine whether these figures should be included in an eligible activity. Hence, these figures are categorised as a non-eligible share.

Taxonomy-eligible revenue
The share of Taxonomy-eligible revenue is calculated as the revenue derived from products or services associated with Taxonomy-eligible economic activities as a proportion of the total revenue.

Taxonomy-eligible revenue (Numerator)
/ Total revenue (Denominator)

Taxonomy-eligible Capex
The share of Taxonomy-eligible Capex is calculated as the Capex additions related to assets associated with Taxonomy-eligible economic activities as a proportion of total Capex additions. Capex additions only include IAS 16 Property, plant and equipment (73:(e) (i)) and IFRS 16 Leases (53:(h)).

Taxonomy-eligible Capex additions (Numerator)
/ Total Capex additions (Denominator)

Taxonomy-eligible Opex
The share of Taxonomy-eligible Opex is calculated as the Opex related to assets associated with Taxonomy-eligible economic activities as a proportion of the total Opex. The total Opex amount solely includes maintenance and repair costs related to IAS 16 Property, plant and equipment.

Taxonomy-eligible Opex repair and maintenance expenses (Numerator)
/ Total repair and maintenance expenses (Denominator).

Taxonomy-non-eligible KPIs
The proportion of revenue, Capex and Opex that is not associated with a Taxonomy-eligible economic activity, or is below the materiality threshold, is classified as non-eligible.

CCM	Climate change mitigation
*	We have not screened our Taxonomy-eligible activities against the substantial contribution criteria for climate change adaptation.
Y	Yes (Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective)
N	No (Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective)
N/EL	Not eligible (Taxonomy-non-eligible activity for the relevant environmental objective)

Taxonomy-eligible revenue

Economic activities	Code	Absolute revenue 2023 (EURk)	Proportion of revenue (turnover) 2023 (%)	Substantial contribution: Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Does not significantly harm (DNSH): Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum safeguards	Taxonomy-aligned or eligible revenue 2022 (%)	Category enabling activity	Category transitional activity
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar PV technology	CCM 4.1	0	0%	Y	N*	N/EL	N/EL	N/EL	N/EL	n.a.	N	N	N	n.a.	N	N	-	-	-
Electricity generation from wind power	CCM 4.3	0	0%	Y	N*	N/EL	N/EL	N/EL	N/EL	n.a.	N	N	N	n.a.	N	N	-	-	-
Storage of electricity	CCM 4.10	0	0%	Y	N*	N/EL	N/EL	N/EL	N/EL	n.a.	N	n.a.	N	n.a.	N	N	-	E	-
Installation, maintenance and repair of renewable energy technology	CCM 7.6	0	0%	Y	N*	N/EL	N/EL	N/EL	N/EL	n.a.	N	n.a.	N	n.a.	N	N	-	E	-
Research, development and innovation for direct air capture of CO_2	CCM 9.2	0	0%	Y	N*	N/EL	N/EL	N/EL	N/EL	n.a.	N	N	N	N	N	N	-	E	-
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible, but not environmentally sustainable activities (Not Taxonomy-aligned activities)																			
Electricity generation using solar PV technology	CCM 4.1	185,285	44%	Y	N*	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-
Electricity generation from wind power	CCM 4.3	131,754	31%	Y	N*	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-
Storage of electricity	CCM 4.10	2,491	1%	Y	N*	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-
Installation, maintenance and repair of renewable energy technology	CCM 7.6	28,026	7%	Y	N*	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-
Research, development and innovation for direct air capture of CO_2	CCM 9.2	791	0%	Y	N*	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-
Revenue of Taxonomy-eligible, but not environmentally sustainable, activities (Taxonomy-non-aligned activities) (A.2)		**348,347**	**83%**	**83%**	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A.1 + A.2)		**348,347**	**83%**	**83%**	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Taxonomy-non-eligible activities																			
Revenue of Taxonomy-non-eligible activities (B)		**71,908**	**17%**																
Total (A + B)		**420,255**	**100%**																

83% Taxonomy-eligible revenue
Our proportion of revenue associated with Taxonomy-eligible activities in 2023 was 83%. This proportion mainly included revenue from sale of wind farms, solar parks and projects under development or construction, in addition to sale of renewable electricity and asset management. Our proportion of Taxonomy-non-eligible revenue (17%) was primarily associated with the sale of Power-to-X facilities.

European Energy's Power-to-X activities are not categorised as eligible economic activities within the EU Taxonomy. At European Energy, we firmly believe that Power-to-X will be a strong catalyst for decarbonising energy-intensive industries and will thereby contribute to the sustainable development of society.

Power-to-X development, construction and production will play an increasing role in our portfolio of activities within renewable energy and renewable fuels, despite not being considered sustainable within the EU Taxonomy as of 2023.

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

Taxonomy-eligible Capex

				Substantial contribution						Does not significantly harm (DNSH)									
Economic activities	Code	Absolute Capex 2023 (EURk)	Proportion of Capex 2023 (%)	Climate Change Mitigation	Climate Change Adapta-tion	Water	Circular Economy	Pollution	Bio-diversity	Climate Change Mitigation	Climate Change Adapta-tion	Water	Circular Economy	Pollution	Bio-diversity	Minimum safeguards	Taxono-my-aligned or eligible Capex 2022 (%)	Category enabling activity	Category transition-al activity
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar PV technology	CCM 4.1	0	0%	Y	N*	N/EL	N/EL	N/EL	N/EL	n.a.	N	N	N	n.a.	N	N	-	-	-
Electricity generation from wind power	CCM 4.3	0	0%	Y	N*	N/EL	N/EL	N/EL	N/EL	n.a.	N	N	N	n.a.	N	N	-	-	-
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.2 Taxonomy-eligible, but not environmentally sustainable activities (Not Taxonomy-aligned activities)																			
Electricity generation using solar PV technology	CCM 4.1	6,260	55%	Y	N*	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-
Electricity generation from wind power	CCM 4.3	2,518	22%	Y	N*	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-
Capex of Taxonomy-eligible, but not environmentally sustainable activities (Taxo-nomy-non-aligned activities) (A.2)		**8,777**	**77%**	**77%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A.1 + A.2)		**8,777**	**77%**	**77%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Taxonomy-non-eligible activities																			
Capex of Taxonomy-non-eligible activities (B)		**2,649**	**23%**																
Total (A + B)		**11,426**	**100%**																

77% Taxonomy-eligible Capex

Our proportion of Taxonomy-eligible Capex additions in 2023 was 77% and mainly relates to investments in solar and wind assets held as property, plant and equipment.

Our proportion of non-Taxonomy-eligible Capex additions (23%) is primarily related to new offices and office equipment.

The EU Taxonomy's definition of Capex only includes additions to European Energy A/S' investments as assets held as property, plant and equipment and long-term lease assets, which does not reflect European Energy A/S' business model.

Our business model to a great extent entails the sale of wind farms and solar parks at all stages, which we financially recognise as inventory. This means that even though we are a 100% renewable energy company, only a small share of our Capex is recognised by the EU Taxonomy. For comparison, in 2023 we added EUR 11.4m as investments in assets held as property, plant and equipment and lease assets, while we added a total of EUR 631m as investments in our assets held as inventory.

Taxonomy-eligible Opex

				Substantial contribution						Does not significantly harm (DNSH)									
Economic activities	**Code**	**Absolute Opex 2023 (EURk)**	**Proportion of Opex 2023 (%)**	**Climate Change Mitigation**	**Climate Change Adapta-tion**	**Water**	**Circular Economy**	**Pollution**	**Bio-diversity**	**Climate Change Mitigation**	**Climate Change Adapta-tion**	**Water**	**Circular Economy**	**Pollution**	**Bio-diversity**	**Minimum safeguards**	**Taxono-my-aligned or eligible Opex 2022 (%)**	**Category enabling activity**	**Category transition-al activity**
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar PV technology	CCM 4.1	0	0%	Y	N*	N/EL	N/EL	N/EL	N/EL	n.a.	N	N	N	n.a.	N	N	-	-	-
Electricity generation from wind power	CCM 4.3	0	0%	Y	N*	N/EL	N/EL	N/EL	N/EL	n.a.	N	N	N	n.a.	N	N	-	-	-
Opex for environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.2 Taxonomy-eligible, but not environmentally sustainable activities (Not Taxonomy-aligned activities)																			
Electricity generation using solar PV technology	CCM 4.1	12	1%	Y	N*	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-
Electricity generation from wind power	CCM 4.3	3,082	96%	Y	N*	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-
Opex for Taxonomy-eligible, but not environmentally sustainable activities (Taxo-nomy-non-aligned activities) (A.2)		**3,094**	**97%**	**97%**	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (A.1 + A.2)		**3,094**	**97%**	**97%**	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Taxonomy-non-eligible activities																			
Opex for Taxonomy-non-eligible activities (B)		**112**	**3%**																
Total (A + B)		**3,206**	**100%**																

97% Taxonomy-eligible Opex
Our Taxonomy-eligible proportion of Opex was 97% in 2023 and mainly relates to the maintenance and repair of our wind farms.

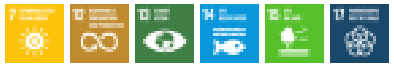
The EU Taxonomy's defintion of Opex is limited to only include maintenance and repair costs related to property, plant and equipment.

Renewable energy that revitalises the environment

The Emissions Gap Report 2023 entitled 'Broken Record', published by the United Nations Environment Programme, reveals what we have all experienced during the past year: extreme heat accompanied by high humidity, marine heat waves in the oceans, leading to bigger storms and accelerating sea-level rise, droughts leading to historical wildfires in the northern hemisphere, and extreme floods affecting many of the Earth's inhabitants[1].

If the 30-year warming trend up to now continues, global warming will already reach 1.5°C by February 2034 – far from the goal to keep the global temperature rise at 1.5°C by the end of the century, as defined in the Paris Agreement[2].

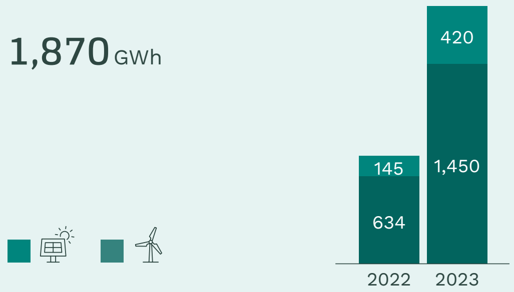
We must act more quickly through economy-wide, low-carbon development transformation, with a focus on the energy transition. The Conference of the Parties (COP28) in Dubai in the autumn of 2023 signals "the beginning of the end" of the fossil fuel era by laying the groundwork for a swift, just and equitable transition to renewable energy and green fuels[3].



1) United Nations Environment Programme (UNEP) (2023). Emissions Gap Report 2023: Broken Record – Temperatures hit new highs, yet world fails to cut emissions (again). Nairobi.
2) Copernicus Climate Change Service (C3S) (2023). Global temperature trend monitor.
3) United Nations Climate Change (UN) (13.12.23). COP28 Agreement signals "Beginning of the End" of the Fossil Fuel Era. UN Climate Press Release.

Renewable energy production

1,870 GWh

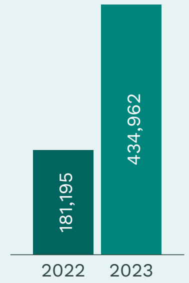


We are a 100% renewable energy company. In 2023, we produced a total of 1,870 GWh of wind power and solar power, which is an increase of 140% compared to 2022.

Avoided greenhouse gas emissions

434,962

tonnes CO_2e



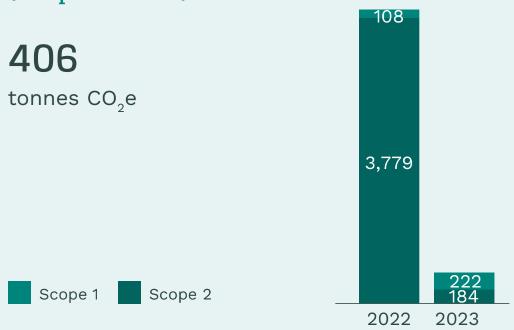
We avoided 434,962 tonnes of CO_2e GHG emissions through the 1,870 GWh renewable energy we produced at our wind farms and solar parks in 2023, which is 140% more than in 2022.

Greenhouse gas emissions

(Scope 1 and 2)

406

tonnes CO_2e



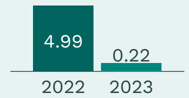
100% of power purchased for own consumption was certified renewable energy in 2023. Our market-based indirect GHG emissions (scope 2) declined accordingly.

Greenhouse gas emission intensity

(Scope 1 and 2)

0.22

g CO_2e/kWh



The greenhouse gas emission intensity (scope 1 and 2) was 0.22 g CO_2e/kWh in 2023, which is significantly lower compared to 4.99 CO_2e/kWh in 2022.

Progress overview: 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 Earth's resources and 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 2023	• We commenced the implementation of new software to support us in assessing scope 1, 2 and 3 GHG emissions in our entire value chain from 2024 onwards. • We further developed our power-to-X facilities and established new partnerships to continuously pursue power-to-X opportunities and support the decarbonisation of energy-intensive industries.	• We established a cross-disciplinary work stream to drive progress and performance. • We further developed a corporate-wide Environmental and Social Management System, in alignment with international sustainability performance standards.	• We continued to develop a biodiversity and ecosystem policy at Group level • We progressed on the development of a biodiversity inventory guideline. • We started 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.

Greenhouse gas (GHG) emissions (scope 1 and 2)

Indicator	Unit	Target	2023	2022	Δ	2021
Direct GHG emissions (scope 1)						
Total direct GHG emissions (scope 1)	Tonnes CO_2e		222	108	105%	-
Indirect GHG emissions (scope 2)						
Location-based indirect GHG emissions (scope 2)	Tonnes CO_2e		2,974	2,627	13%	-
Market-based indirect GHG emissions (scope 2)	Tonnes CO_2e		184	3,779	-95%	-
Greenhouse gas (GHG) intensity (scope 1 and 2)						
GHG emission intensity, energy production	g CO_2e/kWh		0.22	4.99	-96%	-
GHG emission intensity, revenue	g CO_2e/EUR		0.97	8.87	-89%	-
GHG emission intensity, EBITDA	g CO_2e/EUR		2.27	28.90	-92%	-

Direct scope 1 greenhouse gas emissions increased from 108 tonnes of CO_2e in 2022 to 222 tonnes of CO_2e in 2023. This is primarily due to an increase in the volume of purchased fuel for our growing number of company cars.

Indirect location-based scope 2 greenhouse gas emissions increased to 2,974 tonnes of CO_2e in 2023, which is an 13% increase from 2022. This is a result of an increase in the volume of energy purchased for own consumption, primarily at our wind farms and solar PV parks in operation, and our growing number of offices.

Indirect market-based scope 2 greenhouse gas emissions amounted to 184 tonnes of CO_2e in 2023, which is due to our heat consumption. This is a decrease of 95% compared to 2022, caused by an increasing volume of certified renewable power consumption. In 2023, 100% of the volume of power sourced for own consumption was certified renewable power.

The greenhouse gas intensity of the renewable energy produced by European Energy landed at 0.22g of CO_2e per sold kWh in 2023, down from 4.99g of CO_2e per sold kWh in 2022.

In 2023, we instigated the implementation of a Carbon Accounting Calculator that will support us in assessing our scope 3 greenhouse gas emissions.

We anticipate that our indirect scope 3 greenhouse gas emissions will be high, since there are considerable emissions tied to the manufacture and transportation of renewable energy components. Based on a 2024 base year, we will define action points and set short-term and long-term science-based targets.

Accounting policies

Direct GHG emissions (scope 1)
We apply the Greenhouse Gas Protocol when reporting our direct scope 1 GHG emissions, which cover all direct GHG emissions from European Energy, including carbon dioxide, methane, nitrous oxide and fluorinated gases.

In 2023, the direct GHG emissions (scope 1) are calculated by multiplying the amount of fuel consumed by an emission factor [gCO_2e] provided by DEFRA 2023 (UK Government's GHG Conversion Factors for Company Reporting), per fuel type.

Indirect GHG emissions (scope 2)
We apply the Greenhouse Gas Protocol when reporting our indirect scope 2 GHG emissions, which cover indirect GHG emissions from the consumption of purchased heat and electricity at European Energy's sites in operation and office buildings, including carbon dioxide, methane, nitrous oxide and fluorinated gases.

Indirect GHG emissions (scope 2) are calculated as both location-based emissions (by country) and market-based emissions (by energy type).

Location-based emissions are calculated by multiplying the energy consumed (in kWh) by the total country-specific emission factor for electricity. When calculating the location-based emissions we use the International Energy Agency's emission factors (IEA, 2022).

Market-based emissions are calculated by subtracting the total energy consumption by the number of guarantees of origin (GOs) surrendered from our own wind farms and solar parks and multiplying this by greenhouse gas emission factors per type of energy and per country, as stated in the European Residual Mix from the Association of Issuing Bodies (AIB, 2022).

GHG intensity (scope 1 and 2)
GHG intensity (scope 1 and 2) is calculated as total direct GHG emissions (scope 1) and market-based indirect emissions (scope 2), divided by total energy production, revenue and EBITDA, respectively.

Avoided greenhouse gas (GHG) emissions

Indicator	Unit	Target	2023	2022	△	2021
Avoided greenhouse gas (GHG) emissions						
Avoided GHG emissions	Tonnes CO_2e		434,962	181,195	140%	140,956

In 2023, European Energy avoided 434,962 tonnes of CO_2e emissions through the renewable energy that was produced at our wind farms and solar parks. This is an increase of 140% compared to the 181,195 tonnes of greenhouse gas emissions we avoided in 2022. 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.

Energy production and consumption

Indicator	Unit	Target	2023	2022	Δ	2021
Renewable share of energy production	%		100	100	0%	100
- Wind power	%		78	81	-3%p	70
- Solar power	%		22	19	3%p	30
Renewable energy production	GWh		1,870	779	140%	606
- Wind power	GWh		1,450	634	129%	425
- Solar power	GWh		420	145	190%	181
Direct and indirect energy consumption (total)	MWh		11,972	9,582	25%	-
Renewable share of total direct and indirect energy consumption	%		42	45	-3%p	-
Direct energy consumption (GHG - scope 1)	MWh		828	404	105%	-
Fuel used for vehicles and vessels	MWh		828	404	105%	-
Indirect energy consumption (GHG - scope 2)	MWh		11,144	9,178	21%	-
Power sourced for own consumption	MWh		9,293	7,700	21%	-
- covered by renewable energy certificates	%	100	100	25	75%p	-
Heat sourced for own consumption	MWh		1,851	1,478	25%	-

Total direct energy consumption (scope 1) and indirect energy consumption (scope 2) amounted to 11,972 MWh, which is an increase of 25% compared to the 9,582 MWh we consumed in 2022. The renewable share of total direct and indirect energy consumption decreased from 45% to 42%.

European Energy's direct energy consumption (scope 1), including fuels used for vehicles and vessels, increased from 404 MWh in 2022 to 828 MWh in 2023, which is an increase of 105%. The increase is a result of the expansion of European Energy, which leads to a growing company car fleet.

Power sourced for own consumption (scope 2) increased by 21% from 7,700 MWh in 2022 to 9,293 MWh in 2023, as a result of our growing company.

We source power for our solar parks and wind farms, which we primarily use for surveillance equipment for power production, and at our office buildings. We do not source power for the actual production of wind and solar power.

100% of power sourced for own consumption is covered by renewable energy certificates, which we have surrendered from our own renewable energy parks. This is an increase of 75% points compared to 2023.

In 2023, heat sourced for own consumption (scope 2) increased by 25%, from 1,478 MWh in 2022, compared to 1,851 MWh in 2023.

Going forward, we will take a critical look at our direct and indirect energy consumption and develop solutions for how we can decouple growth from increasing environmental impact.

Accounting policies

In 2023, direct and indirect energy consumption (scope 1 and scope 2) are estimated using a spend-based method, in accordance with the GHG protocol, by converting economic data for purchased fuel and power into MWh. We have chosen to apply a spend-based method to strengthen the accuracy and completeness of our data.

In comparison to last year's reported data, a significant difference in the results can be seen, which is due to a change in the data collection method from a hybrid method using both spend and activity data to a purely spend-based method. We have thus re-calculated 2022 data to ensure consistency and comparability.

In 2024, we will continue our efforts to heighten the data quality of our energy consumption by taking a critical look at our chart of accounts and by defining and implementing new bookkeeping and accounting procedures and processes.

Direct energy consumption (GHG, scope 1)
Direct fuel consumption includes fuel (gasoline, diesel, etc.) used for mobile combustion (vehicles and vessels), and for stationary combustion (facilities, generators, etc.). All direct fuel consumption leads to scope 1 GHG emissions.

Indirect energy consumption (GHG, scope 2)
Indirect heat and power consumption is purchased and consumed by European Energy at our projects under construction, in office buildings and by our sites in operation. Power consumption excludes consumption of our own generated power.

Renewable energy certificates
100% of the power we purchase for our own consumption is covered by renewable energy certificates that we have surrendered from our own renewable energy production.

Renewable share of total direct and indirect energy consumption
The renewable share is calculated as renewable energy sourced for own consumption, divided by the total energy sourced for own consumption.

A people-centric sustainable transformation

All progress revolves around people: it involves a transformative process that equips, connects and empowers groups of individuals to instigate change and generate something new, for the improvement of society. While development has the potential to foster societies where everyone can flourish, the process of change is intricate, demanding and socially contentious.

The journey towards sustainable development, however, is not guaranteed, and the current confluence of crises, including Covid-19, climate change, escalating conflicts, and a global economic slowdown, is exacerbating longstanding challenges to human health and safety, intensifying inequality, and reinforcing systemic inequities. Addressing these issues effectively not only requires economic and environmental sustainability, but also social sustainability.

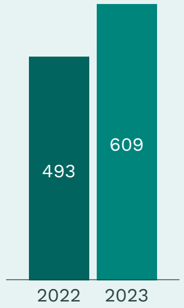
Communities and societies experiencing higher levels of social sustainability show increased willingness and capability to collaborate in overcoming challenges and allocating scarce resources in manners perceived as both legitimate and fair. This collective effort ensures that all individuals have the opportunity to thrive and prosper in the long term[1].

1) Barron, P. et al. (2023). Social Sustainability in Development. Meeting the challenges of the 21st century. Washington, World Bank Group

Employees

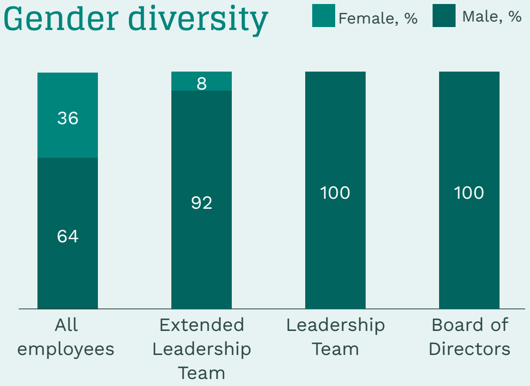
Full Time Equivalents

609 FTE



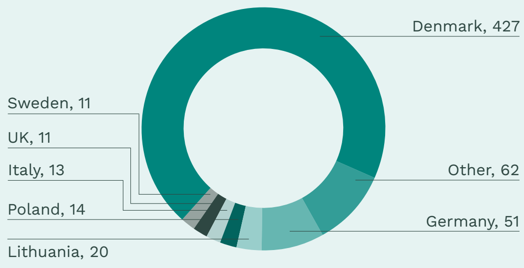
Our workforce grew by 24% from 493 employees in 2022 to 609 employees in 2023. We recognise that our employees are our most essential resource in delivering on our growth ambitions.

Gender diversity



In 2023, we did not succeed in increasing the gender diversity of our workforce. Despite this, our high ambitions are kept, with a target ratio of 40/60 across all levels.

Employees by country



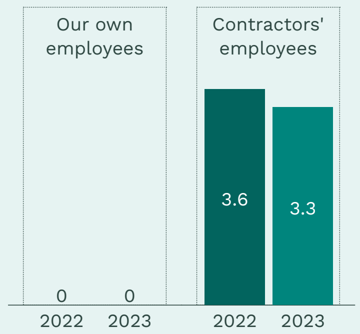
Our employees are spread across the world, with the majority working in Denmark, where our headquarter is located. In particular, we are welcoming a growing number of employees in eastern Europe.

Safety

Lost time injury rate

0 LTIR (EE)

3.3 LTIR (CE)



The lost time injury rate of 3.3 for our contractors' employees is a slight improvement compared to the year before. The lost time injury rate for our own employees remain 0.

Progress overview: 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 incidents culture, with zero lost time and total recordable injury rates, as well as zero fatalities. This applies to our total workforce, including both own employees and contractor 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 2023	• We have published a Diversity, Equity and Inclusion Policy. • We have provided additional support to our managers and equipped them to become better leaders and people managers. • We have initiated an internal gender-pay equity analysis.	• We have developed a local engagement tool. • We have developed corporate templates for stakeholder engagement procedures and plans. • We have provided training to our employees on good stakeholder engagement practices.	• We have provided health and safety training to our employees. • We have developed emergency response plans for all sites under construction, which will be integrated into our global crisis management system. • All employees can report incidents and injuries in our Project Life Cycle system.
Our plan towards 2026	• We will continue with 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 in 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	2023	2022	Δ	2021
Employees						
Total number of employees (as of 31 December)	FTEs		609	493	24%	313
Denmark	FTEs		427	360	19%	250
Germany	FTEs		51	41	24%	26
Lithuania	FTEs		20	15	33%	7
Poland	FTEs		14	13	8%	5
Italy	FTEs		13	11	18%	4
Sweden	FTEs		11	10	10%	6
The UK	FTEs		11	10	10%	6
Other	FTEs		62	33	88%	9
Average number of employees in the year	FTEs		551	403	37%	251
Average number of contractor employees in the year	FTEs		598	1,066	-44%	625
Employee turnover						
Total employee turnover rate	%		20.3	13.9	6.4%p	12.1
Voluntary employee turnover rate	%		13.9	12.5	1.4%p	10.6
Employee well-being survey						
Employees participating in the survey	%	75	70	-	-	74
Employees who are satisfied with their job	%	>80	84	-	-	80
Employees who would recommend working at European Energy	%		-	-	-	81
Employees who often or always return home tired	%		21	-	-	37
Employees who regularly experience stress symptoms	%		68	-	-	30

Accounting policies

Employees
The number of employees is determined as the number of employees contractually employed by European Energy A/S at 31 December of the financial year, converted into full-time equivalents (FTEs).

Average number of contractor employees
The total number of hours worked by contractor employees at our sites (projects under construction, wind farms and solar parks, which we manage under technical asset management obligations or operate under management agreements) are divided by the average number of hours worked by our own employees in Denmark in the financial year.

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.

Employee well-being survey
We did not conduct an employee well-being survey in 2022. From 2023 onwards, we will conduct quarterly employee engagement surveys.

Number of employees increased by 24%
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 2023, we saw a 24% increase in our workforce, bringing the total number of employees to 609, compared to 493 employees in 2022.

Most of our employees are based at our headquarters in Denmark, but we are also hiring more and more colleagues abroad, especially in central and eastern Europe. Additionally, we continue to engage in partnerships with our contractors, who play a significant role in the construction and operation of our wind farms, solar parks and Power-to-X plants. In 2023, we engaged the equivalent of 603 people employed by our contractors, which is 43% fewer than in 2022, due to the completion of major construction, primarily in Brazil.

Employee well-being
Our employees' well-being is of utmost importance. In 2023, we conducted quarterly well-being surveys to identify areas in need of special attention and to take corrective action on a timely basis.

The results of our well-being surveys show that 84% of our employees are satisfied with their job, which is an increase of 4% points compared to 2021. However, the survey also revealed that 68% of our employees, an increase of 38% points compared to 2021, regularly experience stress symptoms, which is deeply concerning.

The fact that so many of our employees experience stress symptoms underscores the need for more efforts to manage and alleviate sources of stress in our working environment.

The Work Environment Committee is dedicated to improving the working environment for our employees and will continue to plan, coordinate and oversee activities across the organisation.

Gender diversity

Indicator	Unit	Target	2023	2022	△	2021
Diversity						
Board of Directors, European Energy A/S	Number		6	7	-1	5
Female	Number		0	1	-1	0
Male	Number		6	6	0	5
Gender with lowest representation/female (40% in 2030)	%	40 (2030)	0	14	-14%p	0
Leadership Team	**Number**		**7**	**6**	**1**	**8**
Female	Number		0	0	0	0
Male	Number		7	6	1	8
Gender with lowest representation/female	%	40 (2030)	0	0	0%p	0
Extended Leadership Team	**Number**		**24**	**23**	**1**	**34**
Female	Number		2	2	0	8
Male	Number		22	21	1	26
Gender with lowest representation/female	%	40 (2030)	8	9	-1%p	24
All employees	**Number**		**713**	**550**	**30%**	**343**
Female	Number		257	209	23%	134
Male	Number		456	341	34%	209
Gender with lowest representation/female	%	40 (2030)	36	38	-2%p	39
Average age of employees	**Years**		**39**	**39**	**0**	**40**
Employees < 30 years	%		25	23	2%p	22
Employees 30 - 50 years	%		55	56	-1%p	56
Employees > 50 years	%		20	21	-1%p	22
Number of nationalities	**Number**		**43**	**37**	**14%**	**30**

Diversity in the Board of Directors

In 2023, the underrepresented gender (female) in our Board of Directors was 0%. In early 2024, we however welcomened Hilde Bakken to our Board of Directors which means that the percentage of female Board members is back at 14%, still below our target of 40% in 2030.

In 2024, we will strengthen our efforts to further professionalise the Board of Directors, with special focus on increasing Board membership diversity.

Our target of 40% female representation in our Board of Directors is in alignment with the 2022 decision by the European Commission to set a female representation target of 40% for the boards of publicly listed companies.

In 2023, the gender split of all our employees was 36% female and 64% male (38% female and 62% male in 2022). The share of women in our Leaderhip Team was 0% (0% in 2022) and the share of women in our Extended Leadership Team was 8% (9% in 2022) in 2023.

This means that we have not seen any progress in 2023 with a stagnant gender distribution across all employment levels.

As part of our newly released 2026-strategy, we have set a target of a 40% female representation across all employment levels by 2030.

Accounting policies

This section represents European Energy's statutory statements on the underrepresented gender in accordance with Section 99b of the Danish Financial Statements Act (Årsregnskabsloven).

The Board of Directors represents the company's highest management level. The Leadership Team represents the second highest management level, and the Extended Leadership Team represents the third highest management level.

Board of Directors

The Board of Directors consists of members elected at the general meetings.

Leadership Team

The Leadership Team consists of the CEO, Deputy CEO, CFO, EVP Head of Power-to-X, EVP Head of Project Development, EVP Head of EPC and EVP Head of Asset Management, Operations and Energy Trade. The Leadership Team reports to the Board of Directors.

Extended Leadership Team

The Extended Leadership Team consissts of the seven Leadership Team members in addition to 17 members from all parts of the organisation.

All employees

All employees by gender represents the total number of employees split between male and female employees. The total number of employees comprises a headcount of contractual employees of European Energy A/S at 31 December of the financial year.

Diversity, equity and inclusion across all employee levels

At European Energy, we aim to foster a workplace environment that not only respects, but also thrives on diversity, equity and inclusion. In 2023, we developed a Diversity, Equity and Inclusion Policy that pledges to create a discrimination-free environment with zero tolerance of harassment in any form.

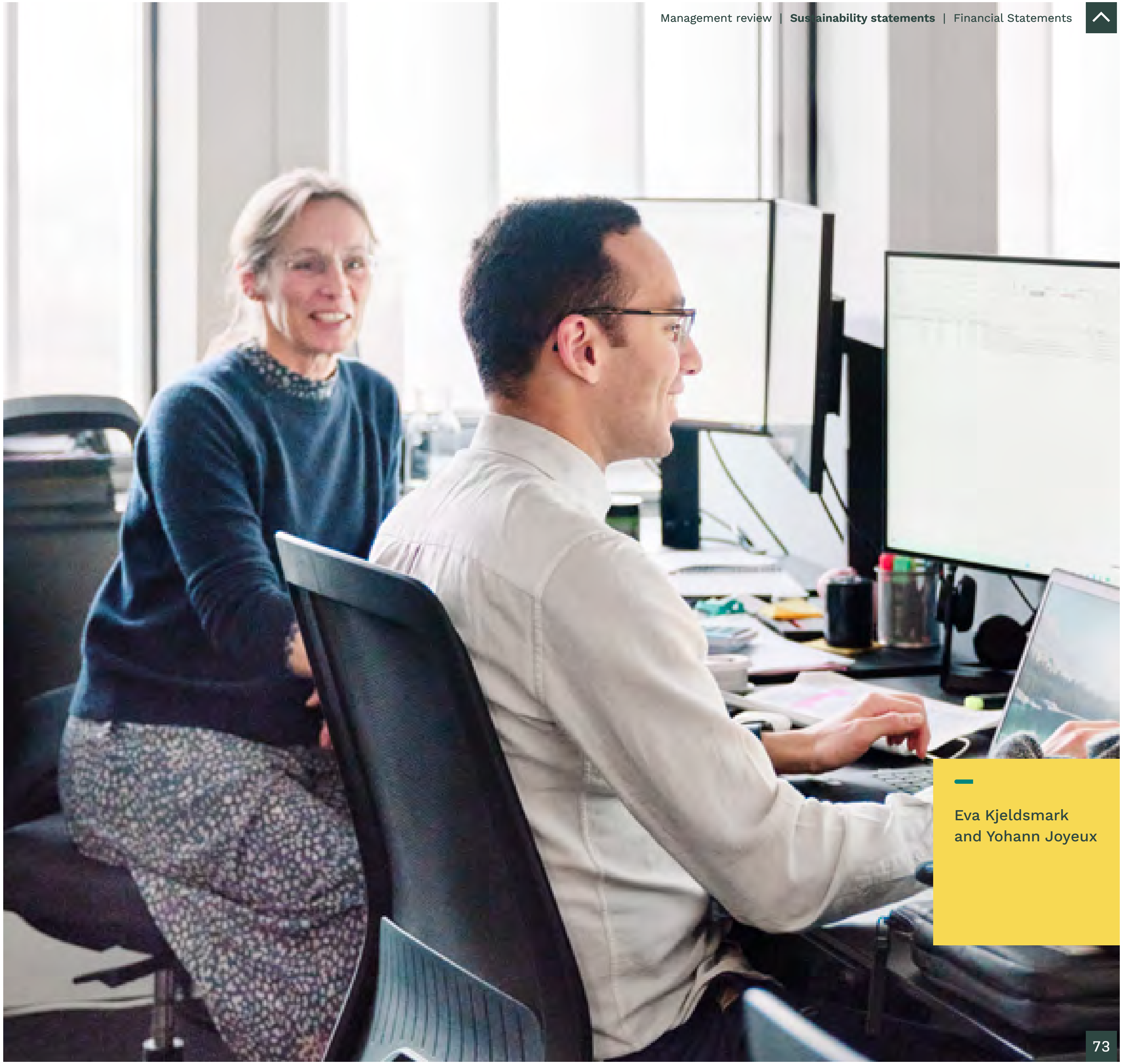
We actively seek to promote diversity and inclusion through deliberate recruitment and promotion strategies, and continuous employee support and training. We will therefore continue our leadership training, enhance leadership opportunities, and seek to improve employee satisfaction and participation in performance and career development reviews.

Ensuring gender pay equity and introducing a base pay level within the different levels of our career model is also one of the cornerstones of our new 2026 strategy.

Female manager network to be established

On our journey towards greater gender diversity across all employement levels, we will establish a female manager network.

We believe that this plays an important role in fostering a sense of solidarity among female managers, addressing common challenges and creating opportunities for professional growth. In such networks, female managers can share experiences, insights and strategies for navigating the unique obstacles that women may encounter in leadership roles, while contributing to creating a more inclusive and equitable workplace for all.



Eva Kjeldsmark and Yohann Joyeux

Health and safety

Indicator	Unit	Target	2023	2022	△	2021
Health						
Sickness absence	%		2.0	2.3	-0.3%p	-
Safety						
Lost Time Injuries (LTIs)						
Own employees	Number		0	0	0	2
Contractor employees	Number		3	6	-3	5
Lost Time Injury Rate (LTIR)						
Own employees	Injuries per million hours worked	0 (2026)	0.0	0.0	0%	4.5
Contractor employees	Injuries per million hours worked	0 (2030)	3.3	3.6	-7%	5.0
Total Recordable Injuries (TRIs)						
Own employees	Number		2	0	2	2
Contractor employees	Number		4	7	-3	7
Total Recordable Injury Rate (TRIR)						
Own employees	Injuries per million hours worked		2.1	0.0	-	4.5
Contractor employees	Injuries per million hours worked		4.3	4.2	4%	7.0
Fatalities	Number		**0**	**0**	**0**	**0**

Improved safety performance
Throughout 2023, we provided several health and safety training courses for our employees. This enabled us to keep the lost time injury rate (LTIR) for our own employees at 0, while the total recordable injury rate (TRIR) for our own employees increased from 0 to 2.1, due to two medical treatment cases.

The safety of our contractors' employees is just as important to us as the safety of our own employees. In 2023, the LTIR of 3.3 for our contractors was a slight improvement (3.6 in 2022), while the TRIR increased slightly from 4.2 in 2022 to 4.3.

Having improved our incident reporting system to capture a wider range of health and safety incidents and non-conformities, we will further engage with our main suppliers to enhance our safety performance. In 2024, we will implement a new management system for our Power-to-X plants.

We will also strive continuously to keep both our own and our contractors' employees healthy and safe. As an example, we will review and update our QHSE Policy in accordance with regulatory requirements, international standards and best practices.

As part of our strategic sustainability priorities and ambitions we have set a target of 0 LTIR by 2026 for our own employees and 0 LTIR for contractors' employees by 2030.

Accounting policies

Sickness absence
Sickness absence is calculated as the ratio between the number of sick days and the planned number of annual working days.

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 contractor employees, irrespective of European Energy's ownership share in a given project.

For sites in operation, we report on the health and safety of contractor 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 contractor's employees are based on reports and inputs.

Hours worked by our own employees in Denmark and abroad are obtained through company records. For contractor employees, on-site working hours are based on the reports and inputs from contractors, and estimates based on the number of turbines and the capacity of solar PV modules.

Lost Time Injuries includes Lost Time Injuries and Fatalities.

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

Governance that empowers business accountability

Corporate governance serves as a cornerstone for fostering transparency, accountability and ethical conduct within organisations. In an era marked by globalisation and increased interconnectivity, it is essential to ensure that actions and decisions across the company support responsible business conduct and, ultimately, the just and sustainable development of society.

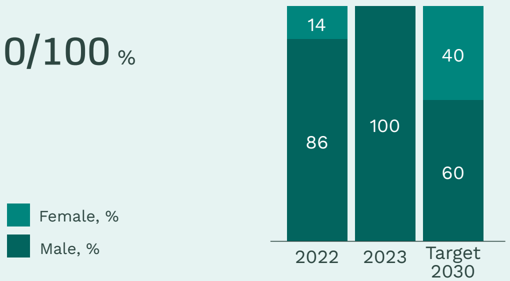
Especially the upstream value chain of renewable energy technologies has a history marked by challenges related to human rights, including land grabs, dangerous working conditions, and harm to Indigenous People, as well as corruption. The OECD Foreign Bribery Report states that one out of five cases of transnational bribery occurs in the extractives sector[1].

It is only through a high level of business accountability, and a governance structure that fosters a resilient and forward-looking organisation, that harm can be identified, prevented and mitigated across the value chain, while meeting the growing complexities of the regulatory and reporting landscapes.

1) OECD (2014). OECD Foreign Bribery Report. An Analysis of the Crime of Bribery of Foreign Public Officials, OECD Publishing.

Board of Directors

0/100 %

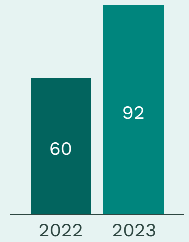


In 2023, we saw a decline in the gender diversity of our Board of Directors. In early 2024, we welcomed Hilde Bakken to our Board which means that the share of female Board members is 14%.

Supplier due diligence

Critical supplier risk screenings

92 %

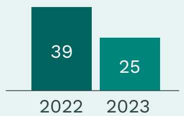


To ensure responsible business practices, we conducted risk screenings of 92% of our critical suppliers in 2023, bringing us close to our target of 100%.

Stakeholder engagement

Plans implemented

25 %



We aim to have stakeholder engagement plans in place for all our projects under construction. In 2023, we did not reach our target of 100%, with a disappointing result of 25%.

> We strive for transparent tax reporting by reporting on corporate tax inspired by GRI 207. For more information on our tax contributions, see our financial statements.

Progress overview: 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 sustianable growth.	Businesses have a responsibility to identify, address and mitigate any risks in connection with labour and human rights violations, corruption and environmental misconduct amongst their business partners. Irresponsible business conduct can have a negative impact on societies 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 where 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 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 make 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 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 screening and assessment 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 2023	• We developed and rolled out a Good Business Code of Conduct that includes anti-corruption and anti-bribery. • We implemented a policy on do's and don'ts with reference to good business conduct.	• We developed a Code of Conduct for Business Partners in alignment with the UN Guiding Principles on Business and Human Rights, which will be implemented in 2024. • We screened critical suppliers against ESG criteria. • We finalised step-by-step procedures for new suppliers and will have an annual assessment of their ESG performance. • We revised our ESG contractual clauses by introducing due diligence requirements. • We joined a project led by Green Power Denmark focusing on addressing the most severe risks for the solar energy sector, along the entire value chain.	• 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 watchlists 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-dept 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 the preparation required to fulfil our ambitions.

Board of Directors

Indicator	Unit	Target	2023	2022	Δ	2021
Board of Directors, European Energy A/S						
Members	Number		6	7	-1	5
- Danish	Number		6	7	-1	5
- Non-Danish	Number		0	0	0	0
- Female	Number		0	1	-1	0
- Male	Number		6	6	0	5
Gender with the lowest representation/female (40% in 2030)	%	40 (2030)	0	14	-14%p	0
Average age	Years		58	55	3	55
Average seniority	Years		12	9	3	12
Independent Board members	%		50	57	-7%p	40
Board meetings	Number		10	7	3	8
Board meeting attendance	%		94	97	-3%p	98
Remuneration of the Board of Directors	EURk		197	51	286%	45
Audit Committee						
Members	Number		2	3	-1	3
Meetings	Number		6	5	1	5
Attendance	%		94	93	1%p	100
Sustainability Committee						
Members	Number		2	0	-	0
Meetings	Number		2	0	-	0
Attendance	%		100	0	-	0

Board of Directors
In 2023, one of our Board members left to pursue new opportunities in the energy sector. This change in the composition of our Board of Directors reduced both independence and diversity among our Board members.

The share of the underrepresented gender (female) decreased from 14% to 0%. Our target of 40% female representation on our Board of Directors by 2030 is in alignment with the 2022 decision by the European Commission to set a female representation target of 40%.

In early 2024, we however welcomened Hilde Bakken to our Board of Directors which means that the share of female Board members is back to 14%, still below our target of 40% in 2030.

In 2024, we will strengthen our efforts to further professionalise the Board of Directors, with 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.

For more information on the remuneration of the Board of Directors, see the Management's Review of this report.

Business accountability

Indicator	Unit	Target	2023	2022	Δ	2021
Supplier due diligence						
Critical supplier risk screenings	%		92	60	32%p	33
Anti-corruption and anti-bribery						
Employees who have completed an anti-corruption and anti-bribery course	%		82	80	2%p	90
Stakeholder engagement						
Stakeholder engagement plans implemented	%		25	39	-14%p	-
Whistleblower cases						
Substantiated whistleblower cases	Number		0	2	-2	0
Whistleblower cases referred to the police	Number		0	0	0	0

Code of Conduct for Business Partners

At European Energy, we want to ensure that our business partnerships are built on a shared commitment to conduct business in a sustainable and responsible manner.

Our Code of Conduct for Business Partners, published in 2023 and to be rolled out in 2024, is instrumental in guiding responsible business practices in our relationships, to guarantee that social, ethical and environmental impacts and risks are managed throughout our value chain.

Our Code of Conduct for Business Partners serves as the foundation for fostering responsible business practices through ongoing dialogue with our business partners. Our efforts also include the implementation of policies, a sustainability due diligence system and grievance mechanisms.

Supplier due diligence

In 2023, we screened 92% of our critical suppliers. We have set two new targets as part of our 2026 strategy, which are: to screen the sustainability performance of 100% of tier 1, tier 2 and tier 3 direct suppliers of wind, solar and Power-to-X technologies by 2026; and to have all tier 1 suppliers complete in-depth sustainability assessments with supported action plans by 2026.

In 2023, we remained engaged in industry-led work streams committed to addressing supply chain challenges, such as the origin and use of rare earth minerals. In an effort to increase supply chain transparency, we have set an ongoing target of mapping the value chain of six key minerals and metals across all our technologies.

Stakeholder engagement plans in place

The number of stakeholder engagement plans implemented for projects under construction decreased by 14% points, from 39% in 2022 to 25% in 2023.

In 2023, we focused our efforts on further developing our corporate-wide environmental, social and management systems, including stakeholder engagement plans with grievance mechanisms that can be used during the life cycle of our products.

Our target for 2026 is to implement Environmental and Social Management Systems for all new projects subject to screening.

Accounting policies

Supplier due diligence

Critical suppliers are identified based on management assessments of critical suppliers in our supply chain.

The proportion of critical supplier risk screenings is calculated by dividing the number of screenings of critical suppliers performed by the total number of critical suppliers.

Anti-corruption and anti-bribery course

The proportion of employees who have completed an e-learning course in anti-corruption and anti-bribery is calculated as the number of employees who at 31 December had completed an e-learning course in anti-corruption and anti-bribery, as a proportion of the number of employees invited to take the course.

Stakeholder engagement plans

All projects under construction with a stakeholder engagement plan implemented divided by the total number of projects under construction in the given financial year. We include all projects under construction, irrespective of European Energy's ownership share.

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.

Data ethics

Indicator	Unit	Target	2023	2022	△	2021
Data ethics						
Data ethics policy	Yes/No		Yes	Yes	-	Yes

The responsible use of data is critical to our business model. We must manage and control the storage and use of our stakeholders' data ethically and proactively, in order to avoid abuse and privacy infringement issues, and to safeguard the company from legal risks, business risks and reputational risks.

We are committed to only collecting and processing the necessary data, and the principle that privacy should be given preference is central to European Energy's Data Ethics Policy. We store data only for as long as it is needed, we do not sell our data to third parties, and artificial intelligence is not used to process our personnel-related data.

We are guided by our Data Ethics Compass, which covers the principles of self-determination, equality and justice, dignity, progressivity, accountability and diversity. As European Energy grows and expands to more countries, the ethical data discussion is gaining importance in our IT strategy and internationalisation processes.

Data Ethics principles will moreover be echoed in our Information Security Policy, which is expected to be finalised in 2024. We continuously review developments within artificial intelligence (AI) and large-language models (LLMs) to ensure that ethical use is preserved as this technology develops.

Due to recent developments, we expect to update our Data Ethics Policy to ensure that new ethical perspectives related to AI are sufficiently addressed.

Accounting policies

This section presents European Energy's statutory statements on Data Ethics in accordance with Section 99d of the Danish Financial Statements Act (Årsregnskabsloven).

Appendix

Appendix 1: ESRS alignment

Since the approval of the European Green Deal in 2020, various initiatives have been launched to support the transformation of the European Union into a fair and prosperous society, with the ultimate goal of achieving climate neutrality by 2050.

As a significant development within the European Green Deal, the European Parliament approved the European Sustainability Reporting Standards (ESRS) in 2023. The ESRS will come into effect through the Corporate Social Reporting Directive (CSRD) in 2024, mandating compliance with the ESRS for all large and listed companies.

The ESRS will establish standardised disclosure requirements, empowering companies to navigate their sustainable journey while addressing material and strategically relevant sustainability impacts, risks and opportunities. Standardised sustainability reporting will also aid investors and financial institutions in making informed choices that align with a sustainable economy.

At European Energy, we embrace advancements that promote the standardisation of sustainability reporting and drive the sustainability agenda forward. As an example, we have chosen to integrate sustainability and ESG performance indicators into our 2023 Annual Report.

This strategic shift not only aligns with upcoming CSRD requirements, but also reflects the essence of our business and our recently launched corporate strategy. Sustainability is one of four pillars underpinning our vision to support a just and green transition by further embedding sustainability in our business activities and across our value chain.

By delivering on our strategic sustainability priorities and ambitions we will close gaps to the European Union's Corporate Sustainability Reporting Directive and its European Sustainability Reporting Standards, and support European Energy in its journey towards ESRS alignment.

Appendix 2: PAI alignment

The Sustainable Finance Disclosure Regulation (SFDR) was introduced in 2021 by the European Commission, alongside the Taxonomy Regulation and the Low Carbon Benchmarks Regulation, as part of a package of legislative measures arising from its Action Plan on Sustainable Finance.

The SFDR has set new benchmarks for transparency in financial markets, requiring financial market participants and financial advisers to disclose Principal Adverse Impacts (PAIs) of their investments. European Energy supports every effort to mobilise sustainable finance.

As a renewable energy company, we offer our investors opportunities to invest in a company that contributes to society's sustainable development. We support the mobilisation of institutional and private capital for renewable energy investments, and we aspire to support a just and green transition by further embedding sustainability in our business activities and across our value chain.

Although not mandatory for European Energy, we have decided to release our first standalone PAI statement for the 2023 financial year, which is accessible through our global website. Our PAI statement is intended to support our investors in making informed investment decisions, in alignment with the SFDR.

Our PAI statement includes a selection of our 2023 ESG performance indicators and targets, together with development explanations and accounting policies as referenced in our 2023-Annual Report. By delivering on our strategic sustainability priorities and ambitions we expect to be able to disclose even more information on our Principal Adverse Impacts in the years to come.

Please find our PAI statements at **europeanenergy.com/ir-material**

Appendix 3: International frameworks and industry associations

International frameworks

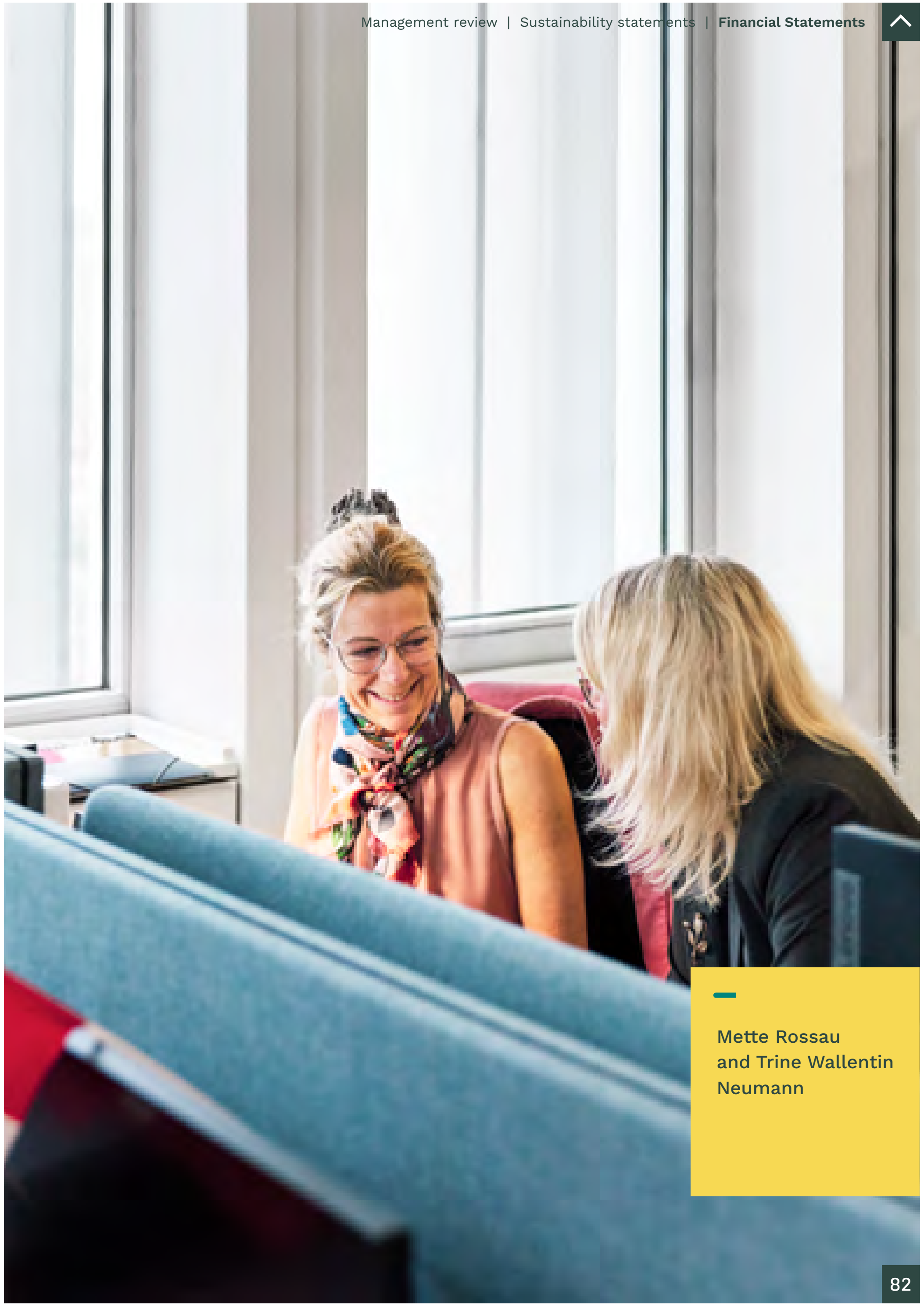
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- ILO Declaration on Fundamental Principles and Rights at Work
- The International Bill of Human Rights
- IFC Performance Standards
- EBRD Performance Requirements
- The Equator Principles

Industry networks

- United Nations Global Compact
- SolarPower Europe
- Wind Europe
- Hydrogen Europe
- WindDenmark
- Green Power Denmark
- Danish Standards
- Confederation of Danish Industry
- The Danish Agriculture and Food Council
- Dansk solcelleforening

Consolidated financial statements

Table of contents for consolidated financial statements



Mette Rossau and Trine Wallentin Neumann

Consolidated statement of income

Note	EURk	2023	2022*
2.2	Revenue	420,255	438,077
3.8	Results from investments in joint ventures	8,245	10,460
3.9	Results from investments in associates	2,540	5,787
2.4	Other income	59,082	2,787
2.1	Direct costs	-251,041	-270,440
	Other costs	-965	-
	Gross profit	**238,116**	**186,671**
2.5, 7.1	Staff costs	-32,278	-22,437
7.2	Other external costs	-27,400	-24,128
	EBITDA	**178,438**	**140,106**
3.2-3.4	Depreciation and impairment	-23,923	-14,951
	Operating profit	**154,515**	**125,155**
2.6	Financial income	27,496	16,106
2.6	Financial expenses	-56,410	-26,547
	Profit before tax	**125,601**	**114,714**
6.2	Tax	-12,598	-16,360
	Profit for the year	**113,003**	**98,354**
	Attributable to:		
	Shareholders of European Energy A/S	102,945	80,025
	Hybrid capital holders	4,809	9,188
3.10	Non-controlling interests	5,249	9,141
	Profit for the year	**113,003**	**98,354**
	Earnings per share:		
	Earnings per share, basic	0.34	0.27
	Earnings per share, diluted	0.33	0.26

Note	EURk	2023	2022*
	Profit for the year	113,003	98,354
	Items that may be reclassified to profit or loss:		
	Value adjustments of hedging instruments	-47,336	-44,688
6.2	Tax of value adjustments of hedging instruments	9,729	10,680
	Currency translation of foreign operations	4,138	-3,554
	Other comprehensive income for the year	**-33,469**	**-37,562**
	Comprehensive income for the year	**79,534**	**60,792**
	Attributable to:		
	Shareholders of European Energy A/S	73,639	39,547
	Hybrid capital holders	4,809	9,188
	Non-controlling interests	1,086	12,057
	Comprehensive income for the year	**79,534**	**60,792**

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Consolidated balance sheet

Note	EURk	2023	2022*
	Non-current assets		
3.2	Goodwill	10,652	10,662
3.2	Other intangible assets	4,430	5,695
3.3	Property, plant, and equipment	177,853	155,756
3.4	Lease assets	9,251	11,834
3.8	Investments in joint ventures	85,422	15,778
3.9	Investments in associates	41,707	29,352
3.11	Other investments	10,334	13,447
7.3	Loans to joint ventures	42,727	37,367
7.3	Loans to associates	1,597	2,138
5.2	Derivatives	5,842	6,904
3.6	Trade receivables and contract assets	2,542	4,699
3.6	Other receivables	8,833	4,515
6.3	Deferred tax	33,178	13,650
	Total non-current assets	**434,368**	**311,797**
	Current assets		
3.5	Inventories	1,320,526	1,051,000
5.2	Derivatives	262	8,905
3.6	Trade receivables and contract assets	112,753	79,308
3.6	Other receivables	33,526	59,354
3.6	Prepayments	7,263	22,967
	Cash and cash equivalents	93,212	165,285
	Restricted cash and cash equivalents	25,690	44,541
	Total current assets	**1,593,232**	**1,431,360**
	Total assets	**2,027,600**	**1,743,157**

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Note	EURk	2023	2022*
	Equity		
	Share capital	40,624	40,602
	Retained earnings and reserves	255,951	184,675
	Equity attributable to shareholders of the Company	**296,575**	**225,277**
4.2	Hybrid capital	115,000	150,000
3.10	Non-controlling interests	20,909	16,077
	Total equity	**432,484**	**391,354**
	Non-current liabilities		
5.1	Bond	441,190	363,683
5.1	Project financing	652,745	668,669
	Other debt	4,721	5,133
3.4	Lease liabilities	13,572	10,996
3.7	Provisions	42,586	40,212
5.2	Derivatives	66,652	31,783
6.3	Deferred tax	15,988	19,670
	Total non-current liabilities	**1,237,454**	**1,140,146**
	Current liabilities		
5.1	Project financing	237,600	55,090
3.4	Lease liabilities	3,505	3,282
5.2	Derivatives	1,070	3,432
	Trade payables	47,910	77,426
7.3	Payables to related parties	187	921
6.4	Corporation tax	20,200	8,129
3.7	Provisions	-	8,415
	Deferred income	3,474	9,347
	Other payables	43,716	45,615
	Total current liabilities	**357,662**	**211,657**
	Total liabilities	**1,595,116**	**1,351,803**
	Total equity and liabilities	**2,027,600**	**1,743,157**

Consolidated statement of cash flow

Note	EURk	2023	2022*
	Profit before tax	125,601	114,714
	Adjustment for:		
	Financial income	-27,496	-16,106
	Financial expenses	56,410	26,547
	Depreciation and impairment	23,923	14,951
	Results from investments in joint ventures	-8,245	-10,460
	Results from investments in associates	-2,540	-5,787
4.3	Change in net working capital, excluding inventories	-23,906	-4,222
4.3	Change in inventories	-342,427	-479,039
	Interest paid on lease liabilities	-604	-464
	Dividends	3,268	5,537
4.5	Other non-cash items	-27,698	25
	Cash flow from operating activities before financial items and tax	**-223,714**	**-354,304**
6.4	Taxes paid	-8,192	-7,010
	Interest paid and realised currency losses	-51,170	-24,830
	Interest received and realised currency gains	10,980	11,803
	Cash flow from operating activities	**-272,096**	**-374,341**
	Cash flow from investing activities		
	Acquisition/disposal of property, plant, and equipment	-3,712	-9,599
	Acquisition/disposal of other investments	6,671	-4,670
	Acquisition of enterprises	-2,806	-8,120
	Cash and cash equivalents related to acquired companies	-	1,544
	Investments in joint ventures and associates	-11,617	-5,699
7.3	Loans to joint ventures and associates	-1,807	1,490
	Cash flow from investing activities	**-13,271**	**-25,054**

Note	EURk	2023	2022*
	Cash flow from financing activities		
	Proceeds from issue of bonds	74,703	74,411
	Proceeds from project financing	399,776	505,829
	Repayment of project financing	-233,190	-169,631
	Repayment of lease liabilities	-3,264	-2,346
	Payments to associates	-734	-10,510
	Capital increase through exercise of warrants	175	365
	Purchase of treasury shares	-280	-140
	Proceeds from issue of hybrid capital	113,930	-
	Repayment of hybrid capital	-150,000	-
	Coupon payments, hybrid capital	-4,809	-9,188
	Transactions with non-controlling interests	-1,864	-6,930
	Cash flow from financing activities	**194,443**	**381,860**
	Change in total cash and cash equivalents	**-90,924**	**-17,535**
	Total cash and cash equivalents at 1 January	209,826	227,361
	Total cash and cash equivalents at 31 December	**118,902**	**209,826**
	Cash and cash equivalents	93,212	165,285
	Restricted cash and cash equivalents	25,690	44,541
	Total cash and cash equivalents at 31 December	**118,902**	**209,826**

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Consolidated statement of shareholders' equity

	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	**40,602**	**1,758**	**-3,582**	**-37,019**	**-181**	**221,792**	**223,370**	**150,000**	**17,999**	**391,369**
Correction re. prior business combination	-	-	-	-	-	1,907	1,907	-	-1,922	-15
Restated total 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 for the year	-	-	-	-	-	102,945	102,945	4,809	5,249	113,003
Other comprehensive income										
Value adjustments of hedging instruments	-	-	-	-42,355	-	-	-42,355	-	-4,981	-47,336
Tax of value adjustments of hedging instruments	-	-	-	8,781	-	-	8,781	-	948	9,729
Currency translation of foreign operations	-	-	4,268	-	-	-	4,268	-	-130	4,138
Other comprehensive income	**-**	**-**	**4,268**	**-33,574**	**-**	**-**	**-29,306**	**-**	**-4,163**	**-33,469**
Total comprehensive income	**-**	**-**	**4,268**	**-33,574**	**-**	**102,945**	**73,639**	**4,809**	**1,086**	**79,534**
Transactions with owners										
Dividends	-	-	-	-	-	-	-	-	-1,864	-1,864
Purchase of treasury shares	-	-	-	-	-280	-	-280	-	-	-280
Exercise of warrants	22	153	-	-	-	-	175	-	-	175
Share-based compensation expenses	-	-	-	-	-	2,992	2,992	-	-	2,992
Issue of hybrid capital	-	-	-	-	-	-1,070	-1,070	115,000	-	113,930
Redeem of hybrid capital	-	-	-	-	-	-	-	-150,000	-	-150,000
Coupon payments, hybrid capital	-	-	-	-	-	-	-	-4,809	-	-4,809
Additions	-	-	-	-	-	-4,158	-4,158	-	6,080	1,922
Disposals	-	-	-	-	-	-	-	-	-470	-470
Total transactions with owners	**22**	**153**	**-**	**-**	**-280**	**-2,236**	**-2,341**	**-39,809**	**3,746**	**-38,404**
Equity at 31 December 2023	**40,624**	**1,911**	**686**	**-70,593**	**-461**	**324,408**	**296,575**	**115,000**	**20,909**	**432,484**

*Comparative figures for FY 2022 (1 January 2023) have been restated related to the finalization of purchase price allocation of Ammongas A/S.

Consolidated statement of shareholders' equity, continued

				2022*						
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	**40,559**	**1,436**	**27**	**-150**	**-39**	**145,905**	**187,738**	**150,000**	**12,750**	**350,488**
Profit for the year	-	-	-	-	-	80,025	80,025	9,188	9,141	98,354
Other comprehensive income										
Value adjustments of hedging instruments	-	-	-	-48,205	-	-	-48,205	-	3,517	-44,688
Tax of value adjustments of hedging instruments	-	-	-	11,336	-	-	11,336	-	-656	10,680
Currency translation of foreign operations	-	-	-3,609	-	-	-	-3,609	-	55	-3,554
Other comprehensive income	**-**	**-**	**-3,609**	**-36,869**	**-**	**-**	**-40,478**	**-**	**2,916**	**-37,562**
Total comprehensive income	**-**	**-**	**-3,609**	**-36,869**	**-**	**80,025**	**39,547**	**9,188**	**12,057**	**60,792**
Transactions with owners										
Dividends	-	-	-	-	-	-	-	-	-2,343	-2,343
Purchase of treasury shares	-	-	-	-	-142	-	-142	-	-	-142
Exercise of warrants	43	322	-	-	-	-	365	-	-	365
Share-based compensation expenses	-	-	-	-	-	2,356	2,356	-	-	2,356
Coupon payments, hybrid capital	-	-	-	-	-	-	-	-9,188	-	-9,188
Additions	-	-	-	-	-	-	-	-	2,340	2,340
Disposals	-	-	-	-	-	-4,587	-4,587	-	-8,727	-13,314
Total transactions with owners	**43**	**322**	**-**	**-**	**-142**	**-2,231**	**-2,008**	**-9,188**	**-8,730**	**-19,926**
Equity at 31 December 2022	**40,602**	**1,758**	**-3,582**	**-37,019**	**-181**	**223,699**	**225,277**	**150,000**	**16,077**	**391,354**

*Comparative figures for FY 2022 (1 January 2023) have been restated related to the finalization of purchase price allocation of Ammongas A/S.

Consolidated statement of shareholders' equity, continued

The share capital consists of nom. 302,328,808 shares (2022: nom. 302,168,583 shares) of DKK 1 each, corresponding to EUR 40,624 thousand (2022: 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 December 2023, the Group held nom. 162,762 shares (2022: nom 95.512 shares) of DKK 1 each corresponding to EUR 22 thousand (2022: 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 December 2023 amounts to EUR 11.5m (2022: EUR 2.5m), which will reduce retained earnings (equity) if European Energy A/S does not elect to defer coupon payment on the next interest payment date in January 2024.

Notes for consolidated financial statements

Notes for consolidated financial statements

1

Basis of reporting

1.1 Basis for preparation

General information

The Annual Report 2023 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and additional requirements in the Danish Financial Statements Act.

On 28 February 2024, the Board of Directors approved the 2023 Annual Report. The Annual Report is presented at the Annual General Meeting on 14 March 2024.

Change in accounting policies and disclosures

The Group has adopted all new, amended or revised accounting standards and interpretations (IFRS) as published by the IASB effective as of 1 January 2023, as well as those endorsed by the EU.

Except for the below mentioned change of accounting policy all other accounting policies are unchanged compared to the annual report for the year ended 31 December 2022, to which reference is made.

Accounting policies for the recognition and measurement of financial guarantee contracts are changed from previously recognising contracts according to IFRS 4 as now superseded by IFRS 17, to being recognised and measured in accordance with IFRS 9. The change of accounting policy has an immaterial effect on the Parent companys financial statements.

New accounting standards not yet adopted

The IASB has issued a number of new or amended accounting standards and interpretations, effective after 31 December 2023. The approved, though not yet effective, standards and IFRICs will be applied as they become mandatory for the Group.

IAS 1, Non-current liabilities, is effective for periods beginning on or after 1 January 2024.

IFRS 16, Leases on sale and leaseback, is effective for the periods beginning on or after 1 January 2024.

IAS 7 and IFRS 7, Supplier finance, is effective for periods beginning after 1 January 2024.

IAS 21, Lack of Exchangeability, is effective for periods beginning after January 2025.

Management does not expect the new or amended standards and IFRICs to materially affect the coming financial year.

Basis of consolidation

The consolidated financial statements comprise European Energy A/S (the Parent), and subsidiaries over which European Energy A/S exercises control.

Entities acquired or founded during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognised in the consolidated statement of profit or loss until the date of disposal.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to non-controlling interests even if this means that the non-controlling interests have a negative balance. When necessary, the financial statements of subsidiaries are adjusted to align their accounting policies with those of group. All intra-group assets and liabilities, equity, income, expenses and cash flows arising from transactions between group entities are fully eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the parent company.

The non-controlling interests' proportionate share of the subsidiaries' profit and of equity is included as part of the Group's profit and equity, respectively.

Foreign currency translation

A functional currency is determined for each of the reporting entities in the Group. The functional currency is the primary currency used for the reporting entity’s operations. Transactions denominated in currencies other than the functional currency are considered transactions denominated in foreign currencies. The presentation currency is EUR.

Monetary items denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date at which the monetary item arose or the exchange rate in the latest consolidated financial statements is recognised as financial income or expenses.

On recognition of entities with a functional currency other than the presentation currency, the income statement and statement of cash flows are translated at the exchange rates at the transaction date, and the statement of financial position items are translated at the exchange rates at the reporting date. Foreign exchange differences arising on translation of the opening balance of equity, and of the income statement on the reporting date, are recognised in other comprehensive income and attributed to a separate translation reserve in equity. Foreign exchange differences arising on the translation of the proportionate share of associates and joint ventures are likewise recognised in other comprehensive income.

Foreign exchange adjustment of balances with entities that are considered part of the investment in the entity is recognised in other comprehensive income. Correspondingly, foreign exchange gains and losses on the part of loans and derivative financial instruments that are designated as hedges of investments in foreign entities, and that effectively hedge against corresponding foreign exchange gains and losses on the investment in the entity, are also recognised in other comprehensive income and attributed to a separate translation reserve in equity.

When the gain or loss from a complete or partial disposal of an entity is recognised, the share of the cumulative exchange differences recognised in other comprehensive income is recognised in the income statement. The same approach is adopted on repayment of balances that constitute part of the net investment in the entity.

Presentation of cash flow statement

The consolidated cash flow statement shows the Group's cash flows from operating, investment and financing activities.

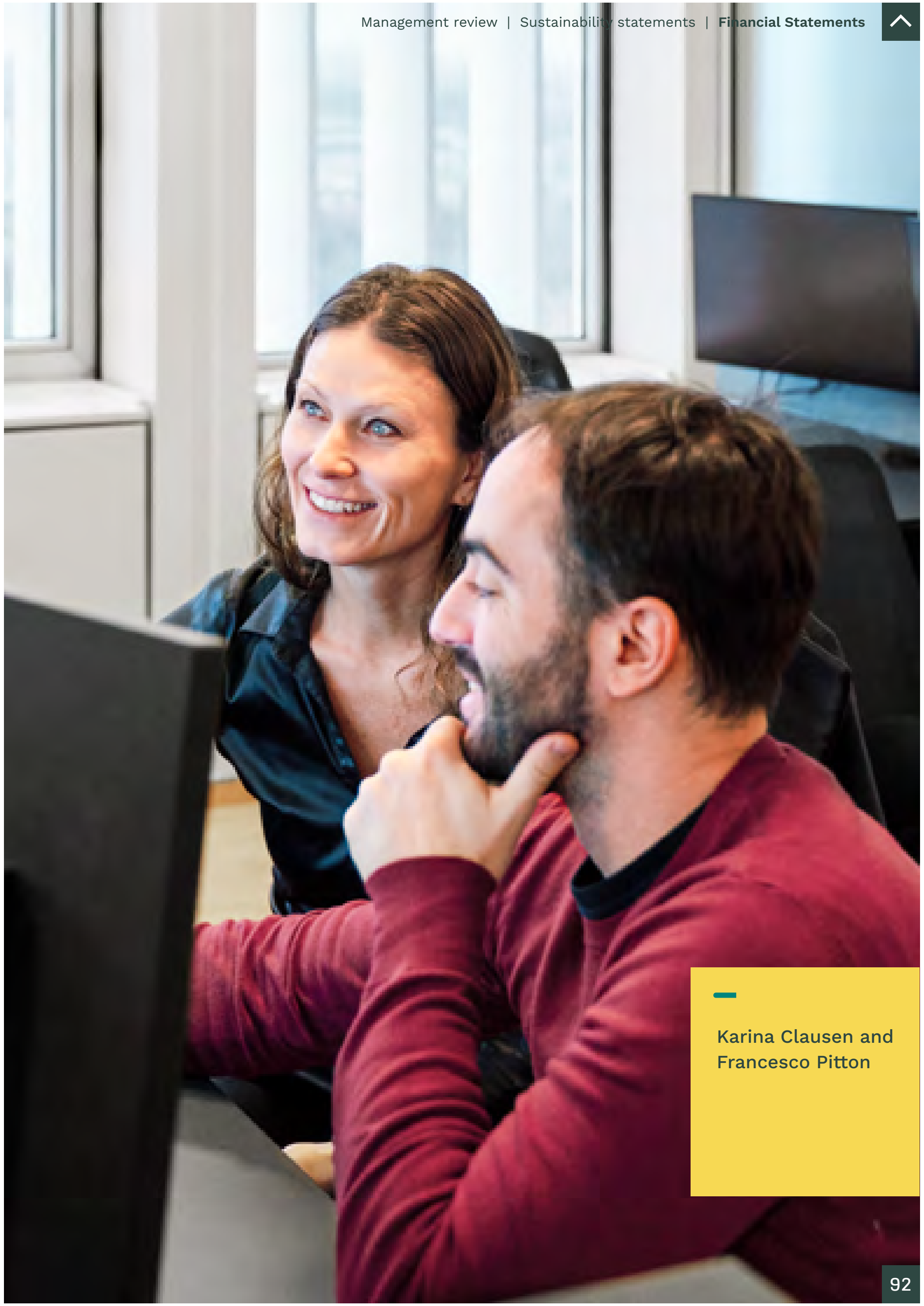
Cash flows from operating activities are determined using the indirect method and stated as the consolidated profit before tax adjusted for non-cash operating items, including depreciations and impairment losses, provisions and changes in working capital, interest received and paid and corporate tax paid. Other non-cash items primarily comprise reversal of gain from disposing non-current assets, reversal of value adjustments made in relation to other investment assets and reversal of share of profit (loss) from equity-accounted investments.

When the Group sell a company (SPV which owns an energy park), the balance of the SPV is not netted out in the cash flow. The Group recognises the sale of an SPV as if it was a sale of an asset. The inventory, receivables and payables sold are thus included in the working capital changes of the year.

Cash flow from investment activities comprises payments connected with the purchase and sale of non-current assets, including energy farms classified as property, plant and equipment and equity-accounted investments.

Cash flows from financing activities include proceeds from bond issues, drawdowns, new project loans, payments from non-controlling interests and repayments on borrowings from credit institutions. Loans in disposed companies within the Group are recognised as repaid loans in the cash flow statement.

Cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less and an insignificant risk of changing value.



Karina Clausen and Francesco Pitton

1.2 Judgement and estimates

In preparing the 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.

Note	Description	Key accounting estimates and judgements	Estimate/ Judgment
2.2	Revenue	Recognition of revenue	Judgement
2.2	Revenue	Allocation of revenue	Estimate
3.1	Business combination	Purchase price allocation in business combinations	Estimate
3.4	Assessment of leases	Assessment of lease contracts	Judgement
3.5	Inventories	Assumptions on impairment test	Estimate
3.5	Inventories	Classification of power producing assets	Judgement
3.7	Provisions	Assumptions for provisions	Estimate
3.8	Investments in joint-ventures	Assessment of control and significant influence	Judgement
3.9	Investments in associates	Assessment of control and significant influence	Judgement
4.1	Capital management	Classification of hybrid capital	Judgement
5.2	Financial risk management	Valuation of power purchase agreements	Judgement
5.4	Determination of fair value	Measurement of power purchase agreements	Estimate
6.1	Tax governance	Recognition of taxable income	Estimate

Judgements

The following provides information about judgements made in applying those accounting policies that most significantly impact the amounts recognised in the consolidated and separate financial statements:

Revenue (note 2.2)
When selling turn-key projects revenue is recognised at a point-in-time when control and all material risk and rewards have been transferred to the buyer. Determining the point-in-time require judgement regarding open matters/conditions and whether such if any are material or not.

Lease assets and liabilities (note 3.4)
In accounting for lease contracts various judgements are applied in determining right-of-use assets and lease liabilities. Judgements include assessment of lease periods, utilisation of extension options and applicable discount rates.

Inventory (note 3.5)
Energy farm projects that have been developed for the purpose of sale and not for revenue generation from the sale of electricity production are classified as inventories.

Management is regularly judging this portfolio and reassessing the divestment opportunities. Management has judged that the current asset portfolio in operation is expected to be divested in the near future, and as such classified as inventories.

Power generating assets that are not classified as inventory are classified an non-current assets.

Investments in joint ventures and associates (note 3.8 And 3.9)
To have control over an investee, European Energy A/S must have all of the following:

a) Power over the investee;
b) Exposure, or rights, to variable returns from its involvement with the investee; and
c) The ability to use its power to affect the amount of its returns

The assessment of control is based on European Energy's actual ability to direct the activities of the project rather than on the legal form of the ability. Consequently, the determination of whether European Energy has substantive rights over the project does not distinguish between rights arising from European Energy as a shareholder of the project or as an operator.

In certain circumstances, the decision making rights over the investee are delegated to a general partner. Particular emphasis is put on assessing control over an investee. When European Energy acts as commercial manager under a commercial management agreement (CMA), European Energy assesses whether it is using the power provided under the CMA for its own benefit (European Energy has control); or merely using this power for the benefit of other investors (European Energy is acting as an agent).

The classification of a joint arrangement under IFRS 11 depends on the parties' rights and obligations arising from the arrangement in the normal course of business. Key factors considered relate to whether the investors have the direct rights to the output (assets) and obligation as to the liabilities of the wind or solar farm. The following critical factors are included in the analysis of other facts and circumstances that could affect classification: whether co-investors are allocating their share of the output to the utility company or only entitled to a net cash flow, and whether the wind or solar farm relies solely on the partners for financing.

Capital management (note 4.1)
Accounting judgement upon initial classification of hybrid capital. Classification of the hybrid capital is subject to significant accounting judgement.

The issued EUR 115m callable subordinated green capital securities due 3023 are accounted for as a hybrid capital reserve in equity. The classification is based on the special characteristics of the hybrid bond, where the bond holders are subordinate to other creditors and European Energy A/S may defer and ultimately decide not to pay the coupons.

As the principal of the securities ultimately falls due in 3023, its discounted fair value at initial recognition is nil due to the terms of the hybrid bond, and therefore a liability of nil has been recognised in the balance sheet, and the full amount of the proceeds have been recognised as equity. Coupon payments are recognised in the statement of cash flows in the same way as dividend payments within financing activities.

Financial risk management (note 5.2)
When determining the accounting treatment of purchase price agreement (PPA's) management performs a range of judgements. Management has judged based on specific contractual terms and conditions whether PPA's entered and contains physical offtake requirements is considered a physical contract. Other PPA's entered with corporates or counterparties which cannot physically offtake the power from the grid even though the contract entered is physical in nature is recognized as financial derivates in accordance with IFRS 9.

Assumptions and estimation uncertainties

When preparing the consolidated financial statements of the Group, Management makes a number of accounting estimates and assumptions on which the recognition and measurement of the Group's assets and liabilities are based.
The following provides information about assumptions and estimation uncertainties with a significant risk of resulting in a material adjustment in the year ending 31 December 2023:

Revenue (note 2.2)
When divesting energy projects the transaction price may comprise both a fixed and a variable element. The variable consideration may take various forms, most commonly the variability may relate to an agreed IRR for the sold project or an earn-out or production guarantee linked to future production. Additionally, the variable consideration may relate to various milestones for construction progress, completion, project economy or similar. The milestones may to some extent depend on external conditions, like weather, local authorities, etc., which creates an inherit uncertainty in the estimates. To the extent possible we use external or historical data to support our estimates, or other factors considered relevant.

The uncertainty about measurement relates mainly to the variable consideration and allocation of revenue between different performance obligations. This measurement requires Management judgement applying assumptions and estimates.

Business combination (note 3.1)
In applying the acquisition method of accounting, estimates are an integral part of assessing fair values of identifiable assets acquired and liabilities assumed, as observable market prices are typically not available.

Valuation techniques where estimates are applied typically relate to determining the present value of future uncertain cash flows or assessing other events in which the outcome is uncertain at the date of acquisition.

More significant estimates are typically applied in accounting for property, plant and equipment, customer relationships, trade receivables, deferred tax, debt and contingent liabilities. As a result of the uncertainties inherent in fair value estimation, measurement period adjustments may be applied.

Inventories (note 3.5)
Inventories, comprising projects under development, under construction and completed projects are initially measured at cost.

An impairment test is performed on the carrying amount.

The impairment test is based on assumptions regarding strategy, market conditions, discount rates and budgets etc., after the project has been completed and production commenced. If market-related assumptions etc. are changed, projects may have to be written down. Management examines and assesses the underlying assumptions when determining whether the carrying amount should be written down.

Provisions (note 3.7)
Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings. The outcome of such proceedings depends on future events, which are, by nature, uncertain.

When considering provisions involving significant estimates, opinions and estimates by external legal experts and existing case law are applied in assessing the probable outcome of material legal proceedings, etc.

Determination of fair value (note 5.4)
When measuring the fair value of our portfolio of power purchase agreements we are aiming for the use of quoted prices (level 2 in the fair value hierarchy). However, this is not always possible since we have entered PPA's on power markets where the future forward prices are not available throughout the entire contract lifetime or even available at all. If the forward prices are not available for the entire contract period on the specific power market then the contract is measured according to a non-observable input (level 3 in the fair value hierarchy). The non-observable inputs used when measuring the fair value are comprised of quotes to the market for similar contracts, estimates on future price curves adjusted for inflation and other market expectations. Further, management expectations and assumptions regarding future developments in the power market.

Tax governance (note 6.1)
Uncertainties exist with respect to the interpretation of tax regulations in the different countries in which the Group operates, to changes in tax law and to the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could potentially cause adjustments to tax income and expense already accounted for. Management reviews deferred tax assets quarterly, which are recognised only to the extent considered sustainable in the future, taking the timing and the level of future taxable profits into account, together with the Group's future tax planning strategies.

2

Profit for the year

2.1 Segment information

Accounting policies

Segment income and costs include transactions between the segments. The transactions are eliminated upon consolidation.

Revenue, income from equity accounted investments, other income and direct costs are all directly attributable to each reportable segment.

Revenue consist of sale of energy parks and projects, sale of energy and asset management and other services.

Other income comprises items secondary to the activities of the Group.

Direct costs comprise costs incurred in generating the revenue. On disposal of energy projects placed in fully controlled subsidiaries, direct costs comprise capital expenditures directly related to the constructed power generating assets that are disposed of and other costs directly related to the disposal. Direct costs related to sale of power comprise operating costs related to constructed and operating energy park. Direct costs related to asset management and other services comprise allocated staff costs and other indirect costs.

Staff costs and other external costs are attributable to the segments either directly or based on an assessment of usage. These costs comprise administrative functions such as finance, HR, communication, IT and legal.

Chief operating decision maker
Operating segments are recognised in the manner that corresponds to the internal reporting to the chief operating decision-maker (CODM).

The CODM is the function responsible for allocating the Group's resources and assessing the performance of the operating segments. The Group's CODM has been identified as the Board of Directors.

Segment information
Reporting segments are listed below:

Sale of energy parks and projects
Sale of energy (electricity, green hydrogen, E-methanol, heat, etc.)
Asset management and other fees

Segment information has been prepared in accordance with the Group accounting policies. Segment income and segment costs as well as segment assets and liabilities, comprise those items that can be directly attributed to each individual segment on a reliable basis.

2.1 Segment information, continued

	2023							2022*					
EURk	Sale of energy parks and projects	Sale of energy	Asset manage-ment and other fees	Reportable segments	Non-Re-portable segments	Elimina-tions	Total	Sale of energy parks and projects	Sale of energy	Asset manage-ment and other fees	Reportable segments	Elimina-tions	Total
Revenue external	299,652	113,551	7,052	420,255	-	-	420,255	325,064	105,529	7,484	438,077	-	438,077
Inter-segment revenue	-	-	6,276	6,276	-	-6,276	-	-	-	3,246	3,246	-3,246	-
Revenue	**299,652**	**113,551**	**13,328**	**426,531**	**-**	**-6,276**	**420,255**	**325,064**	**105,529**	**10,730**	**441,323**	**-3,246**	**438,077**
Results from investments in joint ventures	-	8,245	-	8,245	-	-	8,245	-	10,460	-	10,460	-	10,460
Results from investments in associates	-	2,540	-	2,540	-	-	2,540	-	5,787	-	5,787	-	5,787
Other income	43,649	12,377	-	56,026	3,056	-	59,082	2,478	309	-	2,787	-	2,787
Direct costs	-215,954	-31,091	-3,996	-251,041	-	-	-251,041	-252,640	-15,002	-2,798	-270,440	-	-270,440
Other costs	-	-	-	-	-965	-	-965	-	-	-	-	-	-
Gross profit	**127,347**	**105,622**	**9,332**	**242,301**	**2,091**	**-6,276**	**238,116**	**74,902**	**107,083**	**7,932**	**189,917**	**-3,246**	**186,671**
Staff costs	-29,606	-2,236	-436	-32,278	-	-	-32,278	-17,197	-3,353	-1,887	-22,437	-	-22,437
Other external costs	-20,446	-3,767	-3,187	-27,400	-	-	-27,400	-23,336	-534	-258	-24,128	-	-24,128
Inter-group costs	-	-6,276	-	-6,276	-	6,276	-	-	-3,246	-	-3,246	3,246	-
EBITDA	**77,295**	**93,343**	**5,709**	**176,347**	**2,091**	**-**	**178,438**	**34,369**	**99,950**	**5,787**	**140,106**	**-**	**140,106**
Depreciation and impairment	-1,265	-22,658	-	-23,923	-	-	-23,923	-633	-14,318	-	-14,951	-	-14,951
Segment profit (Operating profit)	**76,030**	**70,685**	**5,709**	**152,424**	**2,091**	**-**	**154,515**	**33,736**	**85,632**	**5,787**	**125,155**	**-**	**125,155**
Financial income							27,496						16,106
Financial expenses							-56,410						-26,547
Tax							-12,598						-16,360
Profit for the year							**113,003**						**98,354**

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

2.1 Segment information, continued

Non-current assets by geography (EURk)	2023	2022
Denmark	252,142	171,063
Northern Europe	25,145	17,250
Central Europe	119,569	100,352
Southern Europe	32,737	23,131
Rest of the world	4,775	1
Total	**434,368**	**311,797**

2.2 Revenue

Revenue by segment and type (EURk)	2023	2022
Sale of energy parks and projects		
Wind	50,308	47,605
Solar	226,350	266,435
Other activities	22,994	11,024
Total	**299,652**	**325,064**
Sale of energy		
Wind	88,509	91,122
Solar	25,042	14,407
Total	**113,551**	**105,529**
Asset management and other fees		
Wind	3,101	3,709
Solar	3,822	3,700
Other activities	129	75
Total	**7,052**	**7,484**
Total segment and type		
Wind	141,918	142,436
Solar	255,214	284,542
Other activities	23,123	11,099
Total revenue	**420,255**	**438,077**

Revenue arises from sale of energy parks and projects, sale of energy and sale of asset management and other services.

Our customer base is mainly institutional investors and utilities that invest in stable cash flows generated by operational wind or solar farms.

Revenue for 2023 are slightly below last year and amounts to EUR 420.3m (2022: EUR 438.1m). The lower revenue was driven by sale of energy parks.

The sale of energy has increased further from last year. The increase mainly stems from more produced energy from parks operating under European Energy's ownership.

Asset management and other fees landed in line with last year.

Sale of energy parks and projects

The Group develops, constructs and divests energy parks as turnkey projects, but also projects in various stages of development and construction.

Sale of energy

We own operating energy parks which we hold as either property, plant and equipment or as inventory, dependent on the intended use of the park. While the parks are operating we sell the electricity production.

A significant part of the produced power is secured by feed in tariffs, PPAs or other subsidy schemes, and the prises are to a large extent hedged through these mechanisms. The Group are however not fully hedged and will to some extent be exposed to variability in power prices.

Asset management and other fees

As part of our business model, we service energy parks with commercial and technical asset management as well as operation and maintenance service agreements.

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting date equals EUR 310.5m (2022: EUR 343.1m).

Contract liabilities

Revenue recognised in 2023 that was included in the Contract liability balance at the beginning of the period amounts to EUR 4.6M (2022: EUR 2.1m).

2.2 Revenue, continued

Geographic information is based on the physical location of the projects sold (EURk)	2023	2022
Revenue by geography		
Denmark	212,130	152,113
Northern Europe	70,353	27,478
Central Europe	90,079	78,751
Southern Europe	31,715	179,735
North and South America	15,978	-
Total	**420,255**	**438,077**

Information about sale to customers more than 10% of revenue (EURk)	2023	2022
Large customers		
Customer #1	139,928	-
Customer #2	4,125	176,065
Customer #3	-	47,380
Total	**144,053**	**223,445**

Unsatisfied performance obligations (EURk)	Within one year	In more than one year	2023
Sale of energy parks and projects	13,339	875	14,214
Sale of energy	22,959	230,370	253,328
Service agreements	4,674	38,284	42,958
Total	**40,972**	**269,528**	**310,500**

Unsatisfied performance obligations (EURk)	Within one year	In more than one year	2022
Sale of energy parks and projects	7,837	16,059	23,895
Sale of energy	19,376	267,181	286,557
Service agreements	2,992	29,681	32,673
Total	**30,205**	**312,921**	**343,125**

Accounting policy

Revenue is recognised when the Group has fulfilled its contractual performance obligations towards the buyer.

Sale of energy parks and projects

European Energy is divesting turn-key energy parks as well as projects in various stages of development and construction. Special purpose vehicles (SPVs) organised as subsidiaries, joint ventures or associates in the Group carry out development and construction activities, and holds all relevant permits. When divesting energy parks or projects we sell the shares in a SPV.

To fulfil the performance obligation, whether it is a turnkey energy park or a project under development or construction, it is usual that the transaction as a minimum includes an agreement for the transfer of the shares in the SPV as well as an agreement for the development and/or construction of the energy park. These, and if relevant, more agreements are evaluated to assess if they are to be treated as combined contracts when determining the performance obligations and the transaction prices, respectively.

Revenue is recognised when control has been transferred to the buyer. This usually occurs at the point in time when the buyer accepts the takeover, depending on the terms and conditions of the contracts. In a turn-key sale it takes up to five years from the beginning of a project until the sale is completed and recognised. During this time European Energy develops, constructs and makes the plant operational. Consequently, there is a substantial time difference between European Energy's value creation in the project and the timing of the revenue recognition.

The revenue from sale of energy parks and projects in fully controlled subsidiaries is measured as total construction costs in the SPV at the time of divestment plus net profit from sale of the shares (a gross transaction).

The revenue from sale of energy parks and projects in joint ventures or associates is measured as the net profit from the sale of the shares in the SPVs, and no direct costs related (a net transaction).

The transaction price is normally agreed in one or more milestone payments. The transaction price normally includes a fixed and a variable consideration, determined by the project's expected future cash flow based on buyer's and seller's agreement on expected return on invested capital (ROIC).

The estimated amount of variable consideration will be included in the transaction price only to the extent that a significant reversal in the revenue recognised is highly unlikely to occur when the uncertainty associated with the variable consideration is subsequently resolved.

Payments deferred more than 12 months are adjusted for the time value of money.

In projects where the Group does not act as a turnkey project developer e.g. when the Group establishes transformer stations and building foundations, the revenue is recognised when control of the project has been transferred to the buyer, European Energy's performance obligations has been satisfied and European Energy is entitled to receive payment.

Sale of energy

Revenue from sale of produced electricity is recognised over time as supplied to the purchaser's network. Payment is linked to the supply of electricity based on the agreed payment terms.

Asset management and other fees

Revenue from asset management is recognised when the services are delivered over time. The service includes technical and commercial asset management and operation and maintenance service. Other services may be recognised at a point in time dependent on the terms and conditions of the agreements. Payment is linked to the services provided, either based on a hours spend or a fixed milestone schedule.

2.3 Government grants

Government grants recognised as revenue (EURk)	Wind	Solar	2023	Wind	Solar	2022
Subsidies recognised as revenue	1,634	547	2,181	347	150	497
Government grants	**1,634**	**547**	**2,181**	**347**	**150**	**497**

Government grants comprise subsidies for sale of energy intended as a compensation for the price of power and grants for development of projects.

Government grants are recognised when there is a reasonable assurance that the grants will be received. Grants related to sale of energy are recognised under revenue in step with the generated power.

Grants related to development of projects are recognised as deferred income and amortised throughout the operational period for the project through other income. Amortisation of grants recognised under other income amount to EUR 67k in 2023 (2022: EUR 67k).

In 2023, subsidies related to sale of electricity account for less than 2% of total electricity revenues (2022: less than 1%). The increase is mainly due to the high power prices in 2022 across all of Europe which exceeded the minimum tariffs throughout the majority of the year.

In 2023, electricity prices have reached more normalised levels with prices more occasionally dropping below the obtained tariffs.

Accounting policies

Government grants are recognised as revenue when there is reasonable assurance that the grants will be received.

2.4 Other income

EURk	2023	2022
Gain from revaluation of remaining shareholdings from step wise project sales	40,190	2,478
Fair value adjustments of other investments (FVTPL)	3,459	309
Liquidated damages from suppliers	11,296	-
Other	4,137	-
Other income	**59,082**	**2,787**

Other income amounted to EUR 59.1m (2022: EUR 2.8m). The increse compared to last year was mainly due to gain from revaluation of remaining shareholding of Solar Park Kassø ApS.

Income from liquidated damages from suppliers related to contractual compensation due to lost prodcution or other contractual breach.

Accounting policies

Other income comprise recurring and non-recurring items that management consider to be part of the Group's ordinary activitites, but is not revenue from contract with customers in the reportable segements.

Other income includes gains from value adjustments of non-controlling interests in wind and solar parks (other investments), which are measured at fair value in other income (FVTPL).

Other income also comprise gain from revaluation of remaining shareholdings from step wise project sales, where the Group has sold energy parks and projects in fully controlled subsidiaries and lose control of the entity.

2.5 Staff costs and other external costs

EURk	2023	2022
Wages, salaries and remuneration	66,113	46,817
Share-based compensation	2,992	2,356
Contributions to defined contribution plans	438	295
Other social security costs	2,846	1,486
Other staff costs	3,643	2,455
Capitalised salaries on inventories and reclass to direct costs	-43,753	-30,972
Total staff costs	**32,278**	**22,437**
Average number of full-time employees	615	431
Number of employees end of year	713	550

	2023				2022			
Management Remuneration (EURk)	**Salary**	**Bonus**	**Share-based compensation**	**Total**	**Salary**	**Bonus**	**Share-based compensation**	**Total**
Board of directors	154	-	43	197	32	-	19	51
Executive board	336	1,020	98	1,453	323	1,317	90	1,730
Other key management personnel	1,616	2,089	482	4,187	1,836	2,420	517	4,773

The portion of staff costs related to the development and construction of energy parks amounted to EUR 43.8m (2022: 31.0m), and was capitalised as part of inventories.

Expensed staff costs increased due to the number of new employees onboarded during the year.

Please refer to note 7.1 Share-based payments for the valuation of warrants granted.

Accounting policies

Staff costs comprise wages and salaries, remuneration, pensions and other costs regarding the employees, including members of the Executive Board and the Board of Directors. Bonus agreements for key Management personnel are included in the total remuneration and depend on the profit for the period.

Average number of full-time employees is determinded as the number of employees contractually employed by European Energy A/S at 31 December of the financial year, converted into full-time employees after the ATP method.

2.6 Financial income and expenses

Finance income (EURk)	2023	2022
Interest income, on financial assets measured at amortised costs	5,468	1,656
Dividends	300	896
Hedge ineffectiveness	5,824	6,691
Currency gains realised	478	2,383
Currency gains unrealised	15,426	4,480
Finance income	**27,496**	**16,106**

Finance expenses (EURk)	2023	2022
Interest on bonds	34,198	13,419
Interest on lease liabilities	605	323
Finance expenses from project financing and overdrafts measured at amortised cost	43,646	15,235
Financial expenses that have been capitalised on inventories	-47,483	-29,548
Amortisation of debt issue costs	3,864	2,934
Amortisation of modification gain	2,232	2,233
Other financial expenses	13,384	6,322
Hedge ineffectiveness	3,798	3,019
Currency losses realised	1,888	3,379
Currency losses unrealised	278	9,231
Finance expenses	**56,410**	**26,547**

Net financial expenses were EUR -28.9m (2022: EUR 10.4m).

The financial income of EUR 27.5m (2022: EUR 16.1m) was derived from realised and unrealised currency gains amounting to EUR 15.9m (2022: EUR 6.9m), primarily related to PLN following the change in PLN end-rates over the year. During 2023 we also recognined gain of hedging contracts classified as ineffective hedging as per year end 2023 amounting to EUR 5.8m. (2022: EUR 6.7m).

Interest income, on financial assets measured at amortised costs, of EUR 5.5m (2022: 1.7m) relates to interest on loans to joint ventures and associates.

The financial expenses of EUR 56.4m (2022: EUR 26.5m) were primarily related to increasing realised as well as unrealised currency losses supplemented by increasing interest expense, on our senior bonds and on construction and project financings due to higher base rates, average margins as well as higher debt among other due to higher construction activities. The part of interest expenses that is related to the establishment of energy parks is capitalised as part of the inventory. This includes interest expenses related to construction financing as well as shareholder loans from the parent company to project companies with projects under construction.

Accounting policies

Finance income and expenses comprise interest income and expense, gains and losses on other investments, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Fair value adjustments of derivatives where hedge accounting have not been applied and any ineffective part in a hedge relationship is also presented as financial income and or financial expenses.

Capitalised interests on inventories are calculated at a rate of 4-10% where the interest rate level is dependent on whether it is interest on construction financing or shareholder loans.

The interest on shareholder loans is calculated as a weighted cost of funds principle, based on the outstanding senior and hybrid bonds of the parent company plus a mark-up.

3

Operating assets and liabilities

3.1 Business combination

Acquisition of Ammongas in 2022

In July 2022 the Group obtained control of Ammongas A/S, located in Denmark.

The purchase price allocation of the identified assets, liabilities and contingent liabilities was completed within 12 months of the acquisition date. The final purchase price allocation generated a change in provisions of EUR 11.1m and deferred tax of EUR 2.4m. Other intangible assets were recognised with EUR 6.3m and goodwill adjusted to EUR 6.1m.

The effect of the adjustments was recognised in the profit and loss on direct costs with EUR 5.6m, amortisation with EUR -0.6m and tax with EUR -1.1m, a total positive effect of EUR 3.9m on the result for 2022. Comparative figures for 2022 have been adjusted accordingly.

Accounting policies

Businesses acquired are recognised in the consolidated financial statements from the acquisition date, which is the date when the Group obtains control of the acquired business.

Upon acquisition of a business of which we obtain control, the acquisition method is applied, according to which the identifiable assets, liabilities and contingent liabilities are measured at their fair values. Identifiable intangible assets are recognised if they meet either the separability criterion or the contractual/legal criterion. Deferred tax on revaluations is recognised.

The cost of a business combination comprises the fair value of the consideration agreed upon, including deferred and contingent consideration. Subsequent changes to contingent considerations are recognised in the income statement.

If uncertainties regarding the measurement of identifiable assets, liabilities and contingent liabilities exist at the acquisition date, initial recognition will take place on the basis of preliminary fair values. Such estimated values may be adjusted, or additional assets or liabilities may be recognised up to 12 months after the acquisition date.

Transaction costs are recognised directly in the statement of profit and loss as incurred as other external expenses.

3.2 Goodwill and other intangible assets

Goodwill (EURk)	2023	2022*
Cost at 1 January	10,662	4,528
Exchange rate adjustments	-10	-
Additions	-	6,134
Carrying amount at 31 December	**10,652**	**10,662**

Key assumptions	2023		2022	
	Ammongas	Reintegrate	Ammongas	Reintegrate
Sales volume (e-methanol in tonnes)	N/A	32,000	N/A	31,217
Annual revenue growth	2-10%	2%	2-12%	1%
EBITDA margin	12%	N/A	10%	N/A
Budget period	4 years	30 years	5 years	30 years
Growth in terminal period	2%	N/A	2%	N/A
Pre-tax discount rate (%)	6.5%	5.5%	8%	7%

Other intangible assets (EURk)	2023	2022*
Cost at 1 January	5,695	-
Additions	-	6,328
Amortisation	-1,266	-633
Carrying amount at 31 December	**4,430**	**5,695**

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Goodwill arising from business acquisitions is recognised in the financial statements. Goodwill is recognised as a result of the acquisition of Ammongas and Reintegrate which contributes to goodwill with EUR 10.7m (2022: EUR 10.7m) after final purchase price allocation and adjustment of comparative figures.

In 2023, the impairment test showed no impairment need of the goodwill.

When performing the impairment test, an assessment is made as to whether the cash generating units to which goodwill is allocated will be able to generate sufficient positive net cash flow in the future to support the value of the assets.

For the purpose of impairment testing of goodwill, Management has made a number of key assumptions when estimating the value in use as highlighted in the table.

Sensitivity test

The goodwill impairment calculations including applied assumptions have been supported by sensitivity analysis.

The sensitivity test considers when a change in a given assumption will decrease the value-in-use to an extent so that the value-in-use equals the carrying amount. Changes in more assumptions are not considered. It is Management's assessment that likely changes in the key assumption will not cause the carrying amount of goodwill to exceed the recoverable amount. The target WACC in order for the value-in-use to equal the carrying amount for Reintegrate is 10.3%, which is not considered a likely scenario.

For Ammongas the target WACC for the recoverable amount to equal the carrying amount of the goodwill is 19.4% which is also not considered likely.

Accounting policies

Goodwill arising from business acquisitions is recognised in the financial statements. Goodwill is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing goodwill is, from the acquisition date, allocated to the cash-generating units (CGUs) that are expected to obtain the benefit. Goodwill is considered to have indefinite useful life and CGUs are tested for impairment at least once a year or if there are any impairment indications. Impairment of goodwill will not be reversed.

When performing an impairment test, we assess whether the recoverable amount exceeds the net book value of a CGU. In determining the recoverable amount we calculate the value in use to test if the CGU will be able to generate positive net cash flows sufficient to support the net book values. The value-in-use calculations are based on expected future cash flows from financial forecasts and include a number of assumptions and estimates related to future market conditions, market prices of green hydrogen and e-methanol, discount rates, etc.

Other intangible assets comprises customer relations.

Customer relations are acquisition-related and recognised at fair value at the acquisition date. Subsequently customer relations are measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which is five years.

3.3 Property, plant, and equipment

Property, plant and equipment increased from EUR 155.8m to EUR 177.9m. The increase is related primarily to transfer from inventory to operating wind parks and land & buildings during the year. Depreciation and impairment increased from EUR 12.6m to EUR 20.1m. The increase was mainly due to the impairments on some German wind assets due to a decrease in power prices since 2022, and the subsidies soon ending.

Impairment test on property, plant and equipment and sensitivity analysis

During 2023, Management performed impairment assessments on the carrying amount of property, plant and equipment. The Group assesses at each reporting date whether there is an indication that an asset in operation should be impaired. The impairment test performed in 2023 shows mostly excess values for the Danish and German wind farms, though a few German wind parks have been impaired.

The book value of the solar parks amounts to 5% (2022: 6%) of the total book value of property, plant and equipment. The book value of wind parks in Germany and Denmark amounts to 57% (2022: 75%) of the total book value. In 2023 there has been a large increase in land & building as well as operational wind parks in Poland and the Netherlands.

For the purpose of impairment testing of the wind parks, Management has made the following key assumptions in estimating the value in use, with its comments regarding WACC below:
Impairment test assumptions are generally affected by changes in the economic situation in the countries, where the Group is present and has development activities.

Increasing interest levels and inflation rates affects the expected cost to develop, construct and operate energy park projects, the required rate of return from investors as well as the expectations for future electricity prices.

Discount rate after tax (WACC) used for Danish and German wind parks is 5.5% (2022: 5.35-5.81%).

The impairment tests are based on budgets for the remaining life of wind and solar parks.

The discount rate for the DCF model is the post-tax weighted average cost of capital (WACC). Country-specific risk (tariff stability, interest-rate levels, average risk-free interest rate applied to reduce the volatility, etc.) are taken into consideration.

For 2023 the impairment tests show that a few assets need to be impaired, since the recoverable amount is less than the carrying amount. The total impairment booked in 2023 therefore amounts to net EUR 4.6m (2022: EUR 2.3m impairment gain).

Sensitivity analysis

Management performed sensitivity analysis on the result of the impairment tests made for the individual wind parks, based on the main assumptions.

The wind parks in AEZ Group and Driftsselskabet Heidelberg were all recognised at fair value after being consolidated for the first time in 2019 and 2020. After that, the values have been depreciated over the remaining lifetime of the assets. In 2023 some of these assets have been written down due to identified impairment losses. Therefore, at year end, any increase in WACC for Germany will result in further impairment losses regarding the German wind park portfolio.

For the Danish wind parks in Property, Plant and Equipment the first impairment indication is identified at a WACC of 5.62% at an individual level.

Accounting policies

Property, plant, and equipment comprises wind power generating parks and solar power generating parks.

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation and impairment losses are presented in a separate line in the income statement.

Cost comprises the purchase price of any costs directly attributable to the acquisition until the date on which the assets is available for use.

The present value of the expected costs of dismantling an asset after the end of its useful life is included in the cost of the energy park if the criteria for the recognition of a provision are met, and projected costs are material. All other repair and maintenance costs are recognised in profit or loss as incurred. Furthermore, costs of restoring the assets are capitalised and provided for. The basis of depreciation is cost less any projected residual value after the end of the useful life.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Wind power generating plant (Wind parks)	25-30 years
Solar power generating plant (Solar parks)	40 years
Tools and equipment	3-5 years
Land - no depreciation	
Buildings	25-50 years

The useful life is reassessed annually and adjusted as necessary. The residual value of an asset is considered when the depreciable amount of the asset is determined.

The basis of depreciation is calculated considering the asset's residual value less any impairment losses. The residual value is determined at the date of acquisition and reassessed annually. When the residual value exceeds the carrying amount of the assets, depreciation is discontinued.

If the depreciation period or the residual value is changed, the changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant, and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal.

3.3 Property, plant, and equipment, continued

	2023					2022				
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
Cost at 1 January	**176,616**	**12,514**	**5,981**	**6,711**	**201,822**	**168,726**	**13,098**	**3,880**	**5,623**	**191,327**
Reclassification	-	-	-	-	-	-	-	-	-1	-1
Exchange rate adjustments	1,582	211	-1	-137	1,655	-1,114	-584	-	-1	-1,699
Additions	1,751	-	2,021	6,883	10,655	8,146	-	2,101	90	10,337
Disposals	-18,110	-630	-	-700	-19,440	-737	-	-	-	-737
Transfer to/from inventories	14,680	-	-	22,731	37,411	1,595	-	-	1,000	2,595
Cost at 31 December	**176,519**	**12,095**	**8,001**	**35,488**	**232,103**	**176,616**	**12,514**	**5,981**	**6,711**	**201,822**
Accumulated depreciation and impairment at 1 January	**-40,470**	**-2,408**	**-2,882**	**-306**	**-46,066**	**-30,690**	**-1,387**	**-1,961**	**-6**	**-34,044**
Exchange rate adjustments	-569	-37	-	2	-604	408	129	-88	-	449
Disposals	12,450	9	-	38	12,497	389	-	-	-	389
Depreciation	-13,958	54	-1,483	-130	-15,517	-13,290	-750	-833	-44	-14,917
Impairment/reversal of impairment	-4,560	-	-	-	-4,560	2,713	-400	-	-	2,313
Transfer to/from inventories	-	-	-	-	-	-	-	-	-256	-256
Accumulated depreciation and impairment at 31 December	**-47,107**	**-2,382**	**-4,365**	**-396**	**-54,250**	**-40,470**	**-2,408**	**-2,882**	**-306**	**-46,066**
Carrying amount at 31 December	**129,412**	**9,713**	**3,636**	**35,092**	**177,853**	**136,146**	**10,106**	**3,099**	**6,405**	**155,756**

Gains and losses are recognised in the consolidated statement of profit or loss as other income or costs in the period of disposal.

Impairment of non-current assets

The carrying amount of non-current assets is tested for impairment when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount. The recoverable amount is the higher of an asset's fair value less selling costs and its value in use. For the purpose of the impairment testing, assets are grouped at the lowest level at which cash flows are separately identifiable (cash-generating units).

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, less depreciation, has no impairment loss been recognised.

3.4 Lease assets and liabilities

	2023			2022		
EURk	**Lease assets, part of inventory**	**Lease assets**	**Total**	**Lease assets, part of inventory**	**Lease assets**	**Total**
Carrying amount at 1 January	**3,407**	**10,771**	**14,178**	**1,822**	**8,797**	**10,619**
Reclassifications	-189	-430	-619	-	-	-
Additions	7,654	771	8,425	1,585	4,416	6,001
Disposals, divestments	-1,939	-1,108	-3,047	-	-	-
Depreciations	-	-2,439	-2,439	-	-2,442	-2,442
Carrying amount at 31 December	**8,933**	**7,565**	**16,498**	**3,407**	**10,771**	**14,178**
Lease assets reclassified from prepayments	2,947	1,686	4,633	2,713	1,063	3,776
Lease assets recognised in the balance sheet	**11,880**	**9,251**	**21,131**	**6,120**	**11,834**	**17,954**

EURk	**Lease liabilities, related to inventory**	**Lease liabilities**	**Total**	**Lease liabilities, related to inventory**	**Lease liabilities**	**Total**
Carrying amount at 1 January	**3,498**	**10,780**	**14,278**	**2,115**	**9,228**	**11,343**
Reclassifications	-88	199	111	-	-	-
Additions	7,654	656	8,310	1,545	3,892	5,437
Disposals, divestments	-1,965	-998	-2,963	-	-	-
Lease payments	-499	-2,765	-3,264	-237	-2,574	-2,811
Interests	263	342	605	75	234	309
Carrying amount at 31 December	**8,863**	**8,214**	**17,077**	**3,498**	**10,780**	**14,278**
Lease liabilities recognised in the balance sheet:						
Non-current lease liabilities	7,978	5,594	13,572	3,268	7,728	10,996
Current lease liabilities	885	2,620	3,505	230	3,052	3,282
Lease liabilities recognised in the balance sheet	**8,863**	**8,214**	**17,077**	**3,498**	**10,780**	**14,278**

Accounting policies

Whether a contract contains a lease is assessed at contract inception. If an asset is identified and the customer have the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use and have the right to operate the asset without having the right to change those operating instructions, the contract contains a lease.

For identified leases, a right-of-use asset and corresponding lease liability are recognised on the lease commencement date. Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs.

3.4 Lease assets and liabilities, continued

The most significant part of leases are related to land lease agreements with fixed and variable payments. Besides this European Energy have office leases, car leases and lease of office equipment.

Following amount have been recognised in the income statement. Expenses relating to short-term leases, low value assets and variable lease payment amounted to EUR 1.3m (2022: EUR 0.8m). The interest expenses paid on lease liabilities amounted to EUR 0.6m (2022: EUR 0.3m). Depreciation amounts to EUR 2.4m (2022: EUR 2.4m).

The terms for land lease contracts are typically 25-50 years and may be extended 6 months before the original lease ends.

Please refer to note 5.1 Liquidity risk for the analysis of lease liabilities showing the remaining contractual maturities.

The lease liability is measured at the present value of lease payments of the leasing period discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an appropriate incremental European Energy borrowing rate is used from 1.7%-9.0% depending on the borrowing rate used in the country specific project.

In determining the lease period extension, options are only included if it is reasonably certain they will be utilised.

At subsequent measurement, the right-of-use asset is measured less accumulated depreciations and impairment losses and adjusted for any remeasurements of the lease liability. Depreciations are done following the straight-line method over the lease term or the useful life of the right-of-use asset, whichever is shortest.

The lease liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract. Right-of-use assets and lease liabilities are not recognised for low value lease assets or leases with a term of 12 months or less.

These are recognised as an expense on a straight-line basis over the term of the lease. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

3.5 Inventories

	2023				2022			
EURk	**Under development**	**Under construction**	**In operation**	**Total**	**Under development**	**Under construction**	**In operation**	**Total**
Cost at 1 January	**182,782**	**705,689**	**195,121**	**1,083,592**	**136,300**	**197,489**	**215,521**	**549,310**
Exchange rate adjustments	1,152	707	15,481	17,341	144	88	1,932	2,164
Additions	132,945	415,932	82,172	631,049	104,296	651,933	9,015	765,244
Disposals	-31,798	-38,694	-144,349	-214,841	-	-3,630	-222,859	-226,488
Deconsolidated entities	-10,771	-40,259	-73,617	-124,647	-	-3,488	-	-3,488
Transfers to/from PPE	-3,883	4,289	-37,817	-37,411	-9	0	-2,225	-2,234
Write-offs	-574	-	-	-574	-915	-	-	-915
Transfers	-7,523	-854,476	861,999	-	-57,034	-136,703	193,737	-
Cost at 31 December	**262,330**	**193,189**	**898,990**	**1,354,509**	**182,782**	**705,689**	**195,121**	**1,083,592**
Writedown at 1 January	-32,592	-	-	-32,592	-24,480	-	-	-24,480
Exchange rate adjustments	44	-	-	44	-	-	-	-
Impairments	-624	-	-830	-1,454	-8,125	-	-	-8,125
Disposals	19	-	-	19	13	-	-	13
Writedown at 31 December	-33,153	-	-830	-33,983	-32,592	-	-	-32,592
Carrying amount at 31 December	**229,177**	**193,189**	**898,160**	**1,320,526**	**150,190**	**705,689**	**195,121**	**1,051,000**

Inventories comprise energy park projects under development and construction as well as energy parks that have been developed for the purpose of sale and not for revenue generation from the sale of electricity production.

The net write-down for the year amounted to EUR 0.6m (2022: EUR 8.1m). The decrease in write downs mainly relates to large one-off write-downs in 2022. Management finds the impairment appropriate.

Contractual obligations

Our contractual obligations related to Inventory at 31 December 2023 amounts to EUR 27m (2022: EUR 169m) mainly relates to turbine supply agreements and solar panels supply agreements to use for construction of our energy parks.

The Company have also signed development – and consultancy contracts depending on future events which are uncertain by nature and can result in possible milestone payments through the development phase when milestones are fulfilled. If the Company exits the main part of these development – and consultancy contracts the Company can be met by penalties up to approximately EUR 4m (2022: EUR 6.0m).

Accounting policies

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated costs of completion and estimated selling costs. Changes in inventory write-downs are recognised in direct costs.

Borrowing costs, salaries and other external expenses directly attributable to the acquisition or construction of an energy park are capitalised as part of the cost of the assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest expenses and other expenses that the Group incurs in borrowing funds.

Inventories also comprise contingent consideration on acquired projects, where the consideration to the seller is depending on certain future events (earn-out). The purchase liabilities (earn-out) are recognised as provision when it is probable that the projects will be realised.

Purchase liabilities are measured at fair value at cost accumulation method based on the size of the acquired project (MW) and an estimated standard price per MW for comparable projects. When future events that trigger payment of purchase liabilities (earn-out) occur, the fair value is adjusted. Subsequent adjustments of purchase liabilities (fair value adjustments) are considered part of the cost of the acquired projects and is recognised as part of the purchase price.

The inventory is reviewed quarterly for the purpose of assessing any impairment. When an impairment test is performed, the percentage of completion of the project is assessed, including the risk of budget overruns, delays, etc. If the project is close to completion and commissioning and the risk of budget overruns is very limited, a WACC similar to that for other projects operating in the same country is applied. Management has looked at the total portfolio of projects under development and diversified it according to project maturity and the time elapsed since the project was started and assessed the need for portfolio write-down.

3.5 Inventories, continued

Inventory recognised in profit or loss (EURk)	2023	2022
Disposals	-214,841	-226,488
Write-offs	-574	-915
Write-downs reversed, projects written off	19	13
Impairments, recognised in direct costs	-624	-8,125
Impairments, recognised in depreciation	-830	-
Total	**-216,850**	**-235,515**

Contractual obligations (EURk)	2023	2022
Turbine - and solar panels supply agreements and other orders in progress	27,379	169,399
Total	**27,379**	169,399

3.6 Trade receivables, contract assets, other receivables and prepayments

EURk	2023	2022
Trade receivables and contract assets	115,295	84,007
Other receivables (non-interest bearing)	42,359	63,869
Total non-interest bearing receivable	**157,654**	**147,876**
Total receivables	**157,654**	**147,876**

No material impairment losses are recognised relating to doubtful receivables.

Trade receivables and contract assets (current and non-current) increased to EUR 115.3m (2022: EUR 84.0m). The increase was mainly related to consideration from sale of wind projects in Lithuania and other project sales as well as the increased power sales resulting in higher income.

Other receivables (current and non-current) decreased to EUR 42.4m (2022: EUR 63.9m). The decrease is mainly related to lower VAT receivables from the decreased construction activities.

Credit risk and expected credit loss

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its obligations, and arises principally from the Group's trade receivables, contract assets and other receivables.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, Management also considers the default risk associated with the industry and country in which the customer operates.

The Group considers its credit risks as rather low, both with regard to its customers and with regard to the development of renewable energy projects.

There are two major groups of customers: off-takers for the electricity produced by the Group's wind and solar projects and buyers acquiring such projects from the Group. The first category mainly consists of public bodies or publicly regulated entities implementing public tariff schemes (such as grid operators). The second category mainly consists of financially sound entities, such as pension or investment funds. The usual structure of such transactions further mitigates the credit risk related to project sales, as assets are only transferred against the payment of the relevant purchase price on closing. No formal credit rating of customers is made.

The Group does not require collateral in respect of trade and other receivables.

With regard to credit risks associated with project development, projects are generally not carried out unless project financing is in place.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to un-billed work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The Group assesses the risk of loss mainly based on (but not limited to) external ratings, audited financial statements, management accounts and cash flow projections, geographic region, available press information and applying Management's experienced credit judgement. The assessments take actual incurred historical data into consideration together with Management's assessment of effect from the political situation in the region, e.g. political elections.

The Group monitors changes in credit risk by following the political situation in the geographic regions where the Group is involved, tracking changed external ratings and reviewing updated financial information.

An impairment analysis is performed at each reporting date on an individual basis for major clients. Expected credit loss rates are based on actual credit loss experiences over the past three years and these rates have been applied when estimating future payments combined with additional customer specific knowledge at balance sheet date.

Accounting policies

Receivables are measured at amortised cost less expected credit losses.

Contract assets comprise the value of earn-outs measured based on contract terms agreed with the buyers of power plants. Given the nature of earn-outs, the consideration is based on estimates and thereby variable.

The measurement of variable consideration from sale of power plants is based on the most likely consideration that European Energy will be entitled to and where it is highly likely that a significant reversal will not be made in subsequent periods. The estimated value is discounted where relevant.

3.6 Trade receivables, contract assets, other receivables and prepayments, continued

Contract assets

When renewable energy projects are sold, some of the sale proceeds can be governed by an earn-out model. The Group generally only agrees to earn-out models that provide for an increase of the proceeds. Earn-out models link the sales proceeds to updated values of certain budgeted parameters, in most cases either the actual production data of the relevant project or the revenue generated by the project company.

Additionally, when renewable energy projects are sold, we may recognise a contract asset if the consideration is conditional on other factors than the passage of time.

Valuation of the earn-outs has been reassessed at year-end. At the end of 2023 the Group has earn-out agreements valued at nil relating to three project sales, where settlement will be from 2024 to 2026. The earn-outs can be both an upside and a downside, but are expected to have immaterial effect.

Receivables aging

Receivables totals EUR 157.7m (2022: EUR 147.9 m) and include EUR 1.3m (2022: EUR 1.5m) expected to be recovered more than 5 years after the balance sheet date

Prepayments

Prepayments recognised as assets comprise primarily prepaid expenses for wind turbines and prepayments related to land lease agreements and are measured at cost.

Contract assets (EURk)	2023	2022
Contract assets at 1 January	**55,127**	**40,159**
Received during the year	-8,209	-12,800
Addition new contract assets	22,760	27,674
Other changes	-3,340	94
Contract assets end of year	**66,338**	**55,127**
Non-current contract assets	2,542	4,699
Current contract assets	63,796	50,428
Total contract assets	**66,338**	**55,127**

	2023			2022		
Credit loss (EURk)	**Loss (%)**	**Receivables**	**Total**	**Loss (%)**	**Receivables**	**Total**
Receivables not past due	0.0%	153,255	153,255	0.0%	146,493	146,493
Receivable past due:						
1-30 days	0.0%	3,528	3,528	0.0%	475	475
31-90 days	0.0%	204	204	0.0%	70	70
>90 days	0.0%	667	667	0.0%	838	838
Total receivables		**157,654**	**157,654**		**147,876**	**147,876**

3.7 Provisions

EURk	2023	2022*
Provision at 1 January	**48,627**	**28,122**
Exchange rate adjustments	65	-
Additions	8,335	32,381
Reversed during the year	-2,036	-1,441
Used during the year	-8,517	-7,867
Disposals	-3,888	-2,568
Provisions end of year	**42,586**	**48,627**
Hereof current liabilities	**-**	**8,415**
Hereof non-current liabilities	**42,586**	**40,212**

Provision is specified as follows (EURk):	2023	2022*
Demolition costs	9,771	13,510
Contingent consideration on acquired companies	18,961	19,987
Other provisions	13,854	15,130
Provisions end of year	**42,586**	**48,627**

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Demolition costs liabilities

The provision relates to expected demolition costs to dismantle and remove wind and solar farms. These provisions are recognised when the Group has a legal and constructive obligation at the date of the statement of financial position and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions that are expected to be settled more than a year from the date of the statement of financial position are measured at net realisable value. The value of the dismantling costs is recognised in the value of non-current assets and is depreciated together with the relevant assets. The financial statements include a provision for future costs arising from the demolition costs and removal of wind and solar parks. Based upon Management's expectations for the maturity of the provisions, the provision is recognised as a non-current liability.

Contingent consideration on acquired projects

The provision relates to contingent consideration regarding projects acquired from developers, where the consideration to the seller is depending on certain future events (earn-out). The fair value of purchase liabilities (earn-out) is recognised as provision when it is probable that the projects will be realised. Based upon Management's expectations for the maturity of the provisions, the provision is recognised as a non-current liability.

The contingent consideration transfers from provision to other payables when the future events that trigger payment of purchase liabilities (earn-out) occur.

Other provisions

Other provisions include provisions made for estimated warranty costs in respect of sold power generating assets and projects. Based upon Management's expectations for the maturity of the provisions, the provision is recognised as a non-current liability.

Other provisions also include provisions for a warranty claim regarding a sold power generating asset and for an arbitration case. Management has no reason to believe that the final payment will exceed the provision. Based upon Management's expectations for the maturity of this provision, the provision is recognised as a non-current liability.

Comparative figures for 2022 comprise a provision for VAT adjustment prior years, as the Danish Authorities have assessed that the parent company does not have the right to fully deduct VAT on external costs, as VAT related to expenses from sale of shares are not deductable. The VAT adjustments have been settled during 2022, and remaining provision has been reversed.

Accounting policies

Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are determined by discounting expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a financial cost.

3.8 Investments in joint ventures

EURk	2023	2022
Cost at 1 January	13,915	11,504
Additions for the year	9,210	2,634
Disposal for the year	-	-222
Transfer	22,161	-1
Cost at 31 December	**45,286**	**13,915**
Value adjustments at 1 January	-3,546	-8,250
Share of net result for the year	8,245	10,460
Dividends	-1,175	-1,917
Transfer	33,810	-3,842
Other value adjustments	502	3
Value adjustments at 31 December	**37,836**	**-3,546**
Carrying amount at 31 December	**83,122**	**10,369**
Set-off against receivables from joint ventures	2,092	5,409
Investments with negative equity reported as a liability	208	-
Investments in joint ventures at 31 December	**85,422**	**15,778**

Overall financial information for all joint ventures that are not individually material and that are recognised according to the equity method:

Carrying amount of interest in joint ventures (EURk)	2023	2022
The Group's share of:		
Profit/loss of material joint ventures	7,461	6,035
Profit/loss for the year of other joint ventures	784	4,425
Total comprehensive income	**8,245**	**10,460**
Investments in joint ventures:		
Investments in material joint ventures	73,066	4,243
Other joint ventures	12,356	11,535
Total investments in joint ventures	**85,422**	**15,778**

Our investments in joint ventures totalled EUR 85.4m (2022: 15.8m). The result from investments in joint ventures was EUR 8.2m (2022: EUR 10.5m). In 2023, results were significantly impacted by a EUR 5.4m positive fair value adjustment of a German investments.

Material joint ventures

The Group invests in joint ventures that holds investments in wind and solar energy parks. The investments are part of our core business and follow our business model, having energy parks either under development, under construction or in operation.

Joint ventures are financed with share capital and shareholder loans. The joint ventures allocate funds to the owners through loan repayment, and, subsequently, dividends. Repayments and dividends are restricted to free cash and can only be paid out if the covenants for the project loans are not in breach. There are no other restrictions regarding withdrawal of the companies' free cash.

A joint venture is considered material to the Group if it represents more than 1% of total revenue for the Group or more than 1% of total assets for the Group. Additionally, joint ventures that do not meet the criteria may also be considered material to the Group based on other factors.

The following overview is summarised financial information for each of the joint ventures that are material to the Group.

Accounting policies

Investments in joint ventures are measured according to the equity method, when the Group has joint control of the investment. Joint control is arising from the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To determine significant joint control, Management considers factors similar to those necessary to determine control over subsidiaries. The most important considerations and judgements made by Management for classification purposes are described under critical choices and judgements in the accounting policies and critical accounting estimates.

Unrealised gains and losses on transactions between the Group and joint ventures are eliminated to the extent of the Group's interest in the joint venture.

Investments in joint ventures with negative net assets are offset in the loans to the joint ventures to the extent possible, and if not, they are measured at nil. Additionally, if the Group has a legal or constructive obligation to cover the negative balance of the joint venture, the obligation is recognised as a liability.

3.8 Investments in joint ventures, continued

	2023						
Material joint ventures	**Denmark**	**Denmark**	**Denmark**	**Denmark**	**Denmark**	**Italy**	
EURk	**NPP Brazil I K/S *)**	**NPP Brazil II K/S *)**	**Nordic Power Partners P/S (Group)**	**Kassø Midco APS (Group)**	**Soft & Teknik A/S**	**Mineo Energia S.r.l.**	**Total**
Ownership %	51%	51%	51%	51%	50%	50%	
Comprehensive income statement							
Revenue	-	-	63	22,542	27,827	-	50,432
Depreciation	-	-	-16	-1,276	-174	-	-1,466
Interest income	10	10	285	94	-	-	399
Interest expenses	1,112	1,112	-47	-7,313	-107	-	-5,243
Income tax	-	-	-4	-1,784	-128	2	-1,914
Profit for the year	**2,243**	**2,243**	**210**	**9,384**	**574**	**-13**	**14,641**
The groups share of profit for the year	**1,144**	**1,144**	**107**	**4,786**	**287**	**-7**	**7,461**
Balance sheet							
Non-current assets	26,638	26,638	9,698	316,260	4,608	10,683	394,525
Current assets	307	306	4,430	12,282	3,634	865	21,824
Non-current liabilities	26,670	26,670	10,779	177,810	439	-	242,368
Current liabilities	2,174	2,175	214	19,752	6,164	160	30,639
Cash and cash equivalents	307	307	390	6,267	475	145	7,891
Non-current liabilities (excluding trade and other payables and provisions)	26,670	26,670	10,776	174,921	439	-	239,476
Equity	-1,900	-1,901	3,136	127,357	1,640	11,389	139,721
Share of equity	-969	-969	-	64,953	-	-	63,015
Set-off against receivables from joint ventures	969	969	1,599	-	820	5,694	10,051
Carrying amount of interest in investee end of year	**-**	**-**	**1,599**	**64,953**	**820**	**5,694**	**73,066**

*) NPP Brazil I K/S and NPP Brazil II K/S each hold non-controlling equity interests in a Brazilian holding company, which holds controlling interests in Coremas I-III. Coremas I-III are Brazilian project companies with total 93 MW solar parks. Project portfolio in Coremas I-III amounts total EUR 79.1m at 31 December 2023.

The non-current liabilities totalling EUR 64.1m in NPP Brazil I and II and NPP are shareholders loans. As a shareholder of 51 % European Energy's part of this comprises EUR 47.5m, which all relates to the funding of the project portfolio in Coremas I-III. The project is divided in 3 phases, where phase 1 and 2 in total is 60 MW were completed in 2019 and phase 3 was completed in 2020. The solar parks are operating and delivers electricity according to budget. As per 31.12.2023 an impairment test of the solar parks was carried out, which did not give rise to a value adjustment (2022: EUR 5.1m).

3.8 Investments in joint ventures, continued

	2022						
Material joint ventures	**Denmark**	**Denmark**	**Denmark**	**Denmark**	**Denmark**	**Denmark**	
EURk	**NPP Brazil I K/S *)**	**NPP Brazil II K/S *)**	**Nordic Power Partners P/S (Group)**	**EEA Stormy A/S **)**	**Solar Park Rødkilde P/S **)**	**Barreiras ApS (Group)**	**Total**
Ownership %	51%	51%	51%	50%	50%	50%	
Comprehensive income statement							
Revenue	-	-	116	-	752	-	868
Depreciation	-	-	-27	-	-	-	-27
Interest income	10	10	328	-	2	-	352
Interest expenses	-1,126	-1,126	-11	-6	-143	-	-2,412
Income tax	-	-	-1	-4	-	-	-5
Profit for the year	**4,542**	**4,542**	**1,127**	**1,169**	**494**	**-6**	**11,866**
The groups share of profit for the year	**2,316**	**2,316**	**575**	**584**	**247**	**-3**	**6,035**
Balance sheet							
Non-current assets	24,447	24,447	9,488	4,962	4,370	7,363	75,077
Current assets	16	15	4,579	18	1,004	20	5,653
Non-current liabilities	27,400	27,400	10,805	-	-	7	65,612
Current liabilities	2,107	2,107	335	5	4,732	3,110	12,397
Cash and cash equivalents	16	15	484	16	1,095	18	1,644
Non-current liabilities (excluding trade and other payables and provisions)	27,400	27,400	10,801	-	-	-	65,602
Equity	-5,044	-5,045	2,927	4,975	524	-237	-1,900
Share of equity	-2,573	-2,573	1,493	2,487	262	-119	-1,022
Set-off against receivables from joint ventures	2,573	2,573	-			119	5,264
Carrying amount of interest in investee end of year	**-**	**-**	**1,493**	**2,487**	**262**	**-**	**4,243**

*) NPP Brazil I K/S and NPP Brazil II K/S each hold non-controlling equity interests in a Brazilian holding company, which holds controlling interests in Coremas I-III. Coremas I-III are Brazilian project companies with total 93 MW solar parks. Project portfolio in Coremas I-III amounts total EUR 77.4m at 31 December 2022. The non-current liabilities in NPP Brazil I and II and NPP are shareholders loans. As a shareholder of 51 % European Energy's part of this comprises EUR 42.3m, which all relates to the funding of the project portfolio in Coremas I-III. The project is divided in 3 phases, where phase 1 and 2 in total is 60 MW were completed in 2019 and phase 3 was completed in 2020. The solar parks are operating and delivers electricity according to budget. As per 31.12.2022 an impairment test of the solar parks has been carried out, and an income of EUR 5.1m (2021: EUR 0.6m) has been recognized in the profit and loss statement. **) Joint ventures that management assess are material to the Group, but do not meet the criteria of 1% of total revenue for the Group or 1% of total asset value for the Group.

3.9 Investments in associates

EURk	2023	2022
Cost at 1 January	14,183	11,370
Additions for the year	2,406	5,441
Transferred from/to subsidiaries/other investment	4,221	-2,492
Disposal for the year	-	-135
Cost at 31 December	**20,810**	**14,183**
Value adjustments at 1 January	14,643	5,713
Share of profit for the year	2,540	5,787
Transferred from subsidiaries/other investment	4,888	6,676
Dividends	-1,792	-3,620
Other value adjustments	-4	87
Value adjustments at 31 December	**20,275**	**14,643**
Carrying amount at 31 December	**41,085**	**28,826**
Set-off against receivables from associates	15	526
Provision for negative value for associates	607	-
Investments in associates at 31 December	**41,707**	**29,352**

Overall financial information for all associates that are not individually material and that are recognised according to the equity method:

Carrying amount of interest in associates (EURk)	2023	2022
The group's share of:		
Profit/loss of material associates	569	2,985
Profit/loss for the year of other associates	1,971	2,802
Total comprehensive income	**2,540**	**5,787**
Investments in associates:		
Investments in material associates	19,288	11,646
Other associates	22,419	17,706
Total investments in associates	**41,707**	**29,352**

Our investments in associates totalled EUR 41.7m (2022: 29.4m). The profit from investments in associates was EUR 2.5m (2022: EUR 5.8m). Our associates performed well and delivered profits in nearly all operational parks.

Material associates

We invests in associates that holds investments in wind and solar energy parks. The investments are part of our core business and follow our business model, having energy parks either under development, under construction or in operation.

Associates are financed with share capital and shareholder loans. The associates allocate funds to the owners through loan repayment, and subsequently dividends. Repayments and dividends are restricted to free cash and can only be paid out if the covenants for the project loans are not in breach.

An associate is considered material to the Group if it represents more than 1% of total revenue for the Group or more than 1% of total assets for the Group. Additionally, associates that do not meet the criteria may also be considered material to the Group based on other factors.

The following overview is summarised financial information for each of the associates that are material to the Group.

Accounting policies

Investments in associates are measured according to the equity method, when the Group has significant influence over the investment. Significant influence is arising from the contractually agreed rights of an arrangement, and it is considered we have the power to participate in the financial and operating policy decisions but not control them.

To determine significant influence, Management considers factors similar to those necessary to determine control over subsidiaries. The most important considerations and judgements made by Management for classification purposes are described under critical choices and judgements in the accounting policies and critical accounting estimates.

Investments in associates with negative net assets are offset in the loans to the related parties to the extent possible, and if not, they are measured at nil. Additionally, if the Group has a legal or constructive obligation to cover the negative balance of the associate, the obligation is recognised as a liability.

3.9 Investments in associates, continued

	2023				2022			
Material associates	**Germany**	**Germany**	**Germany**		**Germany**	**Germany**	**Italy**	
EURk	**WK Gommern GmbH & Co. KG**	**Ottenhausen GmbH & Co.KG**	**Haseloff ApS & Co. KG**	**Total**	**WK Gommern GmbH & Co. KG**	**Ottenhausen GmbH & Co.KG**	**Parco Eolico Carpinaccio Srl.**	**Total**
Ownership %	33.4%	39.4%	45.0%		33.4%	39.4%	26.3%	
Comprehensive income statement								
Revenue	4,161	2,760	-	6,921	7,208	4,208	7,830	19,246
Depreciation	-1,940	-924	-	-2,864	-1,940	-924	-1,696	-4,560
Profit for the year	758	810	-8	1,560	3,577	2,055	3,727	9,359
Total comprehensive income	758	810	-8	1,560	3,577	2,055	3,727	9,359
The group's share of comprehensive income	**253**	**319**	**-3**	**569**	**1,196**	**810**	**980**	**2,985**
Balance sheet								
Non-current assets	19,120	9,151	25,530	53,801	20,989	10,016	11,402	42,407
Current assets	2,646	1,631	459	4,736	3,544	1,899	4,617	10,060
Non-current liabilities	2,970	1,785	-	4,755	3,441	3,247	-	6,688
Current liabilities	881	1,300	459	2,640	2,974	1,220	1,204	5,397
Equity	15,652	6,517	25,529	47,698	15,814	6,259	14,815	36,888
Investment in material associates	**5,231**	**2,569**	**11,488**	**19,288**	**5,285**	**2,467**	**3,893**	**11,646**

3.10 Material non-controlling interests

	2023					
	Lithuania	Denmark	Denmark	Denmark	Denmark	
EURk	**UAB Taupi energija**	**EE Pommerania ApS**	**Rødby Fjord Vindkraft Mølle 3 I/S**	**Sprogø OWF K/S**	**Holmen II Vindkraft I/S**	**Total**
NCI Ownership %	45.00%	50.00%	49.89%	55.25%	44.36%	
Comprehensive income statement						
Revenue	-	9,710	823	2,054	951	13,538
Depreciation and amortisation	-	-200	-168	-727	-	-1,095
Interest income	-	6,232	-	2	-	6,234
Profit for the year	-667	6,469	584	122	746	7,254
Non-controlling interests' share of profit for the year	**-300**	**3,234**	**291**	**67**	**331**	**3,624**
Balance sheet						
Non-current assets	14,164	85,515	2,942	7,918	4,847	115,386
Current assets	615	13,679	180	958	695	16,127
Non-current liabilities	-	47,232	29	4,932	-	52,193
Current liabilities	3,295	42,123	57	463	4	45,942
Equity (incl non-controlling interests)	11,484	9,839	3,036	3,481	5,538	33,378
Carrying amount of non-controlling interests	**5,168**	**4,919**	**1,515**	**1,923**	**2,457**	**15,982**

3.10 Material non-controlling interests, continued

	2022					
	Denmark	Denmark	Denmark	Denmark	Denmark	
EURk	EE Pommerania ApS (Group)	Rødby Fjord Vindkraft Mølle 3 I/S	Sprogø OWF K/S	Holmen II Vindkraft I/S	Holmen II Holding ApS (Group)	Total
NCI Ownership %	50.00%	49.89%	55.25%	44.36%	33.00%	
Comprehensive income statement (100%)						
Revenue	4,540	1,437	2,169	2,205	3,583	13,934
Depreciation and amortisation	-3	-168	-728	-	-174	-1,073
Interest income	203	-	-	-	-	203
Profit for the year	7,101	1,000	333	1,998	1,661	12,093
Non-controlling interests' share of profit for the year	**3,550**	**499**	**184**	**886**	**548**	**5,668**
Balance sheet						
Non-current assets	87,328	3,116	8,664	4,868	7,031	111,007
Current assets	12,461	174	907	977	2,610	17,129
Non-current liabilities	42,251	29	5,380	-	456	48,116
Current liabilities	45,882	162	488	35	483	47,050
Equity (incl non-controlling interests)	11,656	3,099	3,703	5,810	8,702	32,970
Carrying amount of non-controlling interests	**5,828**	**1,546**	**2,046**	**2,577**	**2,022**	**14,019**

Carrying amount of non-controlling interests (EURk)	2023	2022
Income attributable to non-controlling interests		
Profit/loss attributable to material non-controlling interests	3,624	5,668
Profit/loss attributable to other non-controlling interests	1,625	3,473
Profit/loss attributable to non-controlling interests	**5,249**	**9,141**
Non-controlling interests		
Material non-controlling interests	15,982	14,019
Other non-controlling interests	4,927	2,058
Total non-controlling interests	**20,909**	**16,077**

3.11 Other investments

EURk	2023	2022
Cost at 1 January	**7,681**	**3,008**
Additions for the year	6	4,673
Disposal	-4,830	-
Cost at 31 December	**2,857**	**7,681**
Value adjustment at 1 January	5,766	5,460
Value adjustments during the year, unrealised	1,720	306
Transferred to/from subsidiaries/associated companies	-9	-
Value adjustments at 31 December	**7,477**	**5,766**
Carrying amount at 31 December	**10,334**	**13,447**
The investments relates to:		
Solar power generating assets	107	107
Wind power generating assets	10,227	13,340
Other investments at 31 December	**10,334**	**13,447**

Accounting policies

Other investments comprise a range of non-controlling interests in wind and solar parks. The investments typically arise when a major stake in an SPV is sold to an investor, and an immaterial part of the shares is retained.

Other investments are measured at fair value with value adjustments recognised in Profit or loss (FVTPL) as other income.

The fair value of Other investments is measured on the basis of level 3 within the fair value hierarchy.

The fair value is determined by discounting estimated future cash flows. The key assumptions comprise discount rate and expectations regarding future production and unit prices.

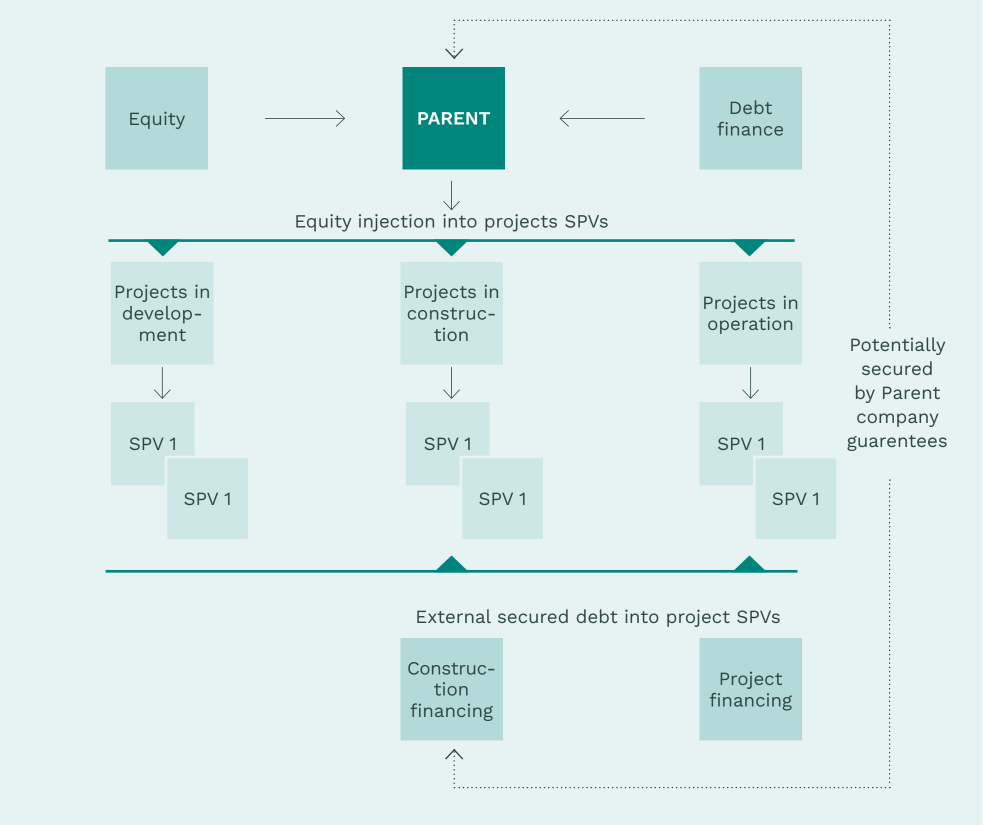
4

Capital structure

4.1 Capital management

The Group operates a two-layered capital structure. The parent company constitutes the top-layer of the capital structure which includes funding that is unsecured and structurally subordinated to the project-level financing at the bottom. The latter is predominantly secured bank financing of renewable energy projects either under construction or in operation. The Group financial policy is defined by a set of financial maintenance covenants included in the terms and conditions of the senior unsecured bonds issued by the parent company.

European Energy operates with a two-layered capital structure



These are:

a. A minimum parent company equity to total assets (excl. cash) of 25%
b. A maximum group project-level financing to group project assets (PPE and Inventories) of 75%.
c. A minimum available liquidity reserve in the parent company of interest payable on the outstanding senior bonds for next 3 periods

In short, these financial covenants stipulate that:

- parent capitalization must be one times equity to 3 times debt
- that parent company on an aggregate basis should contribute with minimum of 25% equity into the project-level layer
- that parent company needs to keep a liquidity reserve avaiable to cover next coming 3 quarters of senior bond interests

Parent company level

The debt funding of the parent company is based entirely through Nasdaq Copenhagen listed bonds with “Nordic”-style documentation and issued under the company’s green financing framework:

1. Hybrid capital securities: EUR 115m with stated maturity in 3023, a fixed coupon of 10.75% p.a. until First Call Date on January 26 2027, after which the coupon is 4Y EUR swap rate plus margin step up of 5.0% increasing the margin to 12.955%. For purpose of financial covenant calculation, 50% of outstanding nominal amount of hybrid capital can be included as Equity. The bond is subordinated to all other senior debt like the senior unsecured bonds and the revolving credit facility (RCF), cf below. Coupon payments may be deferred at the discretion of European Energy and ultimately any deferred coupons outstanding in 3023 will be cancelled. However, deferred coupon payments become payable if the parent company decides to pay dividends to shareholders or makes payment in respect of any Subordinated Shareholder Funding.

2. Senior unsecured bonds: EUR 300m with maturity in September 2025 and a coupon of EURIBOR 3M plus a margin of 3.75% and EUR 150m with maturity in September 2026 and a coupon of EURIBOR 3M plus a margin of 5.75%. For the duration of the bonds, European Energy must comply with a set of general undertakings stating among other that no dividends can be paid out by the parent company until after an IPO.

For full terms and conditions of the above bonds and details of the green financing framework: https://europeanenergy.com/en/green-financing

For liquidity management purposes, the parent company also has a revolving credit facility (RCF) maturing at the latest in 2026 with four major Nordic relationship banks. The terms largely mirror those of the senior unsecured bond. As part of the January 2023 bond transaction, European Energy increased its RCF by EUR 30m to EUR 75m and later in the year secured additional EUR 25m concluding total RCF of EUR 100m at year end.

In January 2024, European Energy A/S has entered into an agreement with Mitsubishi HC Capital Inc., in which Mitsubishi HC Capital Inc. will acquire a 20% stake in European Energy A/S mainly through acquiring newly issued shares resulting in gross proceeds for European Energy A/S of approximately EUR 700m, cf the section “Event after balance sheet day”.

Project level

The project level financing consists of construction or project financing primarily with Danish and international banks but also with infrastructure debt asset managers. Construction financing can be with time-limited recourse to the parent company. Project financing related to operating assets can include covenants e.g., related to Debt Service Covenant Ratios (DSCR) and/or require the existence of restricted cash accounts to cover debt/interest service for a predefined period. Project financing is predominantly done on a project-by-project basis but portfolio-based construction financing with cross-collateralization has emerged.

In 2023, European Energy has secured five year EUR 150m Green Portfolio financing with SEB and DNB allowing European Energy to simultaneously finance construction of a group of yet unnamed projects.

Green Finance Framework

European Energy has a Green Finance Framework aligned with the Green Bond Principles published by the International Capital Markets Association (ICMA) in 2021 and the Green Loan Principles published by the Loan Market Association (LMA) in 2021. Our framework includes Green Bonds as well as Green Loans and other types of debt instruments which are used to finance, or refinance, Eligible Assets. Instruments issued in accordance with this framework are all ‘use-of-proceeds’. For the avoidance of doubt, this refers to 100% Green proceeds for bonds. However, other instruments may be subject to a 90% threshold on EBITDA of the European Energy Group, in which case that will be specified in the final instrument documentation. The Framework is intended to be aligned with the Climate Delegated Acts of the EU Taxonomy (“EU Taxonomy”), published in April 2021.

Capital management policy and Financial Planning

Annually in connection with approval of the Budget, the Board of Directors reviews and approves the funding plan of the budgeted activities for the coming year.

In addition to this a monthly bottom-up financial planning and liquidity forecasting process is carried out, to secure:

- Adequate short-term liquidity to fund planned projects with parent equity and project debt.
- Adequate capitalization of the parent company to fund medium term project pipeline and timely refinancing of existing outstanding debt.
- Ensure compliance with financial covenants in senior secured bonds issued by the parent company and any project level debt covenants.

4.2 Hybrid capital

Terms and conditions

Hybrid capital comprise issued green bonds and amounts to EUR 115m at year end 2023, all which is subordinated to other creditors but preceded by the share capital. The hybrid capital rank in priority only to any loans made after the first issue date by any major shareholder (Subordinated Shareholder Funding).

In January 2023, European Energy partially refinanced its outstanding hybrid bond with maturity in 3020 and a first call in September 2023 by issuing a new EUR 100m hybrid bond with maturity in 3023 and first call in January 2027. EUR 92.5m of the 3020 hybrid bond holders accepted to tender and subscribed to the new hybrid bond, leaving an outstanding nominal of the 3020 hybrid of EUR 57.5m.

In June 2023, European Energy tapped the new 3023 hybrid bond with additional EUR 15m and in September 2023 redeemed the last outstanding part of the old 3020 hybrid of EUR 57.5m. This resulted in a total outstanding hybrid bond of EUR 115m end of 2023.

The new 3023 hybrid bond has an initial coupon of 10.75% until the first call date in January 2027. The coupon is based on an initial margin of 7.955% and the initial 4-year swap rate of 2.795%. After first call date, the coupon will reset to the 4-year EUR swap rate prevailing at that time plus a margin step up of 5.0% increasing the margin to 12.955%. Besides pricing, all key terms and conditions on the new 3023 hybrid bond were equal to the existing, except an introduction of a rating call event.
This provides European Energy with an option to redeem the hybrid capital securities at 101% (prior to the First Call Date) if a Rating Event occurs.

Coupon payments may be deferred at the discretion of European Energy and ultimately any deferred coupons outstanding in 3023 will be cancelled. However, deferred coupon payments become payable if European Energy decides to pay dividends to shareholders or makes payment in respect of any Subordinated Shareholder Funding.

As a consequence of the terms of the hybrid bond, the net proceed is initially recognised directly in equity. Coupon payments are also recognised in equity. During 2023, all the coupon payments related to hybrid issuances have been paid. The payments amount to EUR 4.8m and is accounted for as dividends.

Fair value disclosures

As the principal of the hybrid bond ultimately falls due in 3023, its discounted fair value is nil due to the terms of the securities, and therefore a liability of nil has been recognised in the balance sheet.

Subsequently, the liability part is measured at amortised costs and will only impact profit or loss for the year towards the end of the 1,000-year term of the hybrid capital.

When a formal decision on redemption has been made European Energy has a contractual obligation to repay the principal, and thus the hybrid bond is reclassified from equity to financial liability.

On the date of reclassification, the financial liability is measured at market value of the hybrid capital. The hybrid bond is listed at NASDAQ, Copenhagen, and traded at market value.

Accounting policies

Hybrid capital is treated in accordance with the rules on compound financial instruments based on the special characteristics of the bonds. The notional amount, which constitutes a liability, is initially recognised at present value, and equity has been increased by the difference between the net proceeds received and the present value of the discounted liability (fair value).

The part of the hybrid capital that is accounted for as a liability is measured at amortised cost. The carrying amount of the liability component amount to nil on initial recognition and due to the 1,000-year term of the hybrid capital, amortisation charges will only have an impact on profit or loss for the years towards the end of the 1,000-year term.

Coupon payments are accounted for as dividends and are recognized directly in equity when the obligation to pay arises. The obligation to pay coupon payments is at the discretion of European Energy A/S and any outstanding deferred coupon payments will be automatically cancelled upon maturity of the hybrid capital. Coupon payments are recognised in the statement of cash flows in the same way as dividend payments within financing activities.

Payments of interest on the hybrid bond (treated as dividend) is according to current tax legislation deductible for income tax purposes. The tax effect is recorded in the income statement as this is considered distribution of earnings and not in equity where the effect of the dividends paid is recorded.

On redemption of the hybrid capital, the payment will be distributed between liability and equity, applying the same principles as used when the hybrid capital was issued. The difference between the payment on redemption and the net proceeds received on issue is recognized directly in equity as the debt portion of the existing hybrid issues will be nil during the first part of the life of the hybrid capital.

On the date when European Energy A/S decides to exercise an option to redeem the hybrid capital, the part of the hybrid capital that will be redeemed will be reclassified from equity to bond loans. The reclassification will be made at market value of the hybrid capital at the date the decision is made. Following the reclassification, coupon payments will be recognised in profit or loss as financial expenses.

4.3 Change in net working capital

EURk	2023	2022*
Trade receivables and contract assets	-19,913	-24,416
Other receivables	18,861	-29,441
Prepayments from goods and services	15,704	23,176
Trade payables	-29,516	14,900
Deferred income	-5,873	5,108
Other payables	-3,026	6,451
Derivatives	-143	-
Total change in working capital excluding inventories	**-23,906**	**-4,222**

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

EURk	2023	2022*
Change in inventories	**-342,427**	**-479,039**

Change in net working capital (excluding inventories)

The change in net working capital, excluding inventories were EUR -23.9m in 2023 and EUR -4.2m in 2022.

In 2023, the most significant changes in net working capital were related to other payable.

The change in other receivables was driven by several factors, most significantly increased VAT receivables derived from settlement due to completion of project activity. The numbers from the change in net working capital cannot necessarily be derived directly from the balance sheet, due to amongst others non-cash transactions.

4.4 Net interest-bearing debt

EURk	2023	2022
Net interest-bearing debt:		
Project financing	890,345	723,759
Bond debt	441,190	363,683
Total bond and project financing	**1,331,535**	**1,087,442**
Lease liabilities	17,077	14,278
Other interest-bearing debt	187	921
Total interest-bearing debt	**1,348,799**	**1,102,641**
Cash and cash equivalents	-118,902	-209,826
Total net interest-bearing debt at 31 December	**1,229,897**	**892,815**

Changes in Interest-bearing debt (EURk)	2023	2022
Interest-bearing debt at 1 January	1,102,641	655,155
Cash transactions:		
Proceeds from issuing of bonds	74,703	74,411
Proceeds from project financing	399,776	505,829
Repayment of project financing	-233,190	-169,631
Payment on leases	-3,264	-2,346
Change in other interest-bearing debt	-734	-10,510
Non-cash transactions:		
Raising debt, etc.	5,347	5,437
Depreciation on loan costs	2,803	3,889
Project financing from acquisitions/reclassification	-	40,563
Foreign exchange rate adjustments and amortisation	717	3,733
Total interest-bearing debt at 31 December	**1,348,799**	**1,102,641**

Interest-bearing debt

During 2023, the Group executed on its funding plan to cater for growth of business activities. This entailed raising debt on both parent- and project-level which resulted in a gross interest-bearing debt of EUR 1,349m at the end of 2023 corresponding to an increase of EUR 246m compared to year-end 2022.

Outstanding debt of the parent company changed by EUR 78m in 2023 and can predominantly be attributed to a partial refinancing and redemption of the outstanding 3020 hybrid bond and a subsequent tap on the senior 2026 bond.

On project-level, we raised EUR 400m of gross financing, primarily in the form of construction financing for new construction activities. Besides this, we repaid EUR 233m of existing project financing due to refinancing activities or repayment of debt due to project divestment during the year hereunder the deconsolidation of Kassø.

4.4 Net interest-bearing debt, continued

Parent level

The 2023 parent funding plan was focused on funding the business activities of the year, improving liquidity resources by expanding and increasing the existing revolving credit facility (RCF) and removing the refinancing risk from the first call of the 3020 hybrid bond in September 2023. The effects from the refinancing of the 3020 hybrid bond is described in note 4.2 Hybrid Capital as this is not categorized as interest-bearing debt.

In January 2023, European Energy tapped the senior 2026 bond EUR 200m framework with EUR 75m, bringing the total issuance under this to EUR 150m. Furthermore, an increase of the RCF by EUR 30m brought total RCF commitments to EUR 75m.

Towards the end of the year, European Energy successfully increased its RCF commitments by additional EUR 25m bringing the total RCF to EUR 100m which was undrawn end of 2023.

Project level

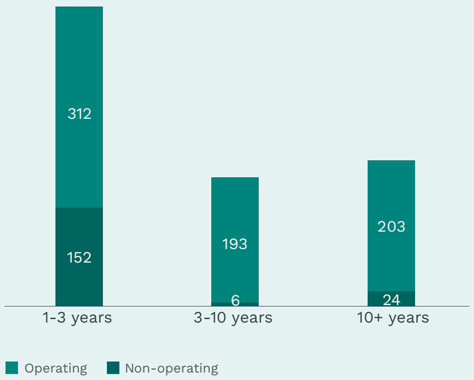
On project level, project financing totaled EUR 890m end of 2023. During 2023 the Group focused on leveraging its operating project portfolio as well as funding its construction activities. The Group raised a gross total of EUR 400m in new construction- or project financing during the year while EUR 233m was repaid due to refinancing or divestment of projects.

In general, all project debt is obtained with security in the form of pledges of assets and/or shares. End of 2023, the Group provided pledges for project financing of EUR 890m (2022: EUR 724m).

For short term construction financing at project level, the parent company may provide a full or partial parent company guarantee effectively making the debt recourse to the parent. End of 2023, the total outstanding recourse project financing or construction debt amounted to EUR 552m (2022: EUR 429m). The construction financings usually mature 12 months after commercial operation date, whereafter it is refinanced into a non-recourse long term project financing without parent company guarantee or divested.

In late 2023, the Group has secured a novel five-year EUR 150m Green Portfolio Financing Facility with SEB and DNB designed to accelerate the deployment of renewable energy projects across 10 northern European countries. This facility remained undrawn in 2023 and thus is not included in interest-bearing debt at year-end.

Project debt maturity profile (EURm)



Project debt maturating within 3 years is predominantly attributable to operating projects which recently passed Commercial Operating Date and is expected to be refinanced or divested. Project debt maturing after 3 years is mostly related to long term financing of operating assets.

Parent maturity profile on committed debt instruments (EURm)

Committed debt instruments considers senior unsecured bond issuances and undrawn committed revolving credit facilities.

4.5 Other non-cash items

EURk	2023	2022
Write down of inventories	1,454	8,125
Fair value adjustment of companies	-49,119	-309
FX adjustments of group entities	17,105	-9,730
Share based compensation expenses	2,992	2,356
Other minor	-130	-417
Other non-cash items	**-27,698**	**25**

Other non-cash items

Other non-cash items amounted to EUR -27.7m (2022: EUR 0m) and were mainly related to fair value adjustments of companies, write-down of inventories, exchange rate adjustments of sub-sidiaries, associates and joint venture companies and share based compensation expenses. The non-cash adjustments in 2022 mainly came from exchange rate adjustment of group companies offset by the impact from inventory write-down.

5

Risk management

5.1 Liquidity risk

Liquidity resources (EURk)	2023	2022
Committed undrawn credit facilities (>3 years)	100,000	45,000
Total committed credit facilities	**100,000**	**45,000**
Cash non-restricted	93,212	165,285
Total liquidity resources available	**193,212**	**210,285**
Restricted cash	25,690	44,541
Uncommitted undrawn credit facility	20,000	-

The group's liquidity management strategy is to ensure that it will always have sufficient liquidity to fund the planned operations and meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The group's liquidity requirements are mainly determined by its investment in the development and construction of projects, repayment of the debt contracted by projects or the parent company, risk of timing delays in divestments of projects and liquidity effects from financial derivatives. These cash flows and its associated risks are handled by performing a detailed bottom-up liquidity forecast on a monthly basis including various risk scenarios, which together with sound and flexible investment decisions entails a strong liquidity management set-up.

Investments in projects
For European Energy to mitigate the underlying liquidity risks from investments, it dedicates considerable efforts in ongoing liquidity monitoring and forecasting of the investments and financing needs at both project- and parent level.

The group meets its liquidity requirements for the construction of its renewable energy plants via external project level financing and residual internal equity contribution or shareholder loans from the parent company. All development activities are fully equity or shareholder loan financed by the parent company.

Repayment of debt
Ongoing liquidity management and forecasting allows the Group to address any repayment or refinancing of debt contracted by projects- or the parent company well in advance. Project-level financing is either repaid from proceeds from divestment of the projects, proceeds from refinancing into new project financing or from available operating cashflows from plants in operation.

Parent company financing is addressed via annual funding plans based on the monthly bottom-up liquidity forecasting of the Group, where the parent funding gap is identified and planned for. Additionally, the parent company continuously monitors its outstanding debt portfolio to address any refinancing activities in due time.

Divestments of projects
A substantial part of the positive cashflow generation of the Group is derived from divestments of projects which implies a liquidity risk if execution of divestments is delayed.

The Group accounts for the risk in monthly liquidity forecasting process by various scenario analysis, several ongoing divestment tracks, sound liquidity risk buffers as well as the ability to adjust the investment profile to fit the liquidity needs.

Consequently, this allows us to actively match our spending profile with the timing of incoming cashflows, effectively neutralizing a big part of our liquidity risks from project divestments.

Derivatives
Liquidity risk from derivatives arises when the realization of the underlying exposure doesn't match the cash settlement of the derivative or when cash collateral posting because of negative mark-to-market value is required.

When entering these hedge arrangements, European Energy monitors the potential liquidity impact and include this in the liquidity planning. End of 2023 the Group had no PPA contracts where cash collateral is paid/received. Consequently, the PPA agreements entered does not pose a significantly liquidity risk for European Energy Group even though the value of the derivative is high.

Main derivative lines for foreign exchange and interestrate derivaties at parent level are obtained without credit support annexes with sufficient thresholds to avoid margin calls. Derivative lines at project level are mainly related to interest rate hedging of long-term project financing where the security is the underlying pledged asset.

Liquidity resources
By the end of 2023, the Group's total liquidity resources amounted to EUR 193.2m (2022: EUR 210.3m) which consisted of EUR 93.2m (2022: EUR 165.3m) in unrestricted cash and a EUR 100m undrawn committed RCF (2022: EUR 45m).

The restricted cash amounted to EUR 25.7m (2022: EUR 44.5m) and primarily relates to construction financing proceeds reserved for upcoming construction activities and debt service reserve accounts in operating companies.

European Energy expects to have sufficient liquidity during 2024 to fund the planned activities.

5.1 Liquidity risk, continued

	2023					2022				
EURk	Contractual undiscounted cash flow	Maturity within 1 year	Maturity between 1 and 3 year	Maturity between 3 and 5 year	Maturity after 5 years	Contractual undiscounted cash flow	Maturity within 1 year	Maturity between 1 and 3 year	Maturity between 3 and 5 year	Maturity after 5 years
Issued bonds	528,727	37,788	490,939	-	-	420,909	15,474	327,648	77,786	-
Project financing*	1,104,164	287,985	364,659	179,210	272,310	874,055	84,557	430,324	74,694	284,480
Derivative liabilities	75,004	8,255	15,545	13,175	38,029	55,717	5,097	12,488	10,266	27,865
Lease liabilities	38,604	3,960	5,181	3,853	25,611	19,633	3,470	5,644	2,342	8,177
Other debt	4,721	-	4,721	-	-	5,133	-	5,236	-	-
Current liabilities**	112,013	112,013	-	-	-	132,091	132,091	-	-	-

* Project financing is including the cash flow effect from any entered interest rate swaps.
** Current liabilities includes Trade payables, payables to related parties, corporation tax payables and other payables.

5.2 Financial risk management

Financial risk manangement

European Energy is exposed to and manages several financial risks due to its development, constructing, operating, and financing activities. The overall goal of our risk management is to protect:

- Equity value of the Group
- Maintenance covenants
- Value of the individual renewable energy project (preserve project profitability) against risks from financial markets.

Financial Risk management is carried out following the applicable financial risk policy. The financial risk policy reflects the two-layered capital structure and thus, separately managing the risks on the parent- and project level.

This structure views the parent company as an investment company investing into renewable energy projects and managing the financial risks arising from these investments. Projects are viewed as individual companies each protecting themselves against their own financial risks with advisory and risk mitigation actions from the parent company.

The primary goals of financial risk management is to strengthen predictability of short-term earnings and protection of long-term value at both levels. The general principle of the financial risk management policy is that all certain and significant risks are mitigated, though with acceptance of an open position limited by a defined maximum threshold of acceptable risk.

The Group utilizes natural hedging by matching assets and liabilities as well as financial derivates to hedge risk exposures. The risk policy does not allow for taking speculative positions.

The financial risks, as described further below, are divided into:

1. Power price risk
2. Commodity risks
3. Currency risk
4. Interest rate risk

Power price risk

The objective of power price risk management is to monitor and mitigate the risk from generation and sale of energy. Power price hedging instruments are entered to offset the power price risk exposure.

End of 2023, power price hedging instruments recognised at fair value have been recognised partly as assets and partly as liabilities. Power price hedging instruments presented as assets amounts to EUR 5.8m per 31 December 2023 (2022: EUR 6.7 m). Power price hedging instruments presented as liabilities amounts to 49.1m per 31 December 2023 (2022: EUR 31.8 m).

Power price hedging instruments comprises power purchase agreements which is 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. However, the portfolio of hedges also comprises a number of contracts where the contracts are not recognised in accordance with IFRS 9.

The table on page 137 shows the movements during 2023 regarding instruments measurement according to level 3 in the fair value hierarchy.

Offtake and hedging considerations
European Energy works extensively to ensure that the hedging of energy exposure is matched across the European Energy portfolio. Offtake considerations are handled both of project-, country- and group level to ensure individual profitability of projects, but also to optimize the groups general exposure towards power.

Accounting policies

We apply hedge accounting to our power, currency and interest rate hedges. To any extent possible we use hedge instruments which hedge the desired risk, thereby aiming at establishing a very dependant economic relationship between the hedged item and the hedging instrument. Thus, creating no significant hedge ineffectiveness.

An economic relationship between the hedged item and the hedging instrument exists when it is expected that the values of the hedged item and hedging instrument will typically move in opposite directions in response to movements in the same risk (hedged risk). Effectiveness is monitored by comparing the change in the value of the future flow hedged to the change in the value of the derivative.

When we enter a hedging transaction, we assess whether the hedged exposure and the hedging instrument are still financially correlated. If the hedged exposure has changed, we adjust the hedge to obtain desired correlation again. If the exposure no longer is expected to be realised, the accumulated hedge effect is transferred to income statement for the year

The recognition and classification in the balance sheet follows the fair value and the maturity of the contract similarly whether fair value of the hedging instrument is positive (asset) or negative (liability).

Changes in the fair value of derivative financial instruments designated as a hedge of cash flows or net investment hedging of a recognised asset or liability are recognised in other comprehensive income. Any changes in the fair value of derivative financial instruments that are not designated as a hedge are recognised as finance income or finance costs in the consolidated statement of profit or loss.

The effective portion of the change in fair value of derivative financial instruments, accounted for as hedging of fair values is recognised in other comprehensive income and presented in the cash flow hedge reserve in equity.

Any amounts deferred in equity are transferred to the consolidated statement of profit of loss in the period when the hedged item realises and affects the consolidated statement of profit or loss. Any ineffective portion of the fair value change is recognised immediately in the consolidated statement of profit or loss as finance costs. If the hedging instrument expires, is sold or revoked, any cumulative gain or loss previously recognised in other comprehensive income remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

5.2 Financial risk management, continued

	2023					2022				
Power price hedging instruments	MWh/h	Average hedged rate (EUR/MW)	Fair value (EURk)	Recognised in other comprehensive income (EURk)	Recognised in P/L (EURk)	MWh/h	Average hedged rate (EUR/MW)	Fair value (EURk)	Recognised in other comprehensive income (EURk)	Recognised in P/L (EURk)
Power purchase agreements	114.7	37.5	-43,269	-49,093	5,842	58.9	37.6	-25,092	-31,783	6,691
Total power purchase agreements	**114.7**	**37.5**	**-43,269**	**-49,093**	**5,842**	**58.9**	**37.6**	**-25,092**	**-31,783**	**6,691**

Level 3 Financial instruments through OCI (EURk)	**2023**	**2022**
Fair value at 1 January	**-31,783**	**-2,870**
Value adjustments of hedging instruments through OCI during the year, unrealised	-17,310	-23,726
Value adjustments of hedging instruments through OCI during the year, realised	-	-5,187
Total Fair value at 31 December	**-49,093**	**-31,783**

Recognised in the balance sheet:	2023			2022		
Market value (EURk)	Asset	Liability	Total Hedge	Asset	Liability	Total Hedge
Power purchase agreements	5,842	-49,093	-43,269	6,691	-31,783	-25,092
Total power purchase agreements	**5,842**	**-49,093**	**-43,269**	**6,691**	**-31,783**	**-25,092**

This is done through vigorous market monitoring and continuous evaluation of current and expected exposure and potential hedge instruments.

The hedge instruments are entered into with both power traders, utilities or other corporate enterprises. Our combined portfolio of power purchase agreements have a duration of up to 15 years and are entered into in European countries such as Denmark, United Kingdom, Germany, Poland, Sweden, and Lithuania.

Hedging of exposure may be done before project FID to ensure committed offtake as well as after projects commence operation with financial derivatives or bespoke hedging contracts. The level of hedging is determined by various factors, amongst others risk requirements from lenders, portfolio concerns, as well as the objective to maximize return. To ensure appropriate hedging levels one guideline is that single projects should not have a baseload PPA with more than 70% of expected annual generation.

Hedging ineffectivity

In 2023, there were recognised a net amount corresponding to EUR 2.0m as ineffectivity deriving from our PPA portfolio. The amounts are recognised as EUR 5.8m as income under financial items and EUR 3.8 as costs under financial items.

Sensitivity on significant valutation input

The most significant valuation input is the market price for the power price curve. This has changed compared to last year due to the very high increase in the power prices.
We have performed a sensitivity analysis of the sensitivity of the recognised power purchase agreements to an increase and a decrease of the power price for our power purchase agreements portfolio as a whole.

A change of the power price of 25% up/or down would impact the valuation of the PPA portfolio by EUR 30.5m.

Our average applied discount rate amounts to 11.3% and the recognized fair values of the portfolio of power purchase agreements is not materially sensitive to any impact from a change in discount rate.

Commodity risks

When constructing a solar park, wind parks or Power-to-X plants, we are exposed to the price development of various commodities in addition to power. The exposure arises when procuring key components such as modules, trackers, turbines and tower foundations where pricing is dependent on the underlying development of the utilized commodity, such as silicon and steel.

To eliminate the risk of adverse fluctuations in component pricing, we are generally procuring all key components via fixed price contracts at FID, thereby protecting the profitability of the projects after FID. Projects in development- or structuring which have not reached FID is not hedged.

Currency risks

Currency risks refer to the risks of losses (or opportunities for gains) resulting from changes in currency rates. Currency risks arise through transactions and financial assets and liabilities denominated in currencies other than the functional currency of the individual businesses.

The Group is predominantly exposed to non-EUR currencies such as USD, GBP, BRL, SEK, and PLN. DKK is not included due to the fixed exchange rate policy in place versus EUR. The exposures are identified and measured on a continuous basis and mitigated in relation to thresholds defined in the financial risk management policy.

Parent company level

The parent company is focused on potential impacts from currency volatility on short-term earnings and preservation of long-term value of equity and thus, aims to protect financial guidance, covenants and credit metrics.

The functional currency of the parent company is EUR, and consequently all currency exposures on the income statement and the balance sheet in non-EUR is identified as an exposure. Income statement exposures correspond to cash-flows denominated in other currency than EUR and predominantly relate to net proceeds from divestments of projects.

5.2 Financial risk management, continued

Currency forwards (EURk)	2023								2022							
	Notional amount	Average hedged rate	Fair value	Recog-nised in other compre-hensive income	Recog-nised in profit or loss	Hereoff recog-nised in Balance sheet, assets	Hereoff recog-nised in Balance sheet, liabilities	Total hedge	Notional amount	Average hedged rate	Fair value	Recog-nised in other compre-hensive income	Recog-nised in profit or loss	Hereoff recog-nised in Balance sheet, assets	Hereoff recog-nised in Balance sheet, liabilities	Total hedge
Cash flow hedge, USD	2,775	1.26 USD/1 GBP	-4	-4	-	-	-28	-28	59,309	1 USD/ 1 EUR	-3,333	-3,333	-	-	-3,333	-3,333
Net investment hedge, BRL	334,000	5.37/1 EUR	-22,955	-22,955	-	262	-1,042	-780	61,144	5.5 BRL/ 1 EUR	-14,691	-14,691	-	2,215	-336	1,879
Total forward exchange contracts			**-22,960**	**-22,960**	**-**	**262**	**-1,070**	**-808**			**-18,025**	**-18,025**	**-**	**2,215**	**-3,669**	**-1,455**

The parent company hedges all significant proceeds from signing till closing of the transaction. Until signing, the financial risk is mitigated by net investment hedging i.e. hedging of the book value of assets. These balance sheet exposures stems from the parent company continuously investing in foreign subsidiaries (renewable energy projects) via equity or shareholder loans provided to the projects to fund development, construction and operating activities.

These capital injections are recorded on the balance sheet of the parent as an asset, and all non-EUR assets carries a currency risk. To measure this risk, European Energy quantifies and measures the sensitivity of the consolidated net exposure from assets under construction and in operation using a Value at Risk measure (VaR). End of 2023, the gross currency exposure measured as VaR totalled EUR 33m.

After adjusting for active hedges and correlation effects the VaR constituted EUR 15m, implying that the parent is 95% confident that the gains or losses on non-EUR foreign investments from adverse currency volatility does not exceed EUR 15m on an annually basis all else equal.

Investments in assets under development are generally not hedged due to the investments being relatively small as well as uncertainty around realization and timing of the project.

European Energy monitors the balance sheet exposure and enters into forward hedging agreements according to risk thresholds set in the financial risk management policy. This hedging is defined as Net Investment hedging.

Project level

The main objectives are to protect the equity value and profitability of the projects from adverse currency changes. Currency risk on project level is not considered being hedged until the time of Final Investment Decision (FID), hence currency exposures from projects in development- and structuring phases are not considered.

The functional currency of the project is set so the costs of neutralizing currency exposures at project level is minimized. Setting of the functional currency is done prior to FID and considers mainly the currency of the expected offtake, financing, and potential divestment proceeds. Therefore, the long-term value of the project is secured via obtaining external and internal financing of the individual project in the same currency as the functional currency of the project.

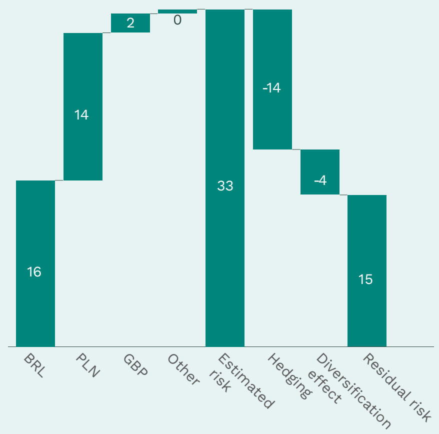
All significant and certain risks to project cash flow from currency exposures are identified and measured continuously and actively mitigated with hedge instruments on a maximum 24-month horizon. Our largest currency risks to project cash flows stems from solar parks where modules primarily are purchased in USD from Chinese suppliers, and from wind parks where turbines are purchased in EUR from European suppliers. The latter being a risk to projects with a functional currency different than EUR. To measure this risk, European Energy quantifies and measures the sensitivity of exposure using Cashflow at Risk measure (CFaR). After hedging, the net CFaR constitutes EUR 0m at the end of 2023.

Sensitivities to currencies

Complementary to VaR on parent company's net investments and CFaR on projects' cashflow exposures, the net residual exposure after hedging is predominantly attributable to PLN arising from net investments in Polish assets that are being constructed and are operating.

Therefore, a 10% appreciation of PLN against EUR as of December 31, 2023 will result in a gain of EUR 11.7m, all else equal. A 10% appreciation of currencies from net investments in assets in Brazil (BRL), UK (GBP) and others would as of December 31, 2023 result in a gain of EUR 3.8m, all else equal.

Value at risk (EURm) p.a. from net investments in foreign assets



Parent company VaR per annum from net investments in projects under construction and operation on balance sheet as of year-end 2023. Value at risk is calculated based on the net currency exposures. Value at risk per annum is number considering static portfolio as of year-end and thus, does not take into consideration future changes in the currency composition of the balance sheet.

5.2 Financial risk management, continued

Interest rate risks

Interest rate risks refer to the influence of changes in market interest rates on future cash flows concerning the interest-bearing debt of the Group. When assessing our interest rate exposure, we are only focusing on the effect of changes in the risk-free base rate and not the applicable credit margins of the Group.

Interest rate exposures are identified and measured on a continuous basis and mitigated according to the thresholds set in the financial risk policy.

Parent company level

All interest-bearing debt at parent company level is obtained in EUR and primarily stems from the outstanding bond programs described in 'Interest-bearing debt' section. Consequently, the Parent company is exposed to changes in EURIBOR and EUR swap rates.

European Energy quantifies and measures the sensitivity of the consolidated interest rate exposure using Cash flow at Risk measure (CFaR). End of 2023, the exposure from interest rate changes measured as CFaR above the current forward curve constitutes EUR 4m after hedging and fixed rate issuances.

This implies that the parent company is 95% confident that the gains and losses from adverse interest rate volatility does not exceed EUR 4m on annual basis. Complementary to this measure, the sensitivity analysis implies that 1% increase in base rates will result in additional EUR 4.5m p.a. in interest rate cost.

European Energy monitors the exposure and enters appropriate hedging according to risk threshold set in the financial risk policy. The fixed-to-float ratio of the parent company can be seen in the graph to the right.

Project level

Interest rate risk on project level is not considered being hedged until at the earliest at the time of FID i.e. hedging of interest rate risks to project value during the development and structuring phases is not done. The main objective of mitigating interest rate risks towards projects is to protect profitability and long-term equity value.

The current project debt portfolio is divided into construction- and project financing. A construction financing is characterized by only covering the period from construction start up until commercial operational date (COD) plus normally up to a 12-month period thereafter.

This financing type is generally obtained as floating debt due to the short construction times for solar and wind projects. Consequently, the projects with construction financing are generally exposed to changes in underlying base rates and respective swap rates. European Energy quantifies and measures the sensitivity of the consolidated interest rate exposure using Cash flow at Risk measure (CFaR).

End of 2023, the exposure from interest rates changes measured as CFaR besides the current forward curve constitutes to EUR 6m per annum.

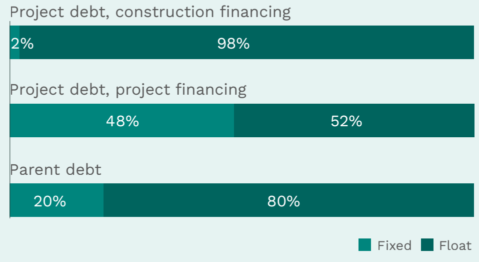
This implies that project portfolio is 95% confident that the gains or losses from adverse interest rate volatility does not exceed EUR 6m on an annually basis.

A project financing is characterized by being a longer-term financing covering a larger part of the operational lifetime of a project. When assessing the relevant fixed rate share of debt, European Energy considers the potential correlation between power prices and interest rates to match the volatility of revenue with the volatility of interest rates to protect projects against a potential loss of value.

Effectively entailing that the fixed-to-float ratio of the outstanding project level debt is matched with the fixed power price share of the revenue stream according to a pre-defined set of intervals from the financial risk policy.

Additionally, the potential refinancing risk for projects with existing construction- or project financing in place is monitored, measured and potentially mitigated in accordance with the financial risk policy.

Parent and project level fixed to float ratio



Cash flow at risk from floating rate debt on project level is predominantly attributed to projects with construction financing and amounts to EUR 6m. Interest rate risk from floating rate part of the project debt can to some extent be mitigated by inflation-indexed and merchant part of the project's offtake.

Cash flow at risk from floating debt of the parent company is excluding committed revolving credit facilities and amounts to EUR 4m.

5.3 Financial instruments by category

	2023		2022	
EURk	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets measured at FVTPL	16,176	16,176	20,138	20,138
Financial assets measured at FVTOCI *)	262	262	9,137	9,137
Financial assets measured at amortised cost	157,392	157,392	138,739	138,739
Financial liabilities measured at amortised cost	1,384,353	1,371,414	1,170,922	1,162,672
Financial liabilities measured at FVTOCI *)	67,703	67,703	35,452	35,452
Hybrid capital	115,000	110,400	150,000	147,000

*) FVTOCI = Fair value through other comprehensive income

Accounting policies

Financial assets and financial liabilities
At initial recognition, financial assets are stated at amortised cost, fair value through profit or loss or at fair value through other comprehensive income (hedging instruments).

Financial assets held to maturity are initially recognised at amortised costs. The Group's financial assets held to maturity include cash and cash equivalents, trade receivables and contract assets, loans and other receivables.

Other investments are measured at fair value with value adjustments recognised in profit or loss. Other investments comprise non-controlling interests.

At initial recognition, financial liabilities are stated at amortised costs. Financial liabilities, except derivatives, are initially recognised at amortised costs and net of directly attributable transaction costs. In subsequent periods, any difference between cost and redemption value is recognised in the consolidated statement of profit or loss over the term of the loan by means of the effective interest method (EIR).

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is stated by taking into account any discount or premium on acquisition and fees or costs integral to the EIR. EIR amortisation is recognised as finance costs in the consolidated statement of profit or loss.

The Group's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts and derivative financial instruments.

5.4 Determination of fair value

	2023				2022			
Fair value hierarchy (EURk)	**Quoted prices (level 1)**	**Observable input (level 2)**	**Non-observable input (level 3)**	**Total**	**Quoted prices (level 1)**	**Observable input (level 2)**	**Non-observable input (level 3)**	**Total**
Other investments	-	-	10,334	10,334	-	-	13,447	13,447
Derivatives								
Power purchase agreements	-	-	5,842	5,842	-	-	6,691	6,691
Interest rate swaps	-	-	-	-	-	6,923	-	6,923
Currency hedges	-	262	-	262	-	2,215	-	2,215
Financial assets measured at fair value:	**-**	**262**	**16,176**	**16,437**	**-**	**9,137**	**20,138**	**29,275**
Derivatives								
Power purchase agreements	-	-	-49,093	-49,093	-	-	-31,783	-31,783
Interest rate swaps	-	-17,541	-	-17,541	-	-	-	-
Currency hedges	-	-1,070	-	-1,070	-	-3,670	-	-3,670
Financial liabilities measured at fair value:	**-**	**-18,610**	**-49,093**	**-67,703**	**-**	**-3,670**	**-31,783**	**-35,452**

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 to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The 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 that they are acting in their economic best interest.

The Group uses valuation techniques that are 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 that is significant to the fair value measurement as a whole.

Level 1

Quoted (unadjusted) market prices in active markets for identical assets or liabilities, being NASDAQ prices for PPA contracts with a duration of 1-3 in the Nordic countries and 1-5 year duration in Germany.

Level 2

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. This being simple OTC instruments, where the most significant input is the currency changes or interest rates.

Level 3

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. When assessing and calculating the fair value of the contracts where no quoted market prices are available the used valuation technique is the discounted cash flow.

Significant valuation inputs

The main inputs used in the calculations are

- Non-contracted market prices (market power price)
- Contracted market prices (entered fixed price)
- Risk-adjusted discount rate

Non-contracted market prices are normally available for a maximum of 3 to 5 years, after which an active market no longer exists. European Energy's Power purchase agreements have a duration of up to 15 years.

The fair values in the level 3 hierarchy is primarily the PPA contracts where the basis for the calculation is forward market price curves for the relevant markets. In addition to the forward curves management provides a range of assumptions and estimates to these price curves in order to cater for the risk embedded into the market data regarding long-term power market.

Initial fair value adjustments

The fair value adjustments in 2023 are adjusted for initial fair value adjustments following a change in model utilised as fair value estimation for our power price hedging instruments.

6

Tax

6.1 Tax governance

We acknowledge the pivotal role taxation holds in society. As such, we have integrated responsible tax practices as part of Governance that empowers business accountability, of European Energy's three strategic sustainability priorities.

We emphasize the adoption of a responsible attitude toward taxation as crucial both for ensuring the sustainability of the communities in which we are engaged and for the global longevity of our business.

Tax governance
The overall responsibility for corporate tax matters is with the CFO and is reported to and monitored by Audit Committee on a regular basis.

The day-to-day management of corporate income tax and transfer pricing is delegated by the CFO to Group Tax. Group Tax consists of appropriate qualified tax professionals which strives to ensure that European Energy monitors its tax obligations in the daily operations by amongst other training and guidance to relevant employees and constantly monitor updates and changes to tax legislation.

In 2022, we established a Tax Committee, with the deputy CEO, the CFO, a Vice President from the business and the Tax Director as members. The purpose of the Tax Committee is to align important tax-related matters and tax risk management within European Energy.

Approach to tax
European Energy complies with local and international tax legislation and act responsibly and with integrity in all tax matters.

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 it will be for commercial reason.

All tax filings are prepared by employees and advisors with good knowledge of the company and its transactions and financial positions including a solid understanding of tax regulations.

Tax planning must be based on a commercial rationale and comply with local and international tax legislation. Where additional confidence is needed, we seek the advice of tax advisors and, if appropriate, request for binding rulings with the tax authorities.

Tax and case law are not always clear and change over time. It therefore cannot be ruled out that we, from time to time, take a tax position based on a more-likely-than-not principle which subsequently is challenged by the tax authorities. We always strive for our tax position to be well investigated and documented and – depending on the case and tax impact – take the necessary steps if the tax authorities in an audit should disagree with our tax position, firstly by resolving the disagreement with dialogue and secondly by appealing at the tax tribunals or courts to ensure the correct tax treatment.

6.2 Tax on profit for the year

Statement of profit (EURk)	2023	2022*
Current income tax:		
Current income tax charge	23,238	7,910
Adjustments relating to prior years	242	443
Total current income tax	**23,480**	**8,353**
Deferred tax:		
Adjustment of deferred tax	-12,526	6,549
Adjustments relating to prior years	1,644	1,458
Total deferred tax	**-10,882**	**8,007**
Total tax on profit recognised in the statement of profit	**12,598**	**16,360**
Tax on other comprehensive income:		
Fair value adjustments of hedging instruments in deferred tax	-8,638	-5,678
Fair value adjustments of currency hedges	-1,091	-5,002
Total current and deferred tax on other comprehensive income	**-9,729**	**-10,680**

Computation of effective tax rate	2023	2022*
Statutory corporate income tax rate in Denmark	22.0%	22.0%
Tax effect from:		
Deviation in foreign subsidiaries tax rates compared with the Danish tax rate (net)	-0.4%	0.6%
Tax exempt sale of power plants and revaluation of shareholdings in affiliated entities etc.	-16.5%	-13.7%
Interest limitation	3.4%	2.0%
Hybrid bond, interest expenses	-0.8%	-1.8%
Non-deductible expenses and other adjustments, net	0.9%	3.5%
Adjustments prior years	1.5%	1.7%
Effective tax rate	**10.0%**	**14.3%**

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Tax on profit for the year amounted to EUR 12.6m in 2023 (2022: EUR 16.4m). The effective tax rate for 2023 landed on 10.0% compared with 14.3% for 2022.

The effective tax rate is most significantly impacted by income from sale of power plants and revaluation of shareholdings in affiliated entities by -16,5%.

Further to that financial costs have an impact of +3.4% regarding interest deduction limitation in various countries and -0,8% which originates from interest on hybrid bonds that are recognized in the equity accounts but still deductible for tax purposes.

In the course of conducting business globally, tax and transfer pricing disputes with tax authorities may occur.

In 2023, The Danish Tax Agency announced in a preliminary decision that European Energy A/S did not act on arm's length terms and conditions for the financial year 2017, when pricing the provision of services during development and construction of a project company in certain countries. The Danish Tax Agency therefore proposed increasing the tax payments for European Energy A/S. We are in dialogue with the Danish Tax Agency and a final decision is still pending. In response to this, we have included a tax provision of EUR 2.0m, plus interest.

Management has in general estimated the expected outcome of disputes and considers the provisions made to be adequate. However, the actual obligation may deviate and depends on the result of litigation and settlements with the relevant tax authorities.

Accounting policies

Corporation tax, comprising the current tax liability, change in deferred tax for the year and adjustments relating to prior years, is recognized in the income statement, unless it relates to items recognized either in other comprehensive income or directly in equity.

6.3 Deferred Tax

Deferred tax specification (EURk)	2023	2022*
Deferred tax start of period	6,020	6,084
Deferred tax for the year recognised in the income statement	-10,882	8,007
Deferred tax for the year recognised in other comprehensive income	-10,971	-9,786
Adjustment relating to the disposal/purchase of equity-accounted investments	541	-1,444
Other equity regulations / Joint taxation etc.	-1,898	3,159
Deferred tax end of period	**-17,190**	**6,020**
Deferred tax is recognised as follows:		
Deferred tax assets	-33,178	-13,650
Deferred tax liability	15,988	19,670
Total recognised deferred tax in the balance	**-17,190**	**6,020**
Split of various temporary differences recognised in the balance sheet:		
Tax loss carried forward	-10,339	-12,028
Differences of plant & equipment and inventories	11,354	30,098
Differences related to other assets or liabilities	-18,205	-12,050
Total	**-17,190**	**6,020**
Deferred tax assets not recognised in the balance sheet:		
Tax value of tax losses and other timing differences	6,480	2,022

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

The deferred tax asset, net on 31 December 2023 amounted to EUR 17.2m (2022: liability EUR 6.0m). The development in the deferred tax asset, net is affected by two main developments: Fair market valuation of certain hedging instruments and timing differences between tax and accounting recognition of intercompany fees and charges.

Management has considered future taxable income and has estimated the amount of deferred income tax assets that should be recognised. The estimate is based on an assessment of whether sufficient taxable income will be available in the future, against which the temporary differences and unused tax losses can be utilized.

Accounting policies

Deferred tax is measured using the balance sheet liability method and comprises all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is measured according to current tax rules and with the tax rate expected to be in force when the temporary differences reverses. Changes in the valuation of deferred tax assets are recognized in the income statement, unless they relate to items recognized either in other comprehensive income or directly in equity.

The tax value of tax losses carried forward and other deferred tax assets is recognized in the balance sheet at the expected value of their utilization, either by elimination against future earnings or by offsetting deferred tax liabilities within the same legal tax entity and jurisdiction. In countries where taxes can be offset between companies due to joint taxation schemes, we have settled current tax liabilities and assets on a net basis.

6.4 Tax on countries

Split of tax losses carried forward (EURk)	2023	2022
Denmark	1,561	4,159
Germany	2,750	3,548
Spain	1,976	1,271
Italy	3,546	1,536
Other countries	5,485	1,514
Total	**15,318**	**12,028**
Split of payable tax		
Denmark	3,399	-
Germany	9,912	6,617
Lithuania	3,939	-
Poland	1,079	-
Spain	500	500
Italy	-	515
Other countries	1,371	497
Total	**20,200**	**8,129**
Split of paid tax during the year		
Denmark	1,278	731
Germany	3,125	4,928
Poland	1,734	-
US	590	-
UK	427	451
Other countries	1,038	900
Total	**8,192**	**7,010**

European Energy currently has activities in 25 markets, and in many of these markets our investments only result in the accumulation of tax assets, as the projects behind these investments are still under development or in construction.

After a project enters into operation, it starts generating a positive cash flow, which eventually will result in taxable income subject to tax payments in the specific country. In line with our business model, we divest energy parks to long time investors before the energy park enters operation.

Therefore, tax paid also includes tax liability settlements between European Energy and divested entities in countries where taxes can be offset between companies due to joint taxation schemes. Future tax payments on profit earned by the energy park will not be paid by European Energy but be paid by the long-time investor, hence the tax payments are thereafter no longer reflected in the balance sheet of European Energy.

Further, losses on the fair-market valuation of certain hedging instruments have reduced the corporate taxes payable for 2023.

Even though we are not yet classified as a large multinational enterprise for tax purposes and are thereby not obliged to report or disclose country-by-country tax information, it is our ambition to increase the transparency of our tax affairs. In view of the complexity of our business and the preparation required to fulfil our ambition, we will therefore work on publishing more tax-transparent information, inspired by the GRI 207 framework.

7

Other notes

7.1 Share-based payment

Year of grant	2023	2022
Number of warrants granted	2,594,125	3,020,000
Estimated Share price	DKK 31.00	DKK 19.20
Volatility, based on two years historical volatility for the peer group *)	40.1%	50.8%
Risk free rate, based on Danish government bonds	1.9%	-0.2%
Vesting schedule	36 months	36 months
Exercise price	DKK 31.00 increased 5 % per year from 1 January 2024	DKK 19.20 increased 5 % per year from 1 January 2023
Exercise price of outstanding warrants at the end of 2022	DKK 32.55 - 38.75	DKK 21.12 - 24.96
Exercise period: One annual exercise period following the ordinary general meeting where the annual report is adopted	April 2023 - May 2028	April 2022 - May 2028
Expected dividends **)	-	-
Expected life of warrants	Up to 5 years	Up to 6 years
Fair value per warrant on grant date	DKK 9.77	DKK 7.84

The fair value of warrants granted is calculated using the Binomial model with the following assumptions at the time of grant.

*) Peer group has been adjusted in 2023 and comprise of: EDP Renováveis, S.A., Voltalia SA, Energiekontor AG, PNE Wind AG, Encavis AG, Solaria Energía y Medio Ambiente, S.A., OX2 AB, ABO Wind AG (new), Ørsted A/S (new), Neoen S.A. (new) and Boralec Inc. (new). Management assess that this peer group is comparable to European Energy in terms of size and growth expectations.
Companies no longer included in peer group are Terna Energy Socitete Anonyme, Commercial Technical Company S.A., Falck Renewables S.p.A., Eolus Vind AB, Audax Renovables, S.A., Arise AB, Scatec Solar ASA, Photon Energy N.V., Alerion Clean Power S.p.A.
**) Due to the covenants of the senior bond loan dividends cannot be paid out until the bond is repaid or after an IPO (subject to restrictions).

Accounting policies

The parent company has granted warrants to Management, board members and individual selected staff members based on years of employment and profession. The incentive scheme is based on issuance of warrants that give the right to apply for new shares in European Energy in the future.

Fair value of the warrants at grant date is recognised as an expense in the income statement over the vesting period. Subsequently, the fair value is not re-measured.

Such compensation expenses represent calculated values of warrants granted and do not represent actual cash expenditures.

A corresponding amount is recognised in shareholders' equity as the warrant program is designated as equity-settled share-based payment transaction.

7.1 Share-based payment, continued

	2023							2022						
Number of warrants held by	**Board of directors**	**Executive board**	**Other key management personnel**	**Other employees**	**Former employees**	**Total Outstanding Warrants**	**Weighted Average Exercise Price DKK**	**Board of directors**	**Executive board**	**Other key management personnel**	**Other employees**	**Former employees**	**Total Outstanding Warrants**	**Weighted Average Exercise Price DKK**
Outstanding warrants at 1 January	**60,000**	**775,000**	**2,545,111**	**7,890,490**	**110,950**	**11,381,551**	**10.15**	**40,000**	**675,000**	**3,801,944**	**4,439,387**	**110,950**	**9,067,281**	**6.71**
Granted	48,000	75,000	375,000	2,096,125	-	2,594,125	31.00	20,000	100,000	760,000	2,140,000	-	3,020,000	19.20
Exercised	-	-	-	-160,225	-	-160,225	8.11	-	-	-86,069	-235,505	-	-321,574	8.45
Transfer	-8,000	-	-	-289,625	297,625	-	-	-	-	-1,930,764	1,596,608	334,156	-	-
Cancelled	-	-	-	-35,000	-297,625	-332,625	20.15	-	-	-	-50,000	-334,156	-384,156	9.36
Outstanding warrants at 31 December	**100,000**	**850,000**	**2,920,111**	**9,501,765**	**110,950**	**13,482,826**	**14.57**	**60,000**	**775,000**	**2,545,111**	**7,890,490**	**110,950**	**11,381,551**	**10.15**
Exercisable at year end	66,667	766,667	2,503,443	7,506,433	110,950	10,954,160	11.35	33,333	663,333	2,048,444	5,827,158	110,950	8,683,218	7.89

Valuation assumptions for warrants granted

Based on a weighted average fair value per warrant of DKK 9.77 (2022: DKK 7.84) the total fair value of warrants granted in 2023 amounted to EUR 3.2m (2022: EUR 2.8m), of which EUR 2.2m is recognised in the income statement at 31 December 2023 (2022: EUR 2.0m).

Warrant program

In 2017 it was decided to start a warrant program in European Energy with the following headlines:

The warrant program runs up to 10 years
The total number of warrants in the program equals up to 10% of the company capital base, equal to 30 million shares.

The annual granting includes up to 1% of the company capital or 3 million warrants

The scheme is based on issuance of warrants that give the right to apply for new shares in European Energy in the future.

Subscription for new shares by exercise of issued warrants must be made by paying cash contribution to European Energy. Vested warrants may be exercised in one annual exercise period that run for 21 days from and including the day after the ordinary general meeting where the annual report is adopted.

In case more than 50% of the share capital in European Energy is sold (not subscribed or issued) or is part of a share swap European Energy may choose one of the following possibilities:

1. The warrant holder may exercise all non-exercised warrants (inclusive of warrants not yet vested).
2. Share instruments in the acquiring company of a corresponding value shall replace the issued warrants.
3. All warrants continue unchanged.

Weighted average remaining contractual life for outstanding warrants at year end is 4 years.

The remaining frame will not be used, as the warrant program will be changed in 2024. The Board has approved to issue 1.6 million warrants under the changed warrant program.

7.2 Audit fees

EURk	2023	2022
Statutory audit	448	389
Assurance other than audit	9	8
Tax advice	32	1
Other non-audit services*	50	44
Total to the auditors appointed by the Annual General Meeting	**539**	**442**

*Other non-audit services are primarily related to assistance related to existing IFRS standards and ESG reporting.

Other external costs include the total fees paid to the auditors appointed at the Annual General Meeting for auditing the financial statements for the financial year.

7.3 Related party transactions

Related party transactions (EURk)	2023	2022
Sale of services to joint ventures	4,224	5,244
Sale of services to associates	1,014	1,271
Sale of services to owners	574	78
Cost of services from owners	-50	-50
Cost of shares purchased from owners	-1	-14
Interest, income from joint ventures	854	605
Interest, income from associates	58	435
Interest, income from owners	34	24
Interest, expenses to associates	-	-397

Services to Joint Ventures and Associates comprises project development services, construction management and asset management.

Loans to related parties increased to EUR 44.3m (2022: EUR 39.6m) by end of 2023. The increase is primarily due to increased project activity in several of the groups joint ventures in Denmark, Brazil, Poland and Germany.

Ownership

The shareholder Knud Erik Andersen has the controlling interest of the company through European Energy Holding ApS, Gyngemose Parkvej 50, 2860 Søborg. MDP Invest ApS and JPZ Assistance ApS are classified as related parties with significant influence on the company. The Group is included in the consolidated financial statements of European Energy Holding ApS and KEA Holding III ApS.

Related parties include subsidiaries, joint ventures and associates in which European Energy has controlling or significant interest as well as the Executive Board, other key management, the Board of Directors and companies owned by these.

Except as set out above, no transactions were made during the period with members of the Board of Directors, Management or any other related parties. Reference is made to note in the Parent financial statements 7.6 for an overview of the Group's joint ventures and associates. Remuneration to the Board of Directors and Management is disclosed in note 2.5.

Related party transactions are treated as follows: For management services, the terms are the same as for management services provided to external parties. For sale and purchase of shares, specific valuations of the shares are made to ensure that sale prices are based on market value. The interest rates used for loans to and from related parties reflect the financing costs and risk for the Parent company.

Share of ownership to related parties

The table on page 146 shows the share of ownership/voting rights for Executive Board members and key personnel in companies within the European Energy Group structure. Ownership is either directly by the person, or through a holding company. The companies listed could have additional subsidiaries, joint ventures, associated companies or other investments as investments. These indirect ownerships are not listed.

7.3 Related party transactions, continued

Loans to related parties (EURk)	Joint ventures	Associates	Owners	2023	Joint ventures	Associates	Owners	2022
Loans	47,486	1,608	-	49,094	45,443	2,664	-	48,107
Investments set-off against loans	-2,092	-11	-	-2,103	-5,409	-526	-	-5,935
Loans at 31 December	**45,394**	**1,597**	**-**	**46,991**	**40,034**	**2,138**	**-**	**42,172**
Provision for impairment at 1 January	-2,667	-	-	-2,667	-4,625	-		-4,625
Disposals	-	-	-	-	1,958	-	-	1,958
Provision for impairment at 31 December	**-2,667**	**-**	**-**	**-2,667**	**-2,667**	**-**	**-**	**-2,667**
Carrying amount at 31 December	**42,727**	**1,597**	**-**	**44,324**	**37,367**	**2,138**	**-**	**39,505**

Loans from related parties	Joint ventures	Associates	Owners	Total	Associates	Owners	Owners	Total
Loans	3	184	-	187	3	827	91	921
Total loans from related parties	**3**	**184**	**-**	**187**	**3**	**827**	**91**	**921**

	2023			2022		
Share of ownership to related parties	Knud Erik Andersen	Mikael Dystrup Ped-ersen	Jens-Peter Zink	Knud Erik Andersen	Mikael Dystrup Ped-ersen	Jens-Peter Zink
European Energy A/S (voting rights)	74.2%	13.8%	11.3%	75.5%	13.9%	10.0%
Vindpark Straldja ApS	30.0%	0.0%	20.0%	30.0%	0.0%	20.0%
European Wind Farms Invest No.2 A/S	5.8%	0.0%	0.0%	5.8%	0.0%	0.0%

7.4 Contingent liabilities

Contingent liabilities (EURk)	2023	2022
Warranties regarding potential acquisition of new projects	20,888	34,696
Grid Connection guarantees	194,322	185,785
Guarantees regarding Power Purchase Agreements	49,858	38,017
Warranties regarding divestment of energy parks	65,264	52,299
Claims regarding divested energy parks	24,000	12,200
Total	**354,332**	**322,997**

Contingent liabilities

Guarantees, warranties and other liabilities related to divestments

When selling subsidiaries, the Group provides customary warranties and guarantees to the purchaser, including warranties and guarantees related to the corporate status of the subsidiary, taxes, environmental matters, rights and permits of the project concerned etc. The warranties and guarantees are often provided for a period of two to five years. Such customary warranties and guarantees can be provided by the selling entity or by the parent company. The Group may also provide a buyer with specific indemnities that relate to project specific issues that can only be clarified after the divestment is completed.

Guarantees, warranties and specific indemnities are included as contingent liability below if they relate to circumstances that the Group either cannot control or is unaware of or where the company knows that an obligation exists, but its amount is unknown.

Earn-outs included in sales agreements that relate, e.g., to the performance of a park are not treated as contingent liabilities but affect the valuation of the corresponding contract asset; see note 3.6.

Contractual obligations

The parent company is jointly taxed with the Danish subsidiaries. The companies included in the joint taxation have joint and unlimited liability for Danish corporation taxes, etc. The statement of jointly taxed Danish income for 2023 shows a negative taxable income. Consequently, no Danish corporate tax liability will arise for 2023 (2022: EUR 0m).

Warranties regarding potential acquisition of new projects

Contingent liabilities arising from potential acquisition of new projects are related to the purchase of Brownfield projects for solar or wind energy, for which it is not probable that an outflow of resources will be required to settle the obligation. The amounts are not recognised but disclosed with indication of uncertainties relating to amounts and timing involved.

Grid connection guarantees

European Energy is often required to provide financial guarantees when entering the necessary grid connection agreement with the grid company. The guarantees usually run from acceptance of grid application until grid connection of the power plant. The guarantees are meant to remove the financial risk of the grid company, for the case where the grid company has started their works related to the grid connection, and the developer (European Energy) for some reason should choose to abandon the specific project after having entered the grid connection agreement. In 2023 no issued grid guarantees have been drawn.

Guarantees regarding power purchase agreements

European Energy is entering Power Purchase Agreements (PPA's) which are mainly long-term contracts with the purpose of securing the revenue from our power production. In addition to the delivery of power European Energy are often also delivering green certificates of origin (GoOs).

European Energy are in some cases, depending on the requirement of the off taker, providing the counterpart with a financial guarantee to cover the performance obligations set out in the PPA. As long as European Energy are delivering the power and transferring any relevant amount of GoOs in accordance with the PPA's there will be no payment commitments for the Group. The lifetime of the guarantee usually match the maturity of the PPA.

Warranties regarding divestment of energy parks

For the energy parks which European Energy have divested European Energy have in most cases provided warranties as part of the SPA. The Group does not expect to incur any material costs and actual payment commitments related to our divestment of energy parks, and the total amount included in the warranties is listed below.

Claims regarding pending disputes in divested energy parks

The Group is a party in minor pending disputes and lawsuits with claims where EUR 14m is currently provided for as part of the provision or

Accounting policies

Contingent liabilities comprise obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not fully within the control of the entity; or present obligations that arise from past events but are not recognised because the outflow of resources embodying economic benefits will probably not be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability

7.4 Contingent liabilities, continued

set aside in project budgets (2022: EUR 3m) and further EUR 24m (2022: EUR 12m) is currently also reported as contingent liabilities. In Management's opinion, the outcome of the dispute will not affect the Group's financial position to any significant extent other than that already recognised in the assets and liabilities in the Group's balance sheet at the end of the period.

Contingent assets

On 5 December 2018, European Solar Farms A/S ("ESF"), a company within the Group, filed a request for arbitration against the Kingdom of Spain. The procedure is still pending. This concerns 101 solar farms located in Spain, with a combined capacity of 9.7 MW. ESF invested more than EUR 57m in these projects in reliance on Spain´s express guarantees that the plants would receive a feed-in tariff for the entire operating lives of the plants. However, these feed-in tariffs were discontinued due to certain changes to the relevant Spanish energy regulations starting 2010. ESF has made claims for compensation against the Kingdom of Spain based on these changes to the incentive scheme regimes. If ESF succeed, this would have a net positive impact on the Group in the range of EUR 20-30m in total.

Security for debt

Pledges as security of debt

As described in the Capital Management note 4.1, we operate a two-layered capital structure, where financing is obtained both at parent- and project level.

End of 2023 total outstanding debt at the parent level equalled EUR 441m (2022: EUR 364m), while total debt on project level amounted to EUR 890m (2022: EUR 724m) 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 2023 the total outstanding project level financing with pledged assets or shares amounted to EUR 890m (2022: EUR 724m). The corresponding carrying amount of the pledged assets or shares amounted to EUR 1.378m (2022: EUR 985m) corresponding to a debt to book value of 64% (2022: 73%) of leveraged assets.

Guarantees as security of debt

Besides asset- and share pledges, we occasionally 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 2023 the total recourse debt at the project levels amounted to EUR 552m (2022: EUR 429m).

7.5 Events after the balance sheet date

European Energy A/S signed agreement with Mitsubishi HC Capital inc. to acquire 20% ownership in European Energy A/S.

Company announcement 2/2024 (19.01.2024)
Today, European Energy A/S (European Energy) has signed an investment agreement with Mitsubishi HC Capital Inc. (Mitsubishi HC Capital), a Japanese company listed on the Tokyo and Nagoya Stock Exchanges.

Pursuant to the investment agreement, Mitsubishi HC Capital will subscribe for around 72 million ordinary new shares and purchase, in aggregate, around 3 million ordinary shares from the three major shareholders in European Energy ultimately controlled by Knud Erik Andersen, Mikael D. Pedersen and Jens-Peter Zink. As a result, Mitsubishi HC Capital will at closing of the transaction hold 20% of the outstanding shares and voting rights in European Energy.

Through the transaction, European Energy will raise gross proceeds of approximately EUR 700 million. The capital raise will strengthen European Energy's balance sheet and will be used to contribute to the continued growth of European Energy.

As part of the transaction, Mitsubishi HC Capital will actively collaborate towards the value creation and strategic growth of European Energy, including through representation on the Board of Directors of European Energy.

Closing of the transaction is subject to fulfilment of certain customary closing conditions, including regulatory approvals and is expected to take place in H1 of 2024.

Apart from above, Management is not aware of any subsequent matters that could be of material importance to European Energy Group’s financial position.

7.6 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

Inventories + trade receivables and contract assets + other receivables + prepayments for goods and services – trade payables – deferred income – other payables.

Net working capital, excluding inventories
Net working capital - inventories.

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.

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.

Parent company financial statements

Table of contents for Parent company financial statements

Statement of income

Note	EURk	2023	2022*
2.1	Revenue	113,183	229,458
3.5	Results from investments in subsidiaries	61,267	44,754
3.6	Results from joint ventures	7,951	10,853
3.7	Results from associates	903	2,026
	Other income	12,262	21
	Direct costs	-52,980	-177,015
	Gross profit	**142,586**	**110,097**
2.2, 7.1	Staff costs	-16,470	-14,151
7.2	Other external costs	-13,717	-13,306
	EBITDA	**112,399**	**82,640**
3.1-3.2	Depreciation	-3,151	-2,005
	Operating profit	**109,248**	**80,635**
2.3	Financial income	58,645	37,657
2.3	Financial expenses	-47,794	-25,042
	Profit before tax	**120,099**	**93,250**
6.1	Tax	-12,345	-4,038
	Profit for the year	**107,754**	**89,212**
	Attributable to:		
	Shareholders of European Energy A/S	102,945	80,024
	Hybrid capital holders	4,809	9,188
	Profit for the year	**107,754**	**89,212**

Note	EURk	2023	2022*
	Profit for the year	107,754	89,212
	Items that may be reclassified to profit or loss		
	Value adjustments of hedging instruments	-42,355	-48,205
	Tax of value adjustments of hedging instruments	8,781	11,336
	Currency translation of foreign operations	4,267	-3,610
	Other comprehensive income for the period	**-29,307**	**-40,479**
	Comprehensive income for the year	**78,447**	**48,733**
	Attributable to:		
	Shareholders of European Energy A/S	73,638	39,545
	Hybrid capital holders	4,809	9,188
	Profit for the year	**78,447**	**48,733**

*Comparative figures for FY 2022 (1 January 2023) have been restated related to the finalization of purchase price allocation of Ammongas A/S

Balance sheet

Note	EURk	2023	2022*
	Non-current assets		
	Other intangible assets	4,430	5,695
3.1	Property, plant, and equipment	2,702	2,097
3.2	Lease assets	1,782	3,862
3.5	Investments in subsidiaries	215,593	142,597
3.6	Investments in joint ventures	8,902	10,022
3.7	Investments in associates	21,675	7,844
3.8	Other investments	4,137	8,838
7.3	Loans to subsidiaries	625,367	554,252
7.3	Loans to joint ventures and associates	37,303	32,475
3.3	Trade receivables and contract assets	97	571
3.3	Other receivables	4,319	466
6.2	Deferred tax	8,342	3,335
	Total non-current assets	**934,649**	**772,054**
	Current assets		
	Inventories	12,830	1,773
5.2	Derivatives	262	2,215
3.3	Trade receivables and contract assets	17,045	8,485
3.3	Other receivables	4,508	1,551
	Prepayments from goods and services	2,997	1,957
	Free cash and cash equivalents	5,542	46,006
	Restricted cash and cash equivalents	32	-
	Total current assets	**43,216**	61,987
	Total assets	**977,865**	**834,041**

Note	EURk	2023	2022*
	Share capital	40,624	40,602
	Retained earnings and reserves	255,951	184,675
	Equity attributable to shareholders of the Company	**296,575**	**225,277**
4.2	Hybrid capital	115,000	150,000
	Total equity	**411,575**	**375,277**
	Non-current liabilities		
5.1	Bond	441,190	363,683
3.2	Lease liabilities	1,533	2,295
3.4	Provisions	30,431	5,072
5.2	Derivatives	7,761	10,871
6.2	Deferred tax	1,281	2,263
	Other liabilities	1,464	1,953
	Total non-current liabilities	**483,660**	**386,137**
	Current liabilities		
3.2	Lease liabilities	347	1,693
5.2	Derivatives	1,070	3,432
	Trade payables	3,602	1,328
7.3	Payables to subsidiaries	34,286	47,453
7.3	Payables to related parties	34	94
	Corporation tax	13,754	1,910
3.4	Provisions	-	2,950
	Deferred income	825	3,378
	Other payables	28,712	10,389
	Total current liabilities	**82,630**	**72,627**
	Total liabilities	**566,290**	**458,764**
	Total equity and liabilities	**977,865**	**834,041**

*Comparative figures for FY 2022 (1 January 2023) have been restated related to the finalization of purchase price allocation of Ammongas A/S

Statement of cash flow

Note	EURk	2023	2022*
	Profit before tax	120,099	93,250
	Adjustment for:		
2.3	Financial income	-58,645	-37,657
2.3	Financial expenses	47,794	25,042
3.1	Depreciations	3,151	2,005
3.5	Results from investments in subsidiaries	-61,267	-44,754
3.6	Results from investments in joint ventures	-7,951	-10,853
3.7	Results from investments in associates	-903	-2,026
4.3	Change in net working capital	-19,830	-286
3.5-3.7	Dividends received	49,311	17,702
4.4	Other non-cash items	4,263	27
	Cash flow from operating activities before financial items and tax	**76,022**	**42,450**
	Taxes paid	-3,738	-225
	Interest paid and realised currency losses	-42,891	-32,704
	Interest received and realised currency gains	55,005	38,118
	Cash flow from operating activities	**84,398**	**47,639**
	Cash flow from investing activities		
	Acquisition/disposal of property, plant, and equipment	-1,898	-1,226
	Acquisition of enterprises	-2,816	-6,328
	Divestments/Purchase of other investments	6,539	-4,711
3.5-3.7	Investments in subsidiaries, joint ventures and associates	-15,396	5,730
	Loans to subsidiaries	-130,036	-140,336
	Loans to joint ventures and associates	-1,775	9,080
	Cash flow from investing activities	**-145,382**	**-137,791**

Note	EURk	2023	2022*
	Cash flow from financing activities		
	Proceeds from issue of bonds	74,703	74,411
	Capital increase through exercise of warrants	175	365
	Purchase of treasury shares	-280	-140
	Payments to subsidiaries	-13,167	10,326
	Proceeds from issue of hybrid capital	113,930	-
	Repayment of hybrid capital	-150,000	-
	Coupon payments, hybrid capital	-4,809	-9,188
	Cash flow from financing activities	**20,552**	**75,774**
	Change in cash and cash equivalents	**-40,432**	**-14,378**
	Total cash and cash equivalents at 1 January	46,006	60,384
	Total cash and cash equivalents at 31 December	**5,574**	**46,006**
	Cash and cash equivalents	5,542	46,006
	Restricted cash and cash equivalents	32	-
	Total cash and cash equivalents end of year	**5,574**	**46,006**

*Comparative figures for FY 2022 (1 January 2023) have been restated related to the finalization of purchase price allocation of Ammongas A/S

Statement of changes in equity

	2023							
EURk	**Share capital**	**Reserves (equity methods)**	**Hedging reserve**	**Treasury shares**	**Retained earnings**	**Total**	**Hybrid capital**	**Total**
Equity at 1 January	**40,602**	**38,434**	**-22,538**	**-181**	**167,053**	**223,370**	**150,000**	**373,370**
Correction re. prior business combination	-	-2,532	-	-	4,439	1,907	-	1,907
Restated total equity at 1 January 2023*	**40,602**	**35,902**	**-22,538**	**-181**	**171,492**	**225,277**	**150,000**	**375,277**
Profit for the year	-	70,121	-	-	32,824	102,945	4,809	107,754
Other comprehensive income								
Value adjustments of hedging instruments	-	-39,905	-2,450	-	-	-42,355	-	-42,355
Tax of value adjustments of hedging instruments	-	8,233	548	-	-	8,781	-	8,781
Currency translation of foreign operations	-	4,267	-	-	-	4,267	-	4,267
Other comprehensive income	**-**	**-27,405**	**-1,902**	**-**	**-**	**-29,307**	**-**	**-29,307**
Total comprehensive income	**-**	**42,716**	**-1,902**	**-**	**32,824**	**73,638**	**4,809**	**78,447**
Transactions with owners								
Regulation on disposal of companies	-	-3,496	-	-	3,496	-	-	-
Dividends	-	-49,011	-	-	49,011	-	-	-
Purchase of treasury shares	-	-	-	-280	-	-280	-	-280
Exercise of warrants	22	-	-	-	153	175	-	175
Share-based compensation expenses	-	-	-	-	2,992	2,992	-	2,992
Issue of hybrid capital	-	-	-	-	-1,070	-1,070	115,000	113,930
Redeem of Hybrid capital	-	-	-	-	-	-	-150,000	-150,000
Coupon payments, hybrid capital	-	-	-	-	-	-	-4,809	-4,809
Other reclassification	-	11,098	-	-	-11,098	-	-	-
Other transactions	-	191	-	-	-4,348	-4,157	-	-4,157
Total transactions with owners	**22**	**-41,218**	**-**	**-280**	**39,136**	**-2,340**	**-39,809**	**-42,149**
Equity at 31 December	**40,624**	**37,400**	**-24,440**	**-461**	**243,452**	**296,575**	**115,000**	**411,575**

*Comparative figures for FY 2022 (1 January 2023) have been restated related to the finalization of purchase price allocation of Ammongas A/S

Statement of changes in equity, continued

	2022*							
EURk	**Share capital**	**Reserves (equity methods)**	**Hedging reserve**	**Treasury shares**	**Retained earnings**	**Total**	**Hybrid capital**	**Total**
Equity at 1 January	**40,559**	**43,530**	**-3,980**	**-39**	**107,669**	**187,739**	**150,000**	**337,739**
Profit for the year	-	57,633	-	-	22,391	80,024	9,188	89,212
Other comprehensive income								
Value adjustments of hedging instruments	-	-22,398	-25,807	-	-	-48,205	-	-48,205
Tax of value adjustments of hedging instruments	-	4,087	7,249	-	-	11,336	-	11,336
Currency translation of foreign operations	-	-3,610	-	-	-	-3,610	-	-3,610
Other comprehensive income	**-**	**-21,921**	**-18,558**	**-**	**-**	**-40,479**	**-**	**-40,479**
Total comprehensive income	**-**	**35,712**	**-18,558**	**-**	**22,391**	**39,545**	**9,188**	**48,733**
Transactions with owners								
Regulation on disposal of companies	-	-11,838	-	-	11,838	-	-	-
Dividends	-	-17,702	-	-	17,702	-	-	-
Purchase of treasury shares	-	-	-	-142	-	-142	-	-142
Exercise of warrants	43	-	-	-	322	365	-	365
Share-based compensation expenses	-	-	-	-	2,356	2,356	-	2,356
Coupon payments, hybrid capital	-	-	-	-	-	-	-9,188	-9,188
Other reclassification	-	-13,800	-	-	13,800	-	-	-
Other transactions	-	-	-	-	-4,586	-4,586	-	-4,586
Total transactions with owners	**43**	**-43,340**	**-**	**-142**	**41,432**	**-2,007**	**-9,188**	**-11,195**
Equity at 31 December	**40,602**	**35,902**	**-22,538**	**-181**	**171,492**	**225,277**	**150,000**	**375,277**

*Comparative figures for FY 2022 (1 January 2023) have been restated related to the finalization of purchase price allocation of Ammongas A/S

Statement of changes in equity, continued

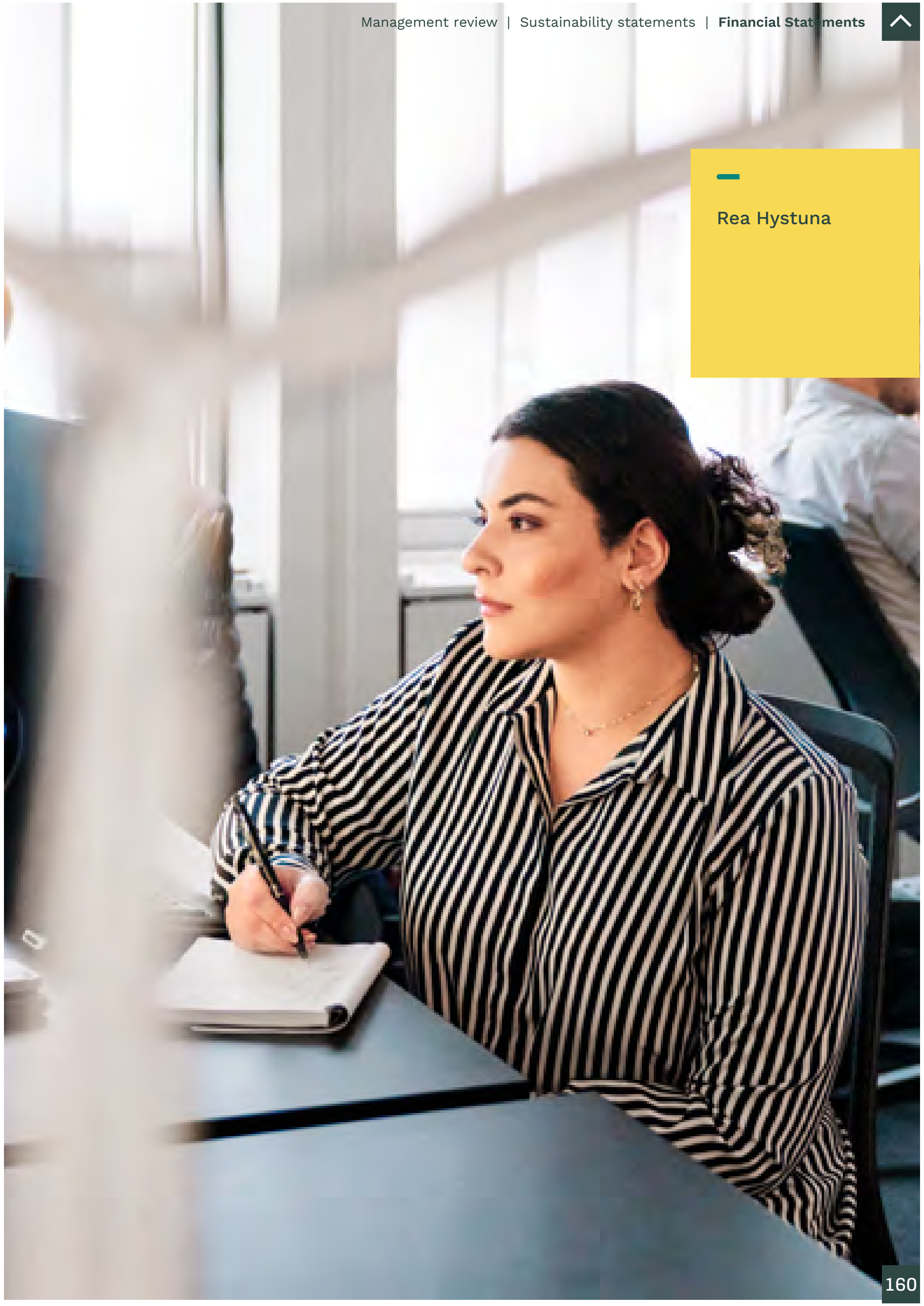
The share capital consists of nom. 302,328,808 shares (2022: nom. 302,168,583 shares) of DKK 1 each, corresponding to EUR 40,624 thousand (2022: EUR 40,602 thousand). The share capital is fully paid in. The Equity Treasury share reserve comprises the cost of the parent company's shares held by the Group, and is recognised as retained earnings and reserves in the equity.

At 31 December 2023, the Group held nom. 162,762 shares (2022: nom. 95,512 shares) of DKK 1 each corresponding to EUR 22 thousand (2022: 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 payments of coupons on hybrid capital is at the discretion of European Energy A/S, and treated as dividend. Accumulated coupon payments as per 31 December 2023 amounts to EUR 11.5m (2022: EUR 2.5m), which amount will reduce retained earnings (equity) if European Energy A/S does not resolve to defer coupon payment on the next interest payment date in January 2024.

Notes for Parent company financial statements

Notes for Parent company financial statements



Rea Hystuna

1

Basis of reporting

1.1 Basis for preparation

General information

The annual report for the year ended 31 December 2023 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and with additional Danish disclosure requirements for annual reports.

Accounting policies applied when preparing the parent financial statements are identical to the accounting policies applied when preparing the Group financial statements (see Note 1.1 in the Group financial statements). The only difference in this respect is the following:

Investment in subsidiaries

Initially, investments in subsidiaries are recognised at cost. They are subsequently measured according to the equity method. Subsidiaries are measured at the proportionate share of the entities' net asset value calculated according to the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated according to the acquisition method. The proportionate share of the individual subsidiaries' profit or loss after tax is recognised in the parent company's income statement after the full elimination of intra-group gains/losses. Dividends are recognised as a reduction from the carrying amount of the investment in the entity.

Equity investments in group entities with negative net asset values are measured at nil, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised under provisions.

2

Profit for the year

2.1 Revenue

Revenue by segment and type (EURk)	2023	2022
Sale of energy parks and projects		
Wind	15,324	8,893
Solar	17,182	172,044
Total	**32,506**	**180,937**
Development and construction services		
Wind	24,490	12,802
Solar	45,444	28,224
Other activities	2,463	-
Total	**72,397**	**41,026**
Asset management and other fees		
Wind	3,337	3,882
Solar	4,754	3,557
Other activities	189	56
Total	**8,280**	**7,495**
Total segment and type		
Wind	43,151	25,577
Solar	67,380	203,825
Other activities	2,652	56
Total	**113,183**	**229,458**

2.1 Revenue, continued

Unsatisfied performance obligations (EURk)	Within one year	In more than one year	2023	Within one year	In more than one year	2022
Sale of energy parks and projects	1,067	796	1,863	1,130	1,942	3,072
Service agreements	5,620	43,681	49,301	3,463	33,801	37,264
Total	**6,687**	**44,477**	**51,164**	**4,593**	**35,743**	**40,336**

Revenue for parent company arises from sale of energy parks and projects and sale of services. The sold services are provided in relation to development, construction, asset management and other services.

Accounting policies

Sale of energy parks and projects
The parent company may sell energy parks and projects (SPVs) to a sub-holding within the Group, as preparation for sale to external buyers.

Such unrealised downstream transactions are eliminated against both revenue and direct costs with the parent company's proportionate ownership interest. Unrealised net profit is eliminated against the carrying amount of the investment.

The parent company recognizes such sales at the point in time where the energy park (SPV) is sold to external buyers, and the project sale is recognized at group level. The parent company recognizes the sale in accordance with the Group accounting policy.

Development and construction services
The parent company develops energy parks, mainly as turnkey projects. Revenue from development and construction services is recognised over time as development and construction progresses.

Staff costs and other indirect production costs are expensed as the project work is carried out.

Asset management and other fees
Revenue from asset management is recognised when the services are delivered over time. Other services may be recognised at a point in time dependent on the terms and conditions of the agreements. Please refer to note 1.2 for the Group.

Staff costs and other indirect production costs are expensed as the services are delivered.

2.2 Staff costs and other external costs

EURk	2023	2022
Wages, salaries and remuneration	50,902	38,131
Share-based compensation	2,992	2,356
Contributions to defined contribution plans	38	33
Other social security costs	620	365
Other staff costs	2,617	1,900
Total	**57,168**	**42,785**
Part of salaries recognised in direct costs	-40,698	-28,634
Total staff costs	**16,470**	**14,151**
Average number of full-time employees	406	306
Number of employees end of year	485	369

	2023				2022			
Management remuneration (EURk)	**Salary**	**Bonus**	**Share-based compensation**	**Total**	**Salary**	**Bonus**	**Share-based compensation**	**Total**
Board of directors	154	-	43	197	32	-	19	51
Executive board	336	1,020	98	1,453	323	1,327	90	1,730
Other key management personnel	1,616	2,089	482	4,187	1,836	2,872	517	5,225

2.3 Financial income and expenses

Finance income (EURk)	2023	2022
Interest income, on financial assets measured at amortised costs	53,466	34,533
Dividends, other investments	300	555
Other financial income	2,254	406
Currency gains realised	76	33
Currency gains unrealised	2,549	2,130
Finance income	**58,645**	**37,657**

Finance expenses (EURk)	2023	2022
Interest on bonds	34,197	13,419
Interest on lease liabilities	30	30
Finance expenses and overdrafts measured at amortised cost	5,151	3,717
Amortisation of debt issue costs	2,940	2,222
Amortisation of modification gain	1,723	1,723
Other financial expenses	3,672	973
Currency losses realised	81	91
Currency losses unrealised	-	2,867
Finance expenses	**47,794**	**25,042**

Financial items for the Parent is impacted materially by the activities as described in note 4.1 Capital Management in the Group financial statements. The increasing financial income and expenses is a reflection of increasing activity level but also an increased interest level compared to 2022.

Overall increasing activities are contributing to increasing interest levels and hence an increased income for European Energy A/S.

3

Operating assets and liabilities

3.1 Property, plant, and equipment

	2023			2022		
EURk	**Solar power generating assets**	**Tools and equipment**	**Total**	**Solar power generating assets**	**Tools and equipment**	**Total**
Cost at 1 January	**-**	**4,659**	**4,659**	**506**	**3,432**	**3,938**
Additions	-	1,897	1,897	-	1,227	1,227
Disposals	-	-	-	-506	-	-506
Cost at 31 December	**-**	**6,556**	**6,556**	**-**	**4,659**	**4,659**
Accumulated depreciation and impairment losses at 1 January	**-**	**-2,562**	**-2,562**	**-325**	**-1,849**	**-2,174**
Depreciation	-	-1,292	-1,292	-	-713	-713
Disposals	-	-	-	325	-	325
Accumulated depreciation and impairment losses at 31 December	**-**	**-3,854**	**-3,854**	**-**	**-2,562**	**-2,562**
Carrying amount at 31 December	**-**	**2,702**	**2,702**	**-**	**2,097**	**2,097**

3.2 Lease assets and liabilities

Lease assets (EURk)	2023	2022
Carrying amount at 1 January	**3,862**	**1,738**
Additions	-	3,512
Disposals	-800	-
Depreciations	-1,280	-1,388
Carrying amount at 31 December	**1,782**	**3,862**

Lease liabilities (EURk)	2023	2022
Carrying amount at 1 January	**3,988**	**1,669**
Additions	-	3,512
Disposals	-800	-
Lease payments	-1,370	-1,288
Interests	62	95
Carrying amount at 31 December	**1,880**	**3,988**
Lease liabilities recognised in the balance sheet:		
Non-current lease liabilities	1,533	2,295
Current lease liabilities	347	1,693
Lease liabilities recognised in the balance sheet	**1,880**	**3,988**

Leases in parent company comprises primarily rentals and other equipment.

The interest expenses paid on lease liabilities amounted to EUR 0.1m (2022: EUR 0.1m). Depreciation amounts to EUR 1.3m (2022: EUR 1.4m).

3.3 Trade receivables, contract assets, other receivables and prepayments

Receivables (EURk)	2023	2022
Trade receivables and contract assets	17,142	9,056
Other receivables (non-interest bearing)	8,827	2,017
Total receivables	**25,969**	**11,073**
No impairment losses are recognised relating to doubtful receivables		
Exposure:		
Receivables not past due	21,570	9,690
1-30 days	3,528	475
31-90 days	204	70
>90 days	667	838
Total receivables	**25,969**	**11,073**

No receivables are due more than 5 years after the balance sheet date.

Contract assets (EURk)	2023	2022
Contract assets at 1 January	3,813	3,854
Received during the year	-2,744	-3,280
Addition new contract assets	7,215	2,724
Other changes	463	515
Contract assets end of year	**8,747**	**3,813**
Non-current contract assets	97	571
Current contract assets	8,650	3,242
Total contract assets	**8,747**	**3,813**

		2023			2022	
Credit loss (EURk)	**Loss (%)**	**Receivables**	**Total**	**Loss (%)**	**Receivables**	**Total**
Receivables not due	0.0%	21,570	21,570	0.0%	9,690	9,690
Receivable past due:						
1-30 days	0.0%	3,528	3,528	0.0%	475	475
31-90 days	0.0%	204	204	0.0%	70	70
>90 days	0.0%	667	667	0.0%	838	838
Total receivables		**25,969**	**25,969**		**11,073**	**11,073**

3.4 Provisions

EURk	2023	2022
Provisions at 1 January	**8,022**	**5,461**
Additions	23,151	4,732
Reversed during the year	-	-800
Used during the year	-742	-1,371
Provisions at 31 December	**30,431**	**8,022**
Non-current provisions	30,431	5,072
Current provisions	-	2,950
Total provisions	**30,431**	**8,022**

3.5 Investments in subsidiaries

EURk	2023	2022*
Cost at 1 January	78,872	54,992
Additions	38,373	35,702
Disposals	-6,860	-3,276
Transfers	-1,174	-8,546
Cost at 31 December	**109,211**	**78,872**
Value adjustments at 1 January	35,920	48,316
Share of profit for the year	61,267	44,754
Hedges net of tax	-31,614	-16,592
Dividends received from subsidiaries	-46,651	-15,235
Reversed value adjustments on disposals	-3,496	-10,041
Transfers	-1,185	4,440
Other value adjustments	14,460	-19,722
Value adjustments at 31 December	**28,701**	**35,920**
Carrying amount at 31 December	**137,912**	**114,792**
Set-off against receivables from subsidiaries	53,267	25,340
Provision for negative value for subsidiaries	24,414	2,465
Investment in subsidiaries at 31 December	**215,593**	**142,597**

*Comparative figures for FY 2022 (1 January 2023) have been restated related to the finalization of purchase price allocation of Ammongas A/S

Ownership shares in subsidiaries can be specified as follows:		
Name and location	**31 Dec 2023**	**31 Dec 2022**
AEZ Dienstleistungs GmbH, Germany	100.0%	100.0%
Alternatives Energiezentrum Verwaltungsgesellschaft mbH, Germany	100.0%	100.0%
Ammongas A/S, Denmark	100.0%	54.9%
Barreiras ApS, Denmark	100.0%	100.0%
Boa Hora 4 Geradora de Energia Solar S.A., Brazil	80.0%	80.0%
Boa Hora 5 Geradora de Energia Solar S.A., Brazil	80.0%	80.0%
Boa Hora 6 Geradora de Energia Solar S.A., Brazil	80.0%	80.0%
Boa Hora 7 Geradora de Energia Solar S.A., Brazil	80.0%	80.0%
Boa Hora 8 Geradora de Energia Solar S.A., Brazil	80.0%	80.0%
Boa Hora 9 Geradora de Energia Solar S.A., Brazil	80.0%	80.0%
Branco Vind ApS, Denmark	100.0%	100.0%
Brønderslev PtX ApS, Denmark	100.0%	0.0%
Driftsselskabet Heidelberg ApS, Denmark	100.0%	100.0%
EE Australia Pty Ltd, Australia	100.0%	100.0%
EE Bonde GmbH & Co. KG, Germany	100.0%	100.0%
EE Bulgaria EOOD, Bulgaria	100.0%	100.0%
EE Cocamba ApS, Denmark	100.0%	100.0%
EE Construction DK ApS, Denmark	100.0%	100.0%
EE Construction Germany GmbH & Co KG, Germany	100.0%	100.0%
EE Construction Polska sp. z.o.o., Poland	100.0%	0.0%
EE Croatia ApS, Denmark	100.0%	100.0%
EE Czechia s.r.o., Czech Republic	100.0%	0.0%
EE Czesko Holding ApS, Denmark	100.0%	0.0%
EE Dupp ApS, Denmark	100.0%	100.0%
EE Estonia ApS, Denmark	100.0%	100.0%
EE Finland OY, Finland	100.0%	100.0%
EE Jordbank SRL, Romania	100.0%	0.0%
EE Keiko ApS & Co. KG, Germany	100.0%	100.0%

3.5 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows, continued:		
Name and location	**31 Dec 2023**	**31 Dec 2022**
EE Latvia ApS, Denmark	100.0%	100.0%
EE Lithuania Emerald ApS, Denmark	100.0%	100.0%
EE Lithuania Holding UAB, Lithuania	100.0%	100.0%
EE Lithuania Hybrid ApS, Denmark	100.0%	100.0%
EE MSF ApS, Denmark	100.0%	100.0%
EE Netherlands ApS, Denmark	100.0%	100.0%
EE Nordic Holding 1 ApS, Denmark	100.0%	100.0%
EE Polska ApS, Denmark	100.0%	100.0%
EE Pommerania ApS , Denmark	50.0%	50.0%
EE Projects Eve ApS, Denmark	100.0%	100.0%
EE Projekte Deutschland GmbH, Germany	100.0%	100.0%
EE Projekte Teuchern GmbH, Germany	100.0%	100.0%
EE PV Holding ApS, Denmark	100.0%	100.0%
EE Romania ApS, Denmark	100.0%	100.0%
EE Slovakia s.r.o., Slovakia	100.0%	0.0%
EE Sprogø OWF ApS, Denmark	100.0%	100.0%
EE Suomi ApS, Denmark	100.0%	100.0%
EE Urja ApS & Co. KG, Germany	100.0%	100.0%
EE Vacaresti ApS, Denmark	100.0%	100.0%
EE Verwaltung ApS, Denmark	100.0%	100.0%
EEA Italy Wind s.r.l., Italy	93.0%	93.0%
EEC DK ApS, Denmark	100.0%	100.0%
Ejendomsselskabet Kappel ApS, Denmark	67.0%	67.0%
Enerteq ApS, Denmark	55.7%	55.7%
European Energia Estonia OU, Estonia	100.0%	100.0%
European Energy Balkans d.o.o., Croatia	100.0%	100.0%
European Energy Byg ApS, Denmark	100.0%	100.0%
European Energy Byg Lithuania ApS, Denmark	100.0%	100.0%
European Energy Byg Poland ApS, Denmark	100.0%	100.0%

Ownership shares in subsidiaries can be specified as follows, continued:		
Name and location	**31 Dec 2023**	**31 Dec 2022**
European Energy Byg Sweden ApS,, Denmark	100.0%	100.0%
European Energy Construction Romania SRL, Romania	100.0%	0.0%
European Energy Construction Sweden AB, Sweden	100.0%	0.0%
European Energy Deutschland GmbH, Germany	100.0%	100.0%
European Energy do Brasil Servicos Especializados LTDA, Brazil	100.0%	100.0%
European Energy Espana S.L., Spain	100.0%	100.0%
European Energy France SAS, France	100.0%	100.0%
European Energy Giga Storage A/S, Denmark	100.0%	100.0%
European Energy Global Offshore ApS, Denmark	100.0%	100.0%
European Energy Greece SMPC, Greece	100.0%	100.0%
European Energy Heating (UK) Ltd, UK	68.0%	68.0%
European Energy Italia S.r.l.,Italy	100.0%	100.0%
European Energy Italy PV Holding S.r.l., Italy	100.0%	100.0%
European Energy Latvia SIA, Latvia	100.0%	100.0%
European Energy Lillebælt ApS, Denmark	100.0%	100.0%
European Energy Lithuania UAB, Lithauania	100.0%	100.0%
European Energy Nederland B.V., Netherlands	100.0%	100.0%
European Energy Norge AS, Norway	100.0%	100.0%
European Energy Offshore A/S, Denmark	72.0%	72.0%
European Energy Offshore Wind ApS, Denmark	100.0%	0.0%
European Energy PF 1 Holding ApS, Denmark	100.0%	0.0%
European Energy Romania Development S.R.L., Romania	100.0%	100.0%
European Energy Sverige AB, Sverige	100.0%	100.0%
European Energy Systems II ApS, Denmark	100.0%	100.0%
European Energy Trading A/S, Denmark	100.0%	100.0%
European Energy UK Ltd, UK	100.0%	100.0%
European Green Solar S.r.l., Italy	100.0%	100.0%
European Solar Farms A/S, Denmark	100.0%	100.0%
European Wind Farm Denmark A/S, Denmark	100.0%	100.0%

3.5 Investments in subsidiaries, continued

Ownership shares in subsidiaries can be specified as follows, continued:		
Name and location	**31 Dec 2023**	**31 Dec 2022**
European Wind Farms A/S, Denmark	100.0%	100.0%
European Wind Farms Verwaltungsgesellschaft mbH, Germany	100.0%	100.0%
EWF Vier Sechs GmbH & Co KG, Germany	100.0%	100.0%
Frederikshavn OWF ApS, Denmark	100.0%	100.0%
Greenfield Brazil ApS, Denmark	100.0%	100.0%
Hanstholmvej Holding ApS, Denmark	100.0%	100.0%
Holmen II Holding ApS, Denmark	67.0%	67.0%
Italy Energy Holding S.r.l., Italy	100.0%	100.0%
K/S Solkraftværket GPI Mando 29, Denmark	80.0%	80.0%
Kassø PtX Expansion ApS, Denmark	100.0%	0.0%
Komplementarselskabet Heidelberg ApS, Denmark	100.0%	100.0%
Komplementarselskabet Solkraftværket GPI Mando 29 ApS, Denmark	80.0%	80.0%
Næssundvej Holding ApS, Denmark	100.0%	100.0%
Nakskov PtX ApS, Denmark	100.0%	0.0%
North America Holding ApS, Denmark	100.0%	100.0%
Omnia Vind ApS, Denmark	67.0%	67.0%
Padborg PtX ApS, Denmark	100.0%	0.0%
PSH 1 Holdings DK ApS, Denmark	100.0%	100.0%
Renewable Projects Development (Ireland) Limited, Ireland	100.0%	0.0%
Renewables Insight ApS, Denmark	100.0%	100.0%
Ringo JV S.r.l., Italy	100.0%	100.0%
Svindbæk Holding ApS, Denmark	67.0%	67.0%
Tacaimbo 1 ApS, Denmark	100.0%	100.0%
Tacaimbo 2 ApS, Denmark	100.0%	100.0%
Våstanby Vindbruksgrupp i Fjelie 2 AB, Sweden	100.0%	100.0%
Vinge Wind Park ApS, Denmark	73.5%	73.5%
Windenergie Rauschenberg A/S, Denmark	87.0%	87.0%

3.6 Investments in joint ventures

EURk	2023	2022
Cost at 1 January	7,477	7,477
Additions	5,417	3
Transferred to subsidiaries/other investment	-5,416	-3
Cost at 31 December	**7,478**	**7,477**
Value adjustments at 1 January	-2,645	-6,264
Net result for the year	7,951	10,853
Dividends received from joint ventures	-1,175	-1,917
Transfer	-5,416	-3,842
Other value adjustments	712	-1,475
Value adjustments at 31 December	**-573**	**-2,645**
Carrying amount at 31 December	**6,905**	**4,832**
Set-off against receivables from joint ventures	1,992	5,190
Provision for negative value for Joint Ventures	5	-
Investment in Joint Ventures at 31 December	**8,902**	**10,022**

Our joint ventures included in 2023 a fair value adjustment of EUR 5.4m related to a German company. In 2022 joint ventures included a positive fair value adjustment of EUR 9.5m. related to two Brazilian investments and investment in Poland.

Ownership shares in joint ventures can be specified as follows:		
Name and location	**31 Dec 2023**	**31 Dec 2022**
EE Sieben Null GmbH & Co. KG, Germany	50.0%	50.0%
EE Sieben Zwei GmbH & Co. KG, Germany	50.0%	50.0%
EE Alfhausen ApS & Co. KG	50.0%	0.0%
EE Süstedt ApS & Co. KG, Denmark	50.0%	50.0%
EEA Renewables A/S, Denmark	50.0%	50.0%
EEA Stormy ApS, Denmark	50.0%	50.0%
EEA SWEPOL A/S, Denmark	50.0%	50.0%
EEA Verwaltungs GmbH, Germany	50.0%	50.0%
EEGW Persano ApS, Denmark	50.0%	50.0%
EWF Fünf Vier GmbH & Co. KG, Germany	50.0%	50.0%
Gaardbogaard Wind Park ApS	50.0%	50.0%
GWE Contractors K/S, Denmark	50.0%	50.0%
Komp. GWE Contractors ApS, Denmark	50.0%	50.0%
Kronborg Solpark ApS, Denmark	50.0%	50.0%
Nordic Power Partners P/S, Denmark	51.0%	51.0%
NPP Brazil I K/S, Brazil	51.0%	51.0%
NPP Brazil II K/S, Brazil	51.0%	51.0%
NPP Komplementar ApS, Denmark	51.0%	51.0%
Solarpark Vandel Services ApS, Denmark	50.0%	50.0%
Süstedt Komplementar ApS, Denmark	50.0%	50.0%
Vergil ApS & Co KG, Denmark	50.0%	50.0%
Windpark Hellberge GmbH & Co. KG, Germany	50.0%	50.0%

3.7 Investments in associates

EURk	2023	2022
Cost at 1 January	4,692	4,315
Additions	2,406	1,085
Transferred to subsidiaries/other investment	4,699	-708
Cost at 31 December	**11,797**	**4,692**
Value adjustments at 1 January	2,627	1,478
Net result for the year	903	2,026
Transfers	6,792	-277
Dividend and other value adjustments	-1,050	-600
Value adjustments at 31 December	**9,272**	**2,627**
Carrying amount at 31 December	**21,069**	**7,319**
Set-off against receivables from associates	-	525
Investments with negative equity reported as a liability	606	-
Investments in associates at 31 December	**21,675**	**7,844**

Ownership shares in associates can be specified as follows:		
Name and location	**31 Dec 2023**	**31 Dec 2022**
Agriculture Holding K/S	20.0%	0.0%
Agriculture Holding Komplementar ApS	20.0%	0.0%
EE Haseloff Aps & Co. KG*	45.0%	50.0%
EWF Invest No. 2 A/S, Denmark	36.6%	36.6%
UW Gilmerdingen GmbH & C KG, Germany	40.0%	40.0%
UW Lohkamp ApS & Co KG, Germany	40.0%	40.0%
Wind Energy EOOD, Bulgaria	49.0%	49.0%
Wind Power 2 EOOD, Bulgaria	49.0%	49.0%
Wind Stream EOOD, Bulgaria	49.0%	49.0%
Wind Systems EOOD, Bulgaria	49.0%	49.0%
WK Gommern GmbH & Co. KG, Germany	6.1%	6.1%
WK Ottenhausen GmbH & Co. KG, Germany	14.4%	14.4%
Renewable Energy Partnership I GP ApS, Denmark	33.3%	33.3%
Renewable Energy Partnership Management GP ApS, Denmark	33.3%	33.3%
Renewable Energy Partnership P/S, Denmark	33.3%	33.3%
Renewable Energy Partnership I K/S, Denmark	7.4%	7.4%

* EE Haseloff ApS & Co. KG was 50% owned joint venture per 31 December 2022

3.8 Other investments

EURk	2023	2022
Cost at 1 January	5,861	1,150
Additions for the year	5	4,711
Disposals	-4,706	-
Cost at 31 December	**1,160**	**5,861**
Value adjustments at 1 January	2,977	2,977
Value adjustments at 31 December	**2,977**	**2,977**
Total Fair Value at 31 December	**4,137**	**8,838**
Investments related to:		
Wind power generating assets	4,137	8,838
Total	**4,137**	**8,838**

4

Capital structure

4.1 Capital management

For the following disclosures refer to the Group financial statements:

Capital management (see Group note 4.1.)

4.2 Hybrid capital

For the following disclosures refer to the Group financial statements.

Hybrid capital (see Group note 4.2)

4.3 Change in net working capital

EURk	2023	2022
Inventories	-21,315	5,882
Trade receivables and contract assets	-8,086	-4,430
Other receivable	-2,541	510
Prepayments	-1,040	-130
Trade payables	2,274	127
Other payables	13,936	-6,010
Deferred income	461	3,765
Derivatives	-3,519	-
Total change in working capital	**-19,830**	**-286**

The change in net working capital was EUR -19.8m in 2023 and EUR -0.3m in 2022. In 2023 the most significant changes in net working capital were related to a change in inventory partly offset by a positive impact from other payables. The numbers from the change in net working capital cannot necessarily be derived directly from the balance sheet, due to amongst others non-cash transactions.

4.4 Other non-cash items

EURk	2023	2022
Fair value adjustment of companies	-1,838	-
FX adjustments of group entities	6,876	-4,346
Hedging instruments (group companies)	-3,060	-
Share based compensation expenses	2,992	2,356
Adjustments previous year	798	-
Other	-1,505	2,017
Other non-cash items	**4,263**	**27**

Total other non-cash items amounted to EUR 4.3m (2022: EUR 0m) and were mainly related to FX adjustment of Group companies, partly offset by hedging instruments and other minor adjustments.

5

Risk management

5.1 Liquidity risks

	2023					2022				
EURk	Contractual cash flow	Maturity within 1 year	Maturity between 1 and 3 year	Maturity between 3 and 5 year	Maturity after 5 years	Contractual cash flow	Maturity within 1 year	Maturity between 1 and 3 year	Maturity between 3 and 5 year	Maturity after 5 years
Issued bonds	528,727	37,788	490,939	-	-	420,909	15,474	327,648	77,786	-
Derivative liabilities	12,284	1,260	2,618	2,403	6,002	18,528	1,535	5,409	3,335	8,250
Lease liabilities	3,279	1,369	1,910	-	-	4,105	1,713	2,392		
Other liabilities	1,464	-	1,464	-	-	1,953	-	1,953	-	-
Current liabilities*	80,388	80,388	-	-	-	63,278	63,278	-	-	-

*Current liabilities includes Trade payables, payables to subsidiaries, payables to related parties, corporation tax and other payables

For a description of how the Group and parent manages liquidity risks and exposures see note 5.1 in the Group financial statements.

5.2 Financial risk management

Level 3 financial instruments through OCI (EURk)	2023	2022
Fair value at 1 January	-10,871	-7,801
Value adjustments of hedging instruments through OCI during the year, unrealised	3,110	-2,814
Value adjustments of hedging instruments through OCI during the year, realised	-	-256
Total Fair value at 31 December	**-7,761**	**-10,871**

For a description of how the Group and parent manages financial risks, moreover the power price risks, currency risks, interest risks and commodity risks see note 5.2 in the Group financial statements.

	2023				2022			
Power purchase agreements	MWh/h	Average hedged rate (EUR/MW)	Fair value (EURk)	Recognised in other comprehensive income (EURk)	MWh/h	Average hedged rate (EUR/MW)	Fair value (EURk)	Recognised in other comprehensive income (EURk)
Power purchase agreements	18.8	39.1	-7,761	-7,761	18.8	39.1	-10,871	-10,871
Total	**18.8**	**39.1**	**-7,761**	**-7,761**	**18.8**	**39.1**	**-10,871**	**-10,871**

Recognised in the balance sheet:	2023			2022		
Market value (EURk)	Asset	Liability	Total Hedge	Asset	Liability	Total Hedge
Power purchase agreements	-	-7,761	-7,761	-	-10,871	-10,871
Power purchase agreements	**-**	**-7,761**	**-7,761**	**-**	**-10,871**	**-10,871**

5.2 Financial risk management, continued

	2023					2022				
Currency forwards (EURk)	**Notional amount**	**Average hedged rate**	**Fair value**	**Recognised in other comprehensive income**	**Recognised in profit or loss**	**Notional amount**	**Average hedged rate**	**Fair value**	**Recognised in other comprehensive income**	**Recognised in profit or loss**
Cash flow hedge, USD	2,775	1.26 USD/1 GBP	-4	-4	-	59,309	1 USD/ 1 EUR	-3,333	-3,333	-
Net investment hedge, BRL	334,000	5.37/1 EUR	-22,955	-22,955	-	61,144	5.5 BRL/ 1 EUR	-14,691	-14,691	-
Total forward exchange contracts			**-22,960**	**-22,960**	**-**			**-18,025**	**-18,025**	**-**

Recognised in the balance sheet:	2023			2022		
Market value (EURk)	**Asset**	**Liability**	**Total Hedge**	**Asset**	**Liability**	**Total Hedge**
Cash flow hedge, USD	-	-28	-28	-	-3,333	-3,333
Net investment hedge, BRL	262	-1,042	-780	2,215	-336	1,879
Total market values	**262**	**-1,070**	**-808**	**2,215**	**-3,669**	**-1,455**

5.3 Financial instruments by category

	2023		2022	
EURk	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets measured at FVTPL	4,137	4,137	15,529	15,529
Financial assets measured at FVTOCI *	262	262	2,215	2,215
Financial assets measured at amortised cost	25,707	25,707	597,334	597,334
Financial liabilities measured at amortised cost	444,826	436,576	412,558	404,308
Financial liabilities measured at FVTOCI *	8,830	8,830	14,540	14,540
Hybrid capital	115,000	110,400	150,000	147,000

* Included in balance sheet based on maturity

5.4 Determination of fair value

	2023				2022			
Fair value hierarchy (EURk)	**Quoted prices (level 1)**	**Observable input (level 2)**	**Non-observable input (level 3)**	**Total**	**Quoted prices (level 1)**	**Observable input (level 2)**	**Non-observable input (level 3)**	**Total**
Other investments	-	-	4,137	4,137	-	-	8,838	8,838
Derivatives:								
Power purchase agreements	-	-	-	-	-	-	-	-
Currency hedges	-	262	-	262		2,215		2,215
Financial assets measured at fair value:	**-**	**262**	**4,137**	**4,399**	**-**	**2,215**	**8,838**	**11,053**
Derivatives:								
Power purchase agreements	-	-	-7,761	-7,761	-	-	-10,871	-10,871
Currency hedges	-	-1,070	-	-1,070	-	-3,670	-	-3,670
Financial liabilities measured at fair value:	**-**	**-1,070**	**-7,761**	**-8,830**	**-**	**-3,670**	**-10,871**	**-14,540**

For a description of how the Group and parent determines the fair value measurement see note 5.4 in the Group financial statements.

6

Tax

6.1 Tax on profit for the year

Statement of profit or loss (EURk)	2023	2022*
Current income tax:		
Current income tax charge	10,479	1,936
Adjustments relating to prior years	4,748	-51
Total current income tax for the year	**15,227**	**1,885**
Deferred tax:		
Adjustment of deferred tax	-3,456	1,100
Adjustments relating to prior years	574	1,053
Total deferred tax	**-2,882**	**2,153**
Total tax on profit recognised in the statement of profit	**12,345**	**4,038**
Tax on other comprehensive income:		
Fair value adjustments of hedging instruments	-7,690	-6,334
Fair value adjustments of currency hedges	-1,091	-5,002
Total current and deferred tax on other comprehensive income	**-8,781**	**-11,336**

Computation of effective tax rate	2023	2022*
Statutory corporate income tax rate in Denmark	22.0%	22.0%
Tax effect from:		
Tax exempt adjustment of subsidiaries and affiliated entities	-12.8%	-13.6%
Tax exempt sale of power plants etc.	-3.9%	-7.2%
Non-deductible expenses and other adjustments, net	1.2%	1.1%
Adjustments prior years	3.9%	2.0%
Effective tax rate	**10.3%**	**4.3%**

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

6.2 Deferred tax

Deferred tax specification (EURk)	2023	2022*
Deferred tax start of period	-1,072	-778
Deferred tax for the year recognised in the income statement	-2,882	2,153
Deferred tax for the year recognised in other comprehensive income in deferred tax	-548	-6,340
Adjustment relating to the disposal/purchase of equity-accounted investments	-	1,392
Other equity regulations / Joint taxation etc.	-2,559	2,501
Total recognised deferred tax in the balance	**-7,061**	**-1,072**
Deferred tax is recognised as follows:		
Deferred tax assets	-8,342	-3,335
Deferred tax liability	1,281	2,263
Total recognised deferred tax in the balance	**-7,061**	**-1,072**
Split of various temporary differences recognised in the balance sheet:		
Tax loss carried forward	-33	-25
Differences of plant & equipment and inventories	-5,501	2,001
Differences related to other assets or liabilities	-1,527	-3,048
Total	**-7,061**	**-1,072**

*Comparative figures for 2022 have been restated related to the finalization of purchase price allocation of Ammongas A/S

7

Other notes

7.1 Share-based payment

Please refer to note 7.1 for the Group.

7.2 Audit fees

EURk	2023	2022
Statutory audit	201	172
Assurance other than audit	9	6
Tax advice	32	-
Non-audit services *)	47	37
Total to the auditors appointed by the Annual General Meeting	**289**	**215**

*) Other non-audit services are primarily related to assistance related to existing IFRS standards and ESG reporting.

Accounting policies

Other external costs include the total fees paid to the auditors appointed at the Annual General Meeting for auditing the financial statements for the financial year under review and for services rendered.

7.3 Related party transactions

EURk	2023	2022
Sale of services from development and construction to subsidiaries	38,005	33,574
Sale of services to joint ventures	1,676	1,158
Sale of services to associates	731	1,254
Sale of services to owners	571	74
Sale of shares to subsidiaries	-	15,056
Guarantee provision invoiced to subsidiaries	46	318
Write-off of loan to subsidiaries	-	-312
Cost of services from Subsidiaries	-824	-224
Cost of services from Owners	-50	-50
Cost of shares purchased from Subsidiaries	-2	-814
Interest, income from subsidiaries	52,231	34,056
Interest, income from joint ventures	435	202
Interest, income from associates	6	263
Interest, expenses to subsidiaries	-4,761	-2,475
Interest, expenses to associates	-	-397

Loans to related parties increased to EUR 662.7m (2022: EUR 586.7m) by the end of 2023. The increased loans are primarily to finance increased construction of energy parks. As consequence hereof interest income from joint ventures increased to EUR 0.4m (2022: EUR 0.2m).

7.3 Related party transactions, continued

Loans to related parties (EURk)	Subsidiaries	Joint Ventures	Associates	Owners	2023	Subsidiaries	Joint Ventures	Associates	Owners	2022
Loans	678,800	40,966	914	-	720,680	579,758	38,825	1,950	-	620,533
Investments set-off against loans	-53,267	-1,992	-	-	-55,259	-25,340	-5,190	-525	-	-31,055
Loans at 31 December	**625,533**	**38,974**	**914**	**-**	**665,421**	**554,418**	**33,635**	**1,425**	**-**	**589,478**
Provision for impairment at 1 January	-166	-2,585	-	-	-2,751	-	-2,751	-	-	-2,751
Provision for impairment for the year	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-166	166	-	-	-
Provision for impairment at 31 December	-166	-2,585	-	-	-2,751	-166	-2,585	-	-	-2,751
Carrying amount at 31 December	**625,367**	**36,389**	**914**	**-**	**662,670**	**554,252**	**31,050**	**1,425**	**-**	**586,727**

The loans to subsidiaries are established as a part of the financing of wind and solar farms. They are typically repaid when external financing is established or when the project is sold.

Loans from related parties (EURk)	Subsidiaries	Joint Ventures	Associates	Owners	2023	Subsidiaries	Joint Ventures	Associates	Owners	2022
Loans	34,286	3	31	-	34,320	47,453	3	-	91	47,547
Total loans from related parties	**34,286**	**3**	**31**	**-**	**34,320**	**47,453**	**3**	**-**	**91**	**47,547**

7.4 Contingent assets and liabilities

EURk	2023	2022
Warranties regarding potential acquisition of new projects	3,598	7,958
Grid Connection guarantees	194,322	185,785
Warranties regarding Power Purchase Agreements	49,858	38,017
Warranties regarding divestment of energy parks	5,027	12,011
Claims regarding divested energy parks	24,000	12,200
Total	**276,805**	**255,971**

Joint taxation
The parent company is jointly taxed with the Danish subsidiaries. The companies included in the joint taxation have joint and unlimited liability for Danish corporation taxes, etc. The statement of jointly taxed Danish income for 2023 shows a negative taxable income. Consequently, no Danish corporate tax liability will arise for 2023 (2022: EUR 0m).

Pledges and guarantees
All financing on the parent company level is obtained without security and is structurally subordinated to the project level financing. To support the project level when obtaining short term construction financing, the parent company usually provide security in the form of parent company guarantees toward the financial counterparties.

End of 2023 the total debt at the project levels with parent company guarantee amounted to EUR 552m (2022: EUR 429m).

Contractual obligations
European Energy's contractual obligations EUR 28m (2022: EUR 169m) related to Inventory at 31 December 2023 mainly relates to turbine supply agreements and solar panels supply agreements to use for construction of our energy parks.

7.5 Events after the balance sheet date

Please refer to note 7.5 for the Group.

7.6 Group structure and executive functions of the internal Board members

There are 735 companies (2022: 627) within European Energy Group, 608 (2022: 502) are controlled subsidiaries and 114 (2022: 110) are partnerships in the form of Joint Ventures, Associated companies or companies owned by these entities. These partnerships enable the Group to maintain a diversified portfolio while also reducing risk. In addition, the Group has 13 investments (2022: 15 investments) in companies where its ownership is below 20%, none of which are material investments for the Group.

At the end of 2023, the total number of subsidiaries directly or indirectly owned by the parent company was 608 (2022: 502), all of which were consolidated line by line in the consolidated income statement.

The 114 Joint Ventures (2022: 110 Joint Ventures), Associated companies and companies owned by these entities are recognised in one line as “equity-accounted investments” in the gross profit section of the consolidated income statement. In the balance sheet, they are recognised in the line for Joint Venture investments or in the line for the Associated companies investment, both under non-current assets. As regards to the 13 companies (2022: 15 companies) where the Group has no material ownership, the investments are recognised at fair value and are stated in the balance sheet as other investments.

The below lists shows all the companies and the administrative entities in the Group and the corresponding board member- and directorships for our internal members of the BoD in European Energy A/S.

KEA = Knud Erik Andersen

JPZ = Jens-Peter Zink

MDP = Mikael Dystrup Pedersen

H = Hybrid (both solar and wind power)

W = Wind power

S = Solar power

A = Administration companies

P = Power-to-X

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
	Parent company					
1	European Energy A/S	100%		KEA, MDP, JPZ		H
	Australia					
2	Austrom Hydrogen Pty Ltd	60%		KEA	KEA	P
3	EE Australia Pty Ltd	100%			KEA	S
4	EE Solar 5 Holdings Pty Ltd	100%		KEA	KEA	S
5	EE Solar 5 Pty Ltd	100%		KEA	KEA	S
6	EE Solar 6 Holdings Pty Ltd	100%		KEA	KEA	S
7	EE Solar 6 Pty Ltd	100%		KEA	KEA	S
8	EE Solar 6 Finance Pty Ltd	100%		KEA	KEA	S
9	EE Solar 7 Holdings Pty Ltd	100%		KEA	KEA	S
10	EE Solar 7 Pty Ltd	100%		KEA	KEA	S
11	EE Solar 8 Holdings Pty Ltd	100%		KEA	KEA	S
12	EE Solar 8 Pty Ltd	100%		KEA	KEA	S
13	EE Solar 9 Holdings Pty Ltd	100%		KEA	KEA	S
14	EE Solar 9 Pty Ltd	100%		KEA	KEA	S
15	EE Wind 1 Holdings Pty Ltd	100%		KEA	KEA	W
16	EE Wind 1 Pty Ltd	100%		KEA	KEA	W
17	EE Wind 2 Holdings Pty Ltd	100%		KEA	KEA	W
18	EE Wind 2 Pty Ltd	100%		KEA	KEA	W
19	EE Solar 2 Holdings Pty Ltd	100%		KEA	KEA	S
20	EE Solar 2 Pty Ltd	100%		KEA	KEA	S
21	EE Australia Land Management Pty Ltd	100%		KEA	KEA	H
22	EE Australia EPC Pty Ltd	100%		KEA	KEA	H
23	Gatton Solar Farm Holding Pty Ltd	100%			KEA	S
24	Gatton Solar Farm Pty Ltd	100%			KEA	S
25	Lightsource Australia SPV 1 Pty Ltd	100%		KEA	KEA	S
26	PSH 1 Holdings Pty Ltd	100%			KEA	A
27	PSH 1 Pty Ltd	100%			KEA	S
28	PSH 1 Finance Pty Ltd	100%			KEA	A
29	QSF Holding Pty Ltd	80%			KEA	S
30	Quandong Solar Farm Pty Ltd	80%			KEA	S

7.6 Group structure and executive functions of the internal Board members, continued

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
	Brazil					
31	Barreiras II Energias Renováveis Ltda.	100%				S
32	Boa Hora 4 Geradora de Energia Solar S.A.	80%				S
33	Boa Hora 5 Geradora de Energia Solar S.A.	80%				S
34	Boa Hora 6 Geradora de Energia Solar S.A.	80%				S
35	Boa Hora 7 Geradora de Energia Solar Ltda.	80%				S
36	Boa Hora 8 Geradora de Energia Solar Ltda.	80%				S
37	Boa Hora 9 Geradora de Energia Solar Ltda.	80%				S
38	EE Metanol do Brasil Ltda.	100%				P
39	European Energy do Brasil Servicos Tecnicos Especializados LTDA	100%				S
40	EDN Energias Renováveis S.A.	100%				S
41	Eolica Ouro Branco 1 S.A.	99%				W
42	Eolica Ouro Branco 2 S.A.	99%				W
43	Eolica Quatro Ventos S.A.	99%				W
44	Greenfield Brasil Servicos de Gerenciamento Intermediacão e Desenvolvimento de Projetos de Energia S	100%				S
45	UFV Missagra I Energias Renováveis S.A	100%				S
46	UFV Missagra II Energias Renováveis S.A.	100%				S
47	UFV Missagra III Energias Renováveis S.A	100%				S
48	UFV Orquídea I Energias Renováveis S.A	100%				S
49	UFV Orquídea II Energias Renováveis S.A	100%				S
50	UFV Orquídea III Energias Renováveis S.A	100%				S
51	UFV Orquídea IV Energias Renováveis S.A	100%				S
52	UFV Orquídea V Energias Renováveis S.A	100%				S
53	UFV Orquídea VI Energias Renováveis S.A	100%				S
	Bulgaria					
54	EE Abrit EOOD	100%		JPZ	JPZ	W
55	EE Bulgaria EOOD	100%			JPZ	S
56	EE Dyulevo EOOD	100%			JPZ	S
57	EE Krassen EOOD	100%		JPZ	JPZ	W
58	EE Lozenets EOOD	100%			JPZ	W
59	EE Real Estate EOOD	100%		JPZ	JPZ	W

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
	Croatia					
60	Chielo Klara d.o.o.	100%		KEA, JPZ	KEA, JPZ	
61	European Energy Balkans d.o.o.	100%			KEA, JPZ	
	Czech Republic					
62	EE Czechia s.r.o.	100%				
	Denmark					
63	Barreiras ApS	100%			KEA, JPZ	S
64	Blåhøj Wind Park ApS	67%	JPZ	KEA	KEA	W
65	Branco Vind ApS	100%			JPZ	W
66	Brønderslev PtX ApS	100%			KEA	P
67	Driftsselskabet Heidelberg ApS	100%			KEA	W
68	European Energy Byg Lithuania ApS	100%			KEA	H
69	European Energy Byg Poland ApS	100%			KEA	H
70	European Energy Byg Sweden ApS	100%			KEA	H
71	European Energy Offshore Wind ApS	100%				W
72	European Energy Offshore Wind Denmark ApS	100%				W
73	European Energy Offshore Wind Finland ApS	100%				W
74	European Energy PF 1 Holding ApS	100%				S
75	EE Cocamba ApS	100%				S
76	EE Construction DK ApS	100%			KEA, JPZ	H
77	EE Croatia ApS	100%	KEA	JPZ	JPZ	S
78	EE Czesko Holding ApS	100%			JPZ	
79	EE Dupp ApS	100%			KEA, JPZ	W
80	EE Ejendomme ApS	100%			KEA	S
81	EE Finland Holding ApS	100%			KEA, JPZ	W
82	EE France ApS	100%			KEA	W
83	EE Guldborgsund ApS	74%	KEA	JPZ	KEA	S
84	European Energy Lillebælt ApS	100%			KEA	W
85	EE Lithuania Emerald ApS	100%			KEA, JPZ	W
86	EE Lithuania Holding ApS	100%			KEA, JPZ	W
87	EE Lithuania Hybrid ApS	100%			JPZ	H
88	EE MSF ApS	100%		KEA		S
89	EE Netherlands ApS	100%			JPZ	S

7.6 Group structure and executive functions of the internal Board members, continued

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
90	EE Nordic Holding 1 ApS	100%			KEA, JPZ	W
91	EE Nordic Holding 2 ApS	100%			KEA, JPZ	W
92	EE Nordic Holding 3 ApS	100%			KEA, JPZ	W
93	EE Offshore Wind DK Nearshore Holding ApS	100%				W
94	EE Polska ApS	100%			JPZ	S
95	EE Pommerania ApS	50%	JPZ	KEA	KEA, JPZ	W
96	EE PV Holding ApS	100%			KEA	S
97	EE Romania ApS	100%			KEA, JPZ	W
98	EE Sprogø OWF ApS	100%			KEA	W
99	EE Suomi ApS	100%			KEA, JPZ	W
100	EE Sweden Holding ApS	100%			KEA, JPZ	W
101	EE Vacaresti ApS	100%	KEA	JPZ	JPZ	H
102	EE Verwaltung ApS	100%			KEA, JPZ	W
103	EEC DK ApS	100%			KEA, JPZ	H
104	Ejendomsselskabet Kappel ApS	67%	JPZ	KEA	KEA	W
105	Enerteq ApS	100%			KEA	W
106	European Energy Byg ApS	100%			KEA	W
107	European Energy Global Offshore ApS	100%			KEA	W
108	European Energy Offshore A/S	72%	JPZ	KEA	KEA	W
109	European Energy Offshore Wind Baltics ApS	100%				W
110	European Energy Offshore Wind Sweden ApS	100%				
111	European Energy Trading A/S	100%		KEA, MDP, JPZ	KEA	S
112	European Solar Farms Greece ApS	100%			KEA, JPZ	S
113	European Solar Farms Italy ApS	100%			KEA, JPZ	S
114	European Solar Farms Spain ApS	100%			KEA, JPZ	S
115	European Wind Farms Bulgaria ApS	100%			KEA, JPZ	W
116	European Wind Farms Denmark A/S	100%	JPZ	KEA	KEA	W
117	European Wind Farms Greece ApS	100%			KEA, JPZ	W
118	European Wind Farms Italy ApS	100%			KEA, JPZ	W
119	Floating PV Solutions ApS	100%		KEA		S
120	Frederikshavn OWF ApS	100%			KEA	W
121	FWE Windpark TIS K/S	100%		KEA, JPZ	KEA	W

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
122	FWE Windpark Wittstedt K/S	100%		KEA, JPZ	KEA	W
123	FWE Windpark Wulfshagen K/S	100%		KEA, JPZ	KEA	W
124	FWE Windpark 3 Standorte K/S	100%		KEA, JPZ	KEA	W
125	FWE Windpark Kranenburg K/S	100%		KEA, JPZ	KEA	W
126	FWE Windpark Scheddebrock K/S	100%		KEA, JPZ	KEA	W
127	FWE Windpark Westerberg K/S	100%		KEA, JPZ	KEA	W
128	Greenfield Brazil ApS	100%			KEA, JPZ	S
129	Guldborgsund Energi ApS	44%		KEA	KEA	S
130	H&R Wind Parks ApS	100%			KEA	W
131	Hanstholmvej Ejendomsselskab ApS	100%			KEA	S
132	Hanstholmvej Holding ApS	100%			KEA	S
133	Holmen II Holding ApS	67%			KEA, JPZ	W
134	Holmen II V90 ApS	67%			KEA, JPZ	W
135	Holmen II Vindkraft I/S	37%	KEA	JPZ		W
136	Holsted Solar Park ApS	94%			KEA	S
137	Jammerland Bay Nearshore A/S	72%	JPZ	MDP	KEA	W
138	K/S Solkraftværket GPI Mando 29	80%			JPZ	S
139	Kassø PtX Expansion ApS	100%			KEA	P
140	Komplementarselskabet Sprogø OWF ApS	45%			KEA	W
141	Komplementarselskabet Heidelberg ApS	100%			KEA	W
142	Komplementarselskabet Solkraftværket GPI Mando 29 ApS	80%			KEA, JPZ	S
143	Komplementarselskabet Vindtestcenter Måde ApS	100%			KEA	W
144	Lidegaard ApS	100%			KEA, JPZ	S
145	Måde Wind Park ApS	100%			KEA	W
146	Måde WTG 1-2 K/S	100%			KEA	W
147	Nakskov PtX ApS	100%			KEA	P
148	Næssundvej Ejendomsselskab ApS	100%			KEA	S
149	Næssundvej Holding ApS	100%			KEA	S
150	North America Holding ApS	100%			KEA	S
151	Omnia Vind ApS	67%			KEA	W
152	Omø South Nearshore A/S	72%	JPZ		KEA	W
153	Padborg PtX ApS	100%			KEA	P

7.6 Group structure and executive functions of the internal Board members, continued

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
154	PSH 1 Holdings DK ApS	100%			KEA	S
155	REP i Toftlundvej 7 DK K/S	100%				S
156	Rødby Fjord Vindkraft Mølle 3 I/S	34%			KEA, JPZ	W
157	Rødkilde PV Holding ApS	100%			KEA	S
158	SF Ibiza ApS	100%			KEA, JPZ	S
159	SF La Pobla ApS	100%			KEA, JPZ	S
160	Solar Park Agersted ApS	89%			KEA, JPZ	S
161	Solar Park Barmosen ApS	100%			KEA, JPZ	S
162	Solar Park DK 1 ApS	100%			KEA	S
163	Solar Park DK 2 ApS	100%			KEA	S
164	Solar Park DK 3 ApS	100%			KEA	S
165	Solar Park DK 4 ApS	100%			KEA	S
166	Solar Park DK 5 ApS	100%			KEA	S
167	EE Projects Eve ApS	100%			KEA, JPZ	S
168	Solar Park Freerslev ApS	100%			KEA, JPZ	S
169	Solar Park Gindeskovgård ApS	100%			KEA, JPZ	S
170	Solar Park Holmen II ApS	80%			KEA	S
171	Solar Park Kallerup Grusgrav ApS	100%			KEA, JPZ	S
172	Solar Park Kildevad ApS	100%			KEA, JPZ	S
173	Solar Park Kvosted ApS	84%			KEA, JPZ	S
174	Solar Park Lidsø ApS	90%			KEA, JPZ	S
175	Solar Park Milbakken ApS	100%			KEA	S
176	Solar Park Ravsted ApS	74%			KEA, JPZ	S
177	Solar Park Skodsebølle ApS	100%			KEA, JPZ	S
178	Solar Park Stouby ApS	100%			KEA, JPZ	S
179	Solar Park Svejlund ApS	100%			KEA, JPZ	S
180	Sprogø OWF K/S	45%			KEA	W
181	Svindbæk Holding ApS	67%			KEA	W
182	Tacaimbó 2 ApS	100%				S
183	Thor Holding 1 ApS	100%			KEA	W
184	Vindtestcenter Måde K/S	100%			KEA	W
185	Vinge Wind Park ApS	74%			KEA	W
186	Windenergie Rauschenberg A/S	87%	JPZ			W
	Estonia					
187	EEE Potenco OÜ	100%	KEA	KEA, JPZ	KEA, JPZ	S
188	EEE Sunlumo OÜ	100%	KEA	KEA, JPZ	KEA, JPZ	S
189	EEE Transiro OÜ	100%	KEA	KEA, JPZ	KEA, JPZ	S
190	EEE Verda OÜ	100%	KEA	KEA, JPZ	KEA, JPZ	S
191	European Energy Estonia OÜ	100%	KEA	JPZ	KEA, JPZ	S
192	Sablokesto OÜ	100%	KEA	JPZ	KEA, JPZ	S
193	Taglumo OÜ	100%	KEA	KEA, JPZ	KEA, JPZ	S
	Finland					
194	EE Finland OY	100%	JPZ	KEA		W
195	EE PV 1 Oy	100%	JPZ	KEA, JPZ	JPZ	H
196	EE PV 2 Oy	100%	JPZ	KEA, JPZ	JPZ	H
197	EE PV 3 Oy	100%	JPZ	KEA, JPZ	JPZ	S
198	European Energy Suomi Oy	100%	JPZ	KEA, JPZ	JPZ	W
199	Lakkikeidas PV Oy	100%	JPZ	KEA		S
	France					
200	Allier Agrisolaire SAS	100%		KEA	KEA	S
201	EE Agrisolaire 03 SAS	100%		KEA	KEA	S
202	EE Agrisolaire 04 SAS	100%		KEA	KEA	S
203	EE Agrisolaire 08 SAS	85%		KEA	KEA	S
204	EE Agrisolaire 05 SAS	85%		KEA	KEA	S
205	EE Agrisolaire 06 SAS	85%			KEA	S
206	EE Agrisolaire 07 SAS	85%			KEA	S
207	EE Agrisolaire 09 SAS	100%		KEA	KEA	S
208	EE Agrisolaire 10 SAS	85%		KEA	KEA	S
209	EE Agrisolaire 11 SAS	85%		KEA	KEA	S
210	EE Agrisolaire 13 SAS	100%	KEA	KEA		S
211	EE Fanais SAS	100%			KEA	S
212	European Energy France SAS	100%			KEA	S
213	EE Green Energy 01 SAS	85%			KEA	S
214	EE Green Energy 02 SAS	100%			KEA	S
215	EE Solest 01 SAS	100%		KEA	KEA	S
216	EE Solest 02 SAS	100%		KEA	KEA	S

7.6 Group structure and executive functions of the internal Board members, continued

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
217	EE Solest 03 SAS	100%		KEA	KEA	S
218	EE Solest 04 SAS	100%		KEA	KEA	S
219	EE Solsud 01 SAS	100%		KEA	KEA	S
220	EE Valsolaire SAS	100%				S
221	Les Chalindrés SAS	100%		KEA	KEA	S
222	Nièvre Agrisolaire SAS	100%		KEA	KEA	S
	Germany					
223	AEZ Dienstleistungs GmbH	100%				W
224	AEZ Planungs GmbH & Co. KG	100%				W
225	AEZ Verwaltung GmbH	100%				W
226	AN Wind GmbH & Co. KG	100%				W
227	e.n.o. Kabeltrasse Grosstreben GbR	75%			KEA	W
228	EE Beesem ApS & Co. KG	100%				W
229	EE Bonde GmbH & Co. KG	100%				W
230	EE Construction Germany GmbH & Co. KG	100%			KEA	W
231	EE Dahme ApS & Co. KG	100%		KEA, JPZ		W
232	EE Deinste Hagen ApS & Co. KG	100%		KEA, JPZ		W
233	EE Drei Hügel GmbH & Co. KG	100%				W
234	EE Dubje ApS & Co. KG	100%		KEA, JPZ		W
235	EE Faha ApS & Co. KG	100%		KEA, JPZ		W
236	EE Fuhne ApS & Co. KG	100%		JPZ	KEA, JPZ	W
237	EE Görnsee ApS & Co. KG	100%			KEA, JPZ	W
238	EE Grüner Strom Nalbach GmbH & Co. KG	100%			KEA	W
239	EE Grünhof GmbH	100%			KEA	S
240	EE Hava ApS & Co. KG	100%			KEA, JPZ	W
241	EE Hombruch ApS & Co. KG	100%				W
242	EE Keiko ApS & Co. KG	100%			KEA, JPZ	W
243	EE Lieberose ApS & Co. KG	100%			KEA, JPZ	W
244	EE Luckau 43 ApS & Co. KG	100%			KEA, JPZ	S
245	EE Malk Göhren ApS & Co. KG	100%				W
246	EE Nautschketal GmbH & Co. KG	100%				W
247	EE Nordwalde ApS & Co. KG	100%			KEA, JPZ	W
248	EE Oderwald GmbH & Co. KG	70%				W

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
249	EE Oderwald Verwaltungs GmbH	70%				W
250	EE Ostenfelde ApS & Co. KG	64%			KEA, JPZ	W
251	EE Osterholz GmbH & Co. KG	100%				W
252	EE Pommern GmbH	50%			KEA	W
253	EE Projekte Deutschland GmbH	100%			KEA	W
254	EE Projekte Teuchern Gmbh	100%				W
255	EE Rapshagen ApS & Co. KG	86%			KEA, JPZ	W
256	EE Ravi Gmbh & Co. KG	100%			KEA	W
257	EE Ribbensdorf ApS & Co. KG	100%			KEA, JPZ	W
258	EE Rosche GmbH & Co. KG	100%				W
259	EE Sarna ApS & CO. KG	100%			KEA, JPZ	W
260	EE Scheid ApS & Co. KG	75%			KEA, JPZ	W
261	EE Schelm GmbH & Co. KG	100%			KEA	W
262	EE Schnaudertal GmbH & Co. KG	100%				W
263	EE Schönerlinde ApS & Co. KG	100%			KEA, JPZ	W
264	EE Sinningen ApS & Co. KG	100%			KEA, JPZ	W
265	EE Solar Cottbus Nord GmbH	100%				S
266	EE Sommersdorf GmbH & Co. KG	100%				W
267	EE Teuchern GmbH & Co. KG	100%				W
268	EE Tuuli ApS & Co. KG	100%			KEA, JPZ	W
269	EE Urja ApS & Co. KG	100%			KEA, JPZ	W
270	EE Vindur ApS & Co. KG	100%			KEA, JPZ	W
271	EE Windpark Sonnblick GmbH & Co. KG	77%			KEA	W
272	EE Wintersteinchen Aps & Co. KG	100%				W
273	EE Wuggelmühle ApS & Co. KG	100%			KEA, JPZ	W
274	EE Zwackelmann GmbH & Co. KG	100%			KEA	W
275	ESF Spanien 01 GmbH	100%			KEA	S
276	ESF Spanien 09 GmbH	100%			KEA	S
277	European Energy Deutschland GmbH	100%				W
278	European Wind Farms Komp GmbH	100%			KEA	W
279	European Wind Farms Verwaltungs-gesellschaft mbH	100%			KEA	W
280	EWF Eins Fünf GmbH & Co. KG	100%			KEA	W
281	EWF Fünf Eins ApS & Co. KG	75%			KEA	W

7.6 Group structure and executive functions of the internal Board members, continued

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
282	EWF Fünf Null GmbH & Co. KG	100%				W
283	EWF Vier Sechs GmbH & Co. KG	100%			KEA	W
284	Infrastrukturgesellschaft Windfeld 19/24 GmbH & Co. KG	94%				W
285	Infrastrukturgesellschaft Windfeld 19/24 Verwaltungs-GmbH	94%				W
286	LEJ Wind GmbH & Co. KG	100%				W
287	Mando Solarkraftwerke Nr. 29 GmbH & Co. KG	76%				S
288	Netzanbindung Tewel OHG	75%				W
289	SB Wind GmbH & Co. KG	100%			KEA	W
290	Windpark Liesten GmbH & Co. 2. Betriebs KG	100%			KEA	W
291	Windpark Liesten GmbH & Co. 4. Betriebs KG	100%			KEA	W
292	Windpark Liesten GmbH & Co. 5. Betriebs KG	100%				W
293	Windpark Prittitz GmbH & Co. KG	100%			KEA	W
294	Windpark Prittitz Verwaltungsgesellschaft mbH	100%			KEA	W
295	WP Altenautal Erweiterung GmbH & Co. KG	100%			KEA, JPZ	W
296	WP Sachsen-Anhalt Süd Zwölf GmbH & Co. KG	100%				W
297	WP Sachsen-Anhalt Süd Dreizehn GmbH & Co. KG	100%				W
298	WP Sachsen-Anhalt Süd Dreiundzwanzig GmbH & Co. KG	100%				W
299	WP Sachsen-Anhalt Süd Vierundzwanzig GmbH & Co. KG	100%				W
300	WP Sachsen-Anhalt Süd Sechs GmbH & Co. KG	100%				W
	Greece					
301	Aetos Wind Single Member Private Company	100%				W
302	Aliki Energy Single Member Private Company	100%				W
303	EE Alexandroupolis Wind Single Member P.C.	100%				W
304	EE Florina PV Single Member P.C.	100%				S
305	European Energy Greece SMPC	100%				S
306	EE Grevena PV Single Member P.C.	100%				S
307	EE Kilkis PV Single Member P.C.	100%				S
308	EE Kozani PV Single Member P.C.	100%				S
309	EE Real Estate Greece Single Member P.C.	100%				W
310	EE Rodopi-Evros Wind Single Member P.C.	100%				W
311	EE Trikala PV Single Member P.C.	100%				S
312	EE Tsoukes Wind Single Member P.C.	100%				W
313	European Wind Farms Energy Hellas EPE	97%			JPZ	W
314	Gadir Energiaki EPE	100%				W
315	Hellas Aioliki Energiaki Single Member Private Company	100%				W
316	Kallinikis Single Member P.C.	100%				S
317	Nafsinikos Single Member P.C.	100%				S
318	Niki Wind Power Single Member Private Company	100%				W
319	Olympia Wind Energy Single Member Private Company	100%				W
320	Wind Power Hellas Single Member Private Company	100%				W
	Ireland					
321	Renewable Projects Development (Ireland) Limited	100%			KEA	
	Italy					
322	Mazar Wind S.r.l	100%				S
323	Cerano Energreen S.r.l.	51%				S
324	EE Italy Greenfield PV S.r.l.	100%				S
325	EEA Engineering s.r.l.	47%		KEA		S
326	EEA Italy Wind s.r.l.	93%		KEA	KEA	W
327	Energetica Campidano S.r.l.	100%				S
328	Energetica Iglesiente S.r.l.	100%				S
329	European Energy Italia S.r.l.	100%				S
330	European Energy Italy PV Holding S.r.l.	100%				S
331	European Green Solar S.r.l.	100%				S
332	Is Concias Energetica S.r.l.	100%				S
333	Italy Energy Holding S.r.l.	100%				S
334	Centumcellae Wind S.r.l.	100%				S
335	Palo Holding S.r.l.	100%				S
336	Parco Fotovoltaico Oviglio S.r.l.	100%				H

7.6 Group structure and executive functions of the internal Board members, continued

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
337	Piscinas Energetica S.r.l.	100%				S
338	Ringo JV S.r.l.	100%				S
339	Shardana Energetica S.r.l.	100%				S
340	Sulcis Energetica S.r.l.	100%				S
341	Sun Project S.r.l.	100%				S
342	Tanaga Wind S.r.l.	51%				W
343	Vizzini Holding S.r.l.	100%				S
	Latvia					
344	Aizkraukle-A	100%	KEA	KEA, JPZ	KEA, JPZ	H
345	Baltazar SIA	100%		KEA, JPZ	KEA, JPZ	S
346	Blua Fulmo SIA	100%		KEA, JPZ	KEA, JPZ	S
347	Eta Stelo SIA	100%		KEA, JPZ	KEA, JPZ	S
348	Florlando SIA	100%	KEA	KEA, JPZ	KEA, JPZ	H
349	Impona SIA	100%	KEA	KEA, JPZ	KEA, JPZ	H
350	Lago Malgrada SIA	100%		KEA, JPZ	KEA, JPZ	S
351	Lumurbo SIA	100%	KEA	KEA, JPZ	KEA, JPZ	W
352	Lunlumo SIA	100%	KEA	KEA, JPZ	KEA, JPZ	W
353	Monta Spico SIA	100%		KEA, JPZ	KEA, JPZ	S
354	Monteto Verdo SIA	100%			KEA, JPZ	S
355	Pluvarbaro SIA	100%		KEA, JPZ	KEA, JPZ	S
356	Poteno SIA	100%	KEA	KEA, JPZ	KEA, JPZ	H
357	Progresigo SIA	100%	KEA	KEA, JPZ	KEA, JPZ	H
358	Prosperon SIA	100%	KEA	KEA, JPZ	KEA, JPZ	H
359	Smeralda Floro SIA	100%			KEA, JPZ	S
360	Stelo Orienta SIA	100%			KEA, JPZ	S
361	Supren SIA	100%	KEA	KEA, JPZ	KEA, JPZ	H
362	Rivereto SIA	100%		KEA, JPZ	KEA, JPZ	S
363	Tera Agado SIA	100%	KEA	KEA, JPZ	KEA, JPZ	H
364	Tenante SIA	100%		KEA, JPZ	KEA, JPZ	S
365	Venko Lago SIA	100%		KEA, JPZ	KEA, JPZ	S
366	Verda Transiro SIA	100%	KEA	KEA, JPZ	KEA, JPZ	W
367	Virga Tero SIA	100%		KEA, JPZ	KEA, JPZ	S

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
	Lithuania					
368	European Energy Lithuania UAB	100%			KEA	W
369	EE Telšiai Holding UAB	100%			KEA	W
370	EE Telšiai II Holding UAB	100%			KEA	H
371	UAB Anykščiai PV	100%			JPZ	S
372	UAB Anykščiai Renew	100%				H
373	UAB Aukštaitija Energy	100%			KEA	H
374	UAB Bariūnai renew	100%			KEA	W
375	UAB Degaičių Vėjas	100%			KEA	W
376	UAB LTU Renewable	100%			KEA	H
377	UAB LTU Sustainable	100%			KEA	H
378	UAB Perkūnas hydrogen	100%			KEA	P
379	UAB Rasvėja	100%			KEA	W
380	UAB Skuodas Renew	100%				H
381	UAB Taupi energija	55%				W
382	UAB Vakaris Wind	100%			KEA	H
383	UAB VEVP	100%			KEA	W
	Montenegro					
384	EE Korita d.o.o.	100%	KEA	JPZ	KEA, JPZ	S
	Netherlands					
385	B.V. Windpark De Bjirmen	100%				W
386	European Energy Nederland B.V.	100%			JPZ	H
387	European Energy Ontwikkeling B.V.	100%			JPZ	H
388	HiNerg B.V.	100%				S
389	Landgoed Colusdijk B.V.	100%				S
390	Solar Park De Bjirmen B.V.	100%				S
391	Windpark Enkhuizen B.V.	100%		JPZ	JPZ	W
392	Zonnepark Nederweert B.V.	100%				S
397	Windpark Enkhuizen B.V.	100%		JPZ	JPZ	W
	Norway					
393	European Energy Norge AS	100%			JPZ	W

7.6 Group structure and executive functions of the internal Board members, continued

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
	Poland					
394	Contino Bialogard sp. z o. o.	100%		JPZ	JPZ	W
395	Contino Delta sp. z o.o.	100%			JPZ	S
396	EE Boleszkowice sp. Z.o.o.	100%			JPZ	W
397	EE Bonin Sp. z.o.o.	100%		JPZ	JPZ	S
398	EE Bród Sp. z.o.o.	100%		JPZ	JPZ	S
399	EE Construction Poland Sp. z o.o.	100%			JPZ	
400	EE Debnica Kaszubska sp. z o.o.	100%			JPZ	S
401	EE Development Sp. z o.o.	99%			JPZ	S
402	EE Dystrybucja sp. z o. o.	100%				S
403	EE GC Projects Holding sp. z o.o.	100%		JPZ	JPZ	S
404	EE Green 1 sp. z o.o.	100%	JPZ		JPZ	S
405	EE Green 2 sp. z o.o.	100%	JPZ		JPZ	S
406	EE Green 3 sp. z o.o.	100%	JPZ		JPZ	S
407	EE Green 4 Sp. z o.o.	100%			JPZ	S
408	EE Green 5 Sp. z o.o.	100%			JPZ	S
409	EE Green 6 Sp. z o.o.	100%			JPZ	S
410	EE Green 7 sp. z o.o.	99%			JPZ	S
411	EE Green 8 sp. z o.o.	99%			JPZ	S
412	EE Green 9 sp. z o.o.	99%			JPZ	S
413	EE Jelonki sp. z.o.o.	100%	JPZ		JPZ	S
414	EE Krzecin sp. z o.o.	100%			JPZ	S
415	EE Liskowo Sp. z.o.o.	100%	JPZ		JPZ	W
416	EE Lobez sp. z o.o.	100%			JPZ	S
417	EE Michalow Sp.z.o.o.	100%			JPZ	S
418	EE Pomorze Sp. z.o.o.	50%	JPZ		JPZ	W
419	EE Skarszów sp. z o.o.	100%			JPZ	S
420	EE Projekt III sp. z o.o.	100%			JPZ	S
421	EE Projekt Sp. z.o.o.	100%	JPZ			S
422	EE Real Estate sp. z o.o.	100%	JPZ		JPZ	S
423	EE Ronica sp. z.o.o.	100%	JPZ		JPZ	S
424	EE Sulimierz sp. z o.o.	100%			JPZ	S
425	EE Sunvalley Sp. z.o.o.	100%	JPZ		JPZ	W
426	EE Trzebnice Sp.z.o.o.	100%			JPZ	S
427	EE Tucze sp. z.o.o.	100%	JPZ		JPZ	S
428	EE Zarnowiec Sp. z.o.o.	100%	JPZ		JPZ	S
429	European Energy Polska Sp. z o.o.	100%	JPZ		JPZ	S
430	European Wind Farms Polska Sp. z.o.o.	50%	JPZ	KEA, MDP	JPZ	W
431	European Wind Farms Polska Sp. z.o.o. Bialogard Sp. K.	50%	JPZ	KEA, MDP	JPZ	W
432	European Wind Farms Polska Sp. z.o.o. Grzmiaca Sp. K.	50%	JPZ	KEA, MDP	JPZ	W
433	Farma Wiatrowa Drawsko II sp. z.o.o.	50%	JPZ		JPZ	W
434	Farma Wiatrowa Drawsko Sp. z o.o.	100%			JPZ	W
435	Farma Wiatrowa Kolobrzeg sp. z.o.o.	50%			JPZ	W
436	Farma Wiatrowa Siemyśl Sp. z.o.o.	50%			JPZ	W
437	PV East II Sp. z o.o.	100%	JPZ		JPZ	S
438	Windcom Sp. z o.o.	80%	JPZ		KEA	W
	Romania					
439	Atom Energy Ventures Dragalina SRL	100%	KEA		KEA	S
440	Atom Energy Ventures Segarcea SRL	100%	KEA		KEA	S
441	Betula Wind S.R.L.	100%	KEA		KEA	W
442	Castanea Wind S.R.L.	100%	KEA		KEA	W
443	CIC Green Energy Beta S.R.L.	100%				H
444	EE Agri Solar Development Two S.R.L.	100%				S
445	EE Beresti Wind S.R.L.	100%			KEA	W
446	EE Agri Solar Development One S.R.L.	100%	KEA			S
447	EE Jordbank SRL	100%		KEA		H
448	EE Sun Pro Alpha SRL	100%		KEA	KEA	S
449	EE Sun Pro Delta SRL	100%		KEA	KEA	S
450	EE Sun Pro Epsilon SRL	100%		KEA	KEA	S
451	EE Sun Pro Gamma SRL	100%		KEA	KEA	S
452	EE Sun Pro Iota SRL	100%		KEA	KEA	S
453	EE Sun Pro Kappa SRL	100%		KEA	KEA	S
454	EE Sun Pro Lambda SRL	100%		KEA	KEA	S
455	EE Sun Pro Sigma SRL	100%		KEA	KEA	S

7.6 Group structure and executive functions of the internal Board members, continued

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
456	EE Sun Pro Theta SRL	100%		KEA	KEA	S
457	EE Sun Pro Zeta SRL	100%		KEA	KEA	S
458	European Energy Construction Romania SRL	100%		KEA, JPZ	KEA, JPZ	H
459	European Energy Romania Development S.R.L.	100%		KEA		S
460	Sun Energy Green Complet S.R.L.	100%		KEA	KEA	S
461	Sun Pro Beta S.R.L.	100%		KEA	KEA	S
462	Sun Pro PV PP 2 S.R.L.	100%		KEA	KEA	S
	Slovakia					
463	EE Slovakia s.r.o.	100%				
	Spain					
464	Astendong S.L.U.	100%				S
465	Blue Viking Alexandra S.L.	100%				S
466	Blue Viking Ayora S.L.	100%				S
467	Blue Viking Barbara S.L.	100%				S
468	Blue Viking Beatrice S.L.	100%				S
469	Blue Viking Clara S.L.	100%				S
470	Blue Viking Cristina S.L.	100%				S
471	Blue Viking Diana S.L.U.	100%				S
472	Blue Viking Eden S.L.	100%				S
473	Blue Viking Elena S.L.U.	100%				S
474	Blue Viking Elizabeth S.L.	100%				S
475	Blue Viking Emilia S.L.	100%				S
476	Blue Viking Esther S.L.	100%				S
477	Blue Viking Fernanda S.L.U.	100%				S
478	Blue Viking Gabriela S.L.	100%				S
479	Blue Viking Glenda S.L.	100%				S
480	Blue Viking Gretchen S.L.	100%				S
481	Blue Viking Hildur S.L.	100%				S
482	Blue Viking Indira S.L.	100%				S
483	Blue Viking Isabella S.L.	100%				S
484	Blue Viking Julia S.L.	100%				S
485	Blue Viking Kira S.L.	100%				S
486	Blue Viking Laura S.L.	100%				S

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
487	Blue Viking Linda S.L.	100%				S
488	Blue Viking Lindsey S.L.	100%				S
489	Blue Viking Linea S.L.	100%				S
490	Blue Viking Lisa S.L.	100%				S
491	Blue Viking Lya S.L.	100%				S
492	Blue Viking Maria S.L.	100%				S
493	Blue Viking Matias S.L.	100%				S
494	Blue Viking Matilda S.L.	100%				S
495	Blue Viking Mikael S.L.	100%				S
496	Blue Viking Nieves S.L.	100%				S
497	Blue Viking Pili S.L.	100%				S
498	Blue Viking Raquel S.L.	100%				S
499	Blue Viking Rosa S.L.	100%				S
500	Blue Viking Samara S.L.	100%				S
501	Blue Viking Sandra S.L.	100%				S
502	Blue Viking Santiago S.L.	100%				S
503	Blue Viking Sarah S.L.	100%	JPZ	KEA, MDP	KEA	A
504	Blue Viking Sofia S.L.	100%				S
505	European Energy España S.L.	100%				S
506	Blue Viking Tara S.L.	100%				S
507	Blue Viking Ventures S.L.U.	100%				S
508	Blue Viking Violeta S.L.	100%				S
509	Desarrollos Renovables A Caniza Sociedad Limitada	100%				H
510	ESF Spanien 0423 S.L.U.	100%				S
511	ESF Spanien 0428 S.L.U.	100%				S
512	ESF Spanien 05 S.L.U.	100%				S
513	Solar Power 7 Islas S.L.U.	100%				S
514	Solcon Terrenos 2006 S.L.U.	100%				S
	Sweden					
515	European Energy Floda-Sund PV AB	100%		KEA, JPZ	JPZ	W
516	European Energy Grevekulla PV AB	100%		KEA, JPZ	JPZ	S
517	European Energy Hästhagsmossen PV AB	100%		KEA, JPZ	JPZ	W

7.6 Group structure and executive functions of the internal Board members, continued

No.	Subsidiaries by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
518	European Energy Myren PV AB	100%		KEA, JPZ	JPZ	S
519	European Energy Skåramåla PV AB	100%		KEA, JPZ	JPZ	S
520	European Energy Sverige AB	100%	JPZ	KEA	JPZ	W
521	European Energy Tröjemåla PV AB	100%		KEA, JPZ	JPZ	S
522	European Energy Construction Sweden AB	100%	JPZ	KEA, JPZ	KEA, JPZ	H
523	European Energy Svedberga AB	100%	JPZ	KEA	JPZ	S
524	European Wind Farms Kåre 1 AB	100%		KEA, JPZ	JPZ	W
525	Persbol PV AB	100%	JPZ	KEA, JPZ		S
526	Skåramålar Vind AB	100%	JPZ	KEA	JPZ	W
527	Skedemosse PV AB	100%	JPZ	KEA	KEA, JPZ	S
528	Svedberga PV AB	100%		KEA, JPZ	JPZ	S
529	Västanby Vindbruksgrupp i Fjelie 2 AB	100%	JPZ	KEA	JPZ	W
530	Vindkraft I Grevekulla AB	100%	JPZ	KEA	JPZ	W
531	Yttersävne PV AB	100%	JPZ	KEA		S
	United Kingdom					
532	Chads Farm Energy Centre Limited	50%				S
533	Church Farm Energy Centre Ltd	50%				S
534	Drinkstone Energy Centre Ltd	50%				S
535	European Energy Heating (UK) Limited	68%				S
536	European Energy Development Limited	100%			KEA	S
537	European Energy Construction Limited	100%			KEA, JPZ	S
538	European Energy UK Development Services Limited	100%				H
539	European Energy UK EPC Limited	100%				H
540	European Energy UK Management Limited	100%				A
541	European Energy UK Holdco One Ltd	100%				S
542	European Energy UK Yield Group Ltd	100%				S
543	European Energy UK Yieldco One Ltd	100%				S
544	European Energy Yieldco Ltd	100%				S
545	Great House Energy Centre Limited	50%				S
546	Halesfield Energy Centre Limited	50%				S
547	Rempstone Hill Solar Farm Limited	100%			KEA, JPZ	S
548	IQ Energy Centre Limited	50%				S
549	North Woods Hill Solar Farm Limited	100%				W
550	Moor Isles Farm Energy Storage Limited	100%				W
551	Kincraig Energy Centre Ltd	50%				S
552	Lowfield Energy Centre Limited	50%				S
553	Maisemore Court Farm Energy Centre Limited	50%				S
554	Mannington Energy Centre Limited	50%				S
555	Manor Farm Energy Centre Limited	50%				S
556	Marksbury Energy Centre Limited	50%				S
557	Mathurst Farm Energy Centre Limited	50%				S
558	Melksham Energy Centre One Limited	50%				S
559	Melksham Energy Centre Two Limited	50%				S
560	North Crawley Energy Centre Limited	50%				S
561	Northington Energy Centre Limited	50%				S
562	Old Hall Energy Centre Limited	50%				W
563	Parc Cynog Wind Farm Limited	100%			JPZ	W
564	Pendine Wind Farm Limited	100%			JPZ	W
565	Twelve Month Hill Solar Farm Limited	100%				S
566	Sealand Manor Energy Centre Limited	50%				S
567	Selms Muir Energy Centre Ltd	50%				S
568	Shireoaks Energy Centre Limited	50%				S
569	South Park Energy Centre Limited	50%				S
570	Stocking Pelham Energy Centre Limited	50%				S
571	Teindland Wind Farm Limited	80%				W
572	Treading Energy Centre Limited	50%				S
573	Vicarage Drove Energy Centre Limited	50%				S
	United States					
574	Ammongas LLC	100%				P
575	East Coast Solar LLC	55%			KEA	S
576	EE NA Land Holdings LLC	100%				S
577	EE North America LLC	100%				S
578	EE US DevCo LLC	100%			KEA	S
579	EE US HoldCo LLC	100%				S
580	Gila Bend Solar LLC	60%				S
581	Gila Bend Solar 2 LLC	60%				S

7.6 Group structure and executive functions of the internal Board members, continued

No.	Subsidiaries by geographical area	Owner-ship 2023	Chair	Other board member	Director-ships	Type
582	La Osa Solar LLC	60%			KEA	S
583	Lennig Road Solar LLC	55%			KEA	S
584	Meadowbrook Road LLC	55%			KEA	S
585	Mountain Gap Road LLC	55%				S
586	Prospect Road Solar LLC	55%				S
587	Puddledock Road LLC	55%			KEA	S
588	Pumping Hill Road Solar LLC	55%				S
589	Route 34 Solar LLC	55%			KEA	S
590	EE US ProjectCo LLC	100%				S
591	Sand Dune Solar LLC	50%				S
592	Sandy Hill Solar LLC	50%				S
593	Rain Lily Solar One LLC	100%				S
	Administration companies and Power to X					
594	Ammongas A/S	100%	JPZ	KEA		P
595	EE Estonia ApS	100%	JPZ	KEA, JPZ		A
596	European Energy Heating A/S	93%		KEA, JPZ	JPZ	P
597	European Energy Heating Holding ApS	93%		KEA, JPZ	JPZ	P
598	EE Latvia ApS	100%	KEA	JPZ	JPZ	A
599	European Energy Latvia SIA	100%	KEA	JPZ		A
600	EE Lithuania Holding UAB	100%			KEA	A
601	European Energy Spain PTX, S.L.	95%				P
602	European Energy Giga Storage A/S	100%	JPZ	KEA, MDP	KEA	A
603	European Energy Systems II ApS	100%			KEA, JPZ	A
604	European Solar Farms A/S	100%	KEA	JPZ, MDP	JPZ	A
605	European Wind Farms A/S	100%	JPZ	KEA, MDP	KEA	A
606	REintegrate ApS	100%			KEA	P
607	REintegrate Skive ApS	100%			KEA	P
608	Renewables Insight ApS	100%			KEA, JPZ	A
609	Tacaimbó 1 ApS	100%			KEA, JPZ	A

No.	Joint ventures not owned directly by the parent listed by geographical area	Owner-ship 2023	Chair	Other board member	Director-ships	Type
	Denmark					
1	Ejendomsanpartsselskabet Håndværkervej 3, Frederikshavn	50%		KEA, MDP, JPZ		H
2	European Wind Farms Polen ApS	50%		KEA	KEA	P
3	Gaardbogaard Wind Park ApS	50%			KEA	S
4	GWE Contractors K/S*)	50%		KEA	KEA	S
5	Kassø MidCo ApS	51%		KEA	KEA	S
6	Komplementarselskabet GWE Contractors ApS	50%		KEA	KEA	S
7	Kronborg Solpark ApS	50%		KEA	KEA	S
8	Lillebaelt Vind A/S	50%		KEA	KEA	S
9	NPP Brazil I K/S	51%		KEA	KEA	S
10	NPP Brazil II K/S	51%		KEA	KEA	S
11	Rødkilde Komplementarselskab ApS	50%		KEA	KEA	S
12	Soft & Teknik A/S	50%		KEA	KEA	S
13	Solar Park Kassø ApS	51%		KEA	KEA	S
14	Solar Park Rødkilde 1 P/S	50%		KEA	KEA	S
15	Solarpark Vandel Services ApS	50%		KEA	KEA	W
16	Süstedt Komplementar ApS	50%		KEA	KEA	W
	Finland					
17	Greenwatt Ahvenneva Oy AB	50%		KEA	KEA	W
18	Greenwatt Honkakangas Oy AB	50%		KEA	KEA	W
	Germany					
19	EE Alfhausen ApS & Co. KG	50%		KEA	KEA	S
20	EE Barbassee ApS & Co. KG	50%		KEA	KEA	S
21	EE Sieben Null GmbH & Co. KG	50%		KEA	KEA	H
22	EE Sieben Zwei GmbH & Co. KG	50%		KEA	KEA	H
23	EE Süstedt ApS & Co. KG	50%			KEA	S
24	EEA Verwaltungs GmbH	50%			KEA	S
25	EWF Eins Sieben GmbH & Co. KG	50%		KEA	KEA	S
26	EWF Fünf Vier GmbH & Co. KG, Wittstock	50%			KEA	A
27	Repowering Gunthersdorf Trebitz GmbH & Co. KG	50%			KEA	S
28	Vergil ApS & Co. KG	50%			KEA	A

7.6 Group structure and executive functions of the internal Board members, continued

No.	Joint ventures not owned directly by the parent listed by geographical area	Owner-ship 2023	Chair	Other board member	Director-ships	Type
29	Windpark Hellberge GmbH & CO KG	50%			KEA	S
30	Windpark Losheim Nr. 30 ApS & Co. KG	25%			KEA	S
31	WP Repowering Wernikow EE-DW GmbH & Co. KG	50%				S
	Italy					
32	Elios 102 S.r.l.	50%				S
33	European Energy Italy Holding S.r.l.	50%				S
34	Limes 24 S.r.l	50%				S
35	Limes 25 S.r.l	50%				S
36	Mineo Energia S.r.l.	50%				S
37	Parco Fotovoltaico Fauglia s.r.l.	50%				S
	Maldives					
38	NPP Maldives Private Ltd.	51%				P
	Poland					
39	European Wind Farms Polska Sp. z o.o. Rab-ino Sp. k	50%				S
40	PES 12 Sp.zoo	50%				S
41	PES 13 Sp.zoo	50%				W
42	PES 21 Sp. z o.o.	50%				W
43	PES 30 Sp.zoo	50%				W
44	PES 32 Sp.zoo	50%				S
45	PES 34 Sp.zoo	50%				S
46	PES 35 Sp.zoo	50%				S
47	PES 36 Sp.zoo	50%				S
48	PES 40 Sp.zoo	50%				S
49	PES 41 Sp.zoo	50%				S
50	PES 42 Sp.zoo	50%				S
	Sweden					
51	European Wind Farms Sverige AB	50%				S
	United Kingdom					
52	Trinity Solar Farm Limited	50%				S

No.	Joint ventures not owned directly by the parent listed by geographical area	Owner-ship 2023	Chair	Other board member	Director-ships	Type
	Administration companies					
	Denmark					
53	EEA Renewables A/S	50%		KEA, JPZ	KEA	A
54	EEA Stormy ApS	50%			KEA	A
55	EEA Swepol A/S	50%		KEA	KEA	A
56	EEGW Persano ApS	50%			KEA	A
57	Komplementarselskabet EEAR ApS	50%			KEA	A
58	Nordic Power Partners P/S	51%	KEA	JPZ	JPZ	A
59	NPP Komplementar ApS	51%	KEA	JPZ	JPZ	A

7.6 Group structure and executive functions of the internal Board members, continued

No.	Associates not owned directly by the parent. Listed by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
	Brazil					
60	Coremas I Geracao de Energia SPE LTDA.	44%		KEA, JPZ	KEA, JPZ	
61	Coremas II Geracao de Energia SPE LTDA.	44%			KEA, JPZ	
62	Coremas III Geracao de Energia SPE LTDA.	44%				
63	Fundo de Investimento em participacoes conjunto Coremas - Multiestrategia	44%			KEA, JPZ	S
	Bulgaria					
64	Wind Energy OOD	49%	JPZ	KEA	KEA	W
65	Wind Power 2 OOD	49%			JPZ	W
66	Wind Stream OOD	49%			KEA	P
67	Wind Systems OOD	49%			KEA	W
	Denmark					
68	Agriculture Holding K/S	20%			KEA	H
69	Agriculture Holding Komplementar ApS	20%			KEA	H
70	EEAR Olleria II ApS	45%			KEA	H
71	European Wind Farms Invest No.2 A/S	37%				W
72	GW Energi A/S	25%				W
73	GWE Holding af 14. November 2011 ApS	25%				W
74	K/S Losheim	25%				S
75	Komplementarselskabet Losheim ApS	25%				S
76	Nøjsomheds Odde WTG 2-3 ApS	34%			KEA, JPZ	H
77	Renewable Energy Partnership I GP ApS	33%	KEA	JPZ	JPZ	S
78	Renewable Energy Partnership Management GP ApS	33%			JPZ	
79	Renewable Energy Partnership P/S	33%			KEA, JPZ	W
	Estonia					
80	Edel Offshore Wind OÜ	20%			KEA	S
	Germany					
81	EE Dosse GmbH & Co. KG	25%			KEA, JPZ	W
82	EE Papenbruch ApS & Co. KG	35%			KEA	W
83	EE Haseloff Aps & Co. KG	45%	KEA	JPZ	KEA	S
84	EWF Fünf Fünf GmbH & Co. KG	35%			KEA	W
85	GWE Verwaltungs GmbH	25%			KEA, JPZ	W
86	Umspannwerk Westerberg GmbH & Co OHG	45%			KEA, JPZ	W

No.	Associates not owned directly by the parent. Listed by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
87	UW Eichow GmbH & Co. KG	27%			KEA	W
88	UW Gilmerdingen GmbH & C. KG	40%			KEA	W
89	UW Lohkamp ApS & Co. KG	40%			KEA/JPZ	W
90	UW Nessa GmbH & Co KG	23%				W
91	UW Nessa II GmbH & Co. KG	50%				W
92	UW Nessa Verwaltungs-GmbH	23%				W
93	Vento Erste Windparkbeteiligungsgesellschaft mbH & Co. KG	47%			KEA	W
94	Windkraft Gommern GmbH & Co. KG	33%				W
95	Windkraft Ottenhausen GmbH & Co. KG	39%				W
96	Windpark Emskirchen GmbH & Co KG	25%				W
97	Windpark Prignitz GmbH & Co. KG	25%				W
98	Windpark Scheibe-Trattendorf GmbH & Co. KG	34%				W
99	Windpark Wittstock-Papenbruch GbR	28%				W
100	WP Vormark Generalunternehmer GmbH & Co. KG	13%				W
101	WP Vormark GmbH	13%				W
102	WP Vormark Infrastruktur GbR	12%				W
103	WP Vormark UW GmbH & Co. KG	6%				W
104	WP Vormark WEA 1 GmbH & Co. KG	13%				W
105	WP Vormark WEA 2 GmbH & Co. KG	25%				W
	Italy					
106	Limes 1 S.r.l	49%				S
107	Limes 2 S.r.l	49%				S
108	Parco Eolico Carpinaccio Srl	26%			KEA	W
	Lithuania					
109	UAB Anyksciai hybrid	20%			JPZ	H
110	UAB Jonava hybrid	20%			JPZ	H
111	UAB Rokiskis hybrid	20%			JPZ	H
112	UAB Telsiai1 hybrid	20%			JPZ	H
113	UAB Telsiai2 hybrid	20%			JPZ	H
	Spain					
114	ESF Spanien 0427 S.L.	45%				S

7.6 Group structure and executive functions of the internal Board members, continued

No.	Other Investments with ownership < 20% listed by geographical area	Ownership 2023	Chair	Other board member	Directorships	Type
	Bosnia-Herzegovina					
1	Energy 3 DOO	10%				
	Denmark					
2	REP I Land DK K/S	7%				S
3	REP I Land DK GP ApS	7%				S
4	Renewable Energy Partnership I CIV K/S	7%				S
	Germany					
5	Einspeisegemeinschaft Klein Mutz-Timpberg GmbH &Co. OHG	5%				W
6	Green Wind Energy GmbH & Co. Umspannwerk Altlandsberg KG	8%				W
7	Netzanschluss Badingen GbR	3%				W
8	TEN Verwaltungsgesellschaft mbH	15%			KEA	W
9	UW Schäcksdorf GmbH & Co. KG	6%			KEA	W
10	Windpark Mildenberg GbR	9%				W
11	Windpark Wriezener Höhe GmbH & Co. KG	15%			KEA	W
	Italy					
12	Parco Eolico Riparbella Srl	11%			KEA	W
	Lithuania					
13	UAB Alytus Vejas	10%				W

Management's Statement and Auditor's Report

Statement by the Board of Directors and Management Board

The Board of Directors and the Management Board have today considered and approved the Annual Report for European Energy A/S for the financial year 1 January 2023 – 31 December 2023.

The Annual Report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and with further disclosure requirements in the Danish Financial Statements Act.
The Annual Report has been prepared in accordance with the Danish Financial Statements Act and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

In our opinion, the consolidated financial statements and the parent company's financial statements give a true and fair view of the Group and the parent company's financial position at 31 December 2023, and of the results of the Group and the parent company's operations and cash flow for the financial year then ended.

In our opinion, the Management's Review gives a true and fair review of the development in the Group and the parent company's operations and finances, the results for the year, and the parent company's financial position, and the overall position of the entities included in the consolidated financial statements, as well as a review of the more significant risks and uncertainties faced by the Group and the parent company.

In our opinion, the Sustainability Statements included in the Annual Report represent a reasonable, fair and balanced representation of the Group's sustainability performance and have been prepared in accordance with the stated accounting policies.

In our opinion, the Annual Report of European Energy A/S for the financial year from 1 January to 31 December 2023, identified as ‘EE-2023-12-31-en.zip’, is in all material respects prepared in compliance with the ESEF Regulation.

We recommend the Annual Report for approval by the Annual General Meeting.

Søborg, 28 February, 2024

Registered Executive Management

Knud Erik Andersen

Board of Directors

Jens Due Olsen
Chair

Knud Erik Andersen

Mikael Dystrup Pedersen

Jens-Peter Zink

Jesper Helmuth Larsen

Claus Dyhr Christensen

Hilde Bakken

Independent Auditor's Report

To the shareholders of European Energy A/S.

Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's and Parent Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Board or Directors and the Audit Committee.

Audited financial statements

European Energy A/S' consolidated financial statements and parent company financial statements for the financial year 1 January – 31 December 2023 comprise statement income, balance sheet, statement of cash flow, statement of shareholders' equity, and notes, including summary of material accounting policy information, for the Group as well as for the Parent Company (the financial statements).

The financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark.

Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Independent auditor's report

We declare, to the best of our knowledge and belief, that we have not provided any prohibited non-audit services, as referred to in Article 5(1) of the Regulation (EU) 537/2014 and that we remained independent in conducting the audit.

We were appointed auditors of European Energy A/S for the first time on 26 October 2015 for the financial year 2015. We have been re-appointed by resolutions passed by the annual general meeting for a total uninterrupted engagement period of 9 years up to and including the financial year ending 31 December 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the 2023 financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in the forming of our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matters: Recognition of revenue from sale of energy farms and projects

Determining the point in time when the sale of energy farms and projects should be recognised is key to the reported financial performance of European Energy. Furthermore, sales contracts often comprise multiple performance obligations, variable consideration and different contract conditions that involve judgement and estimates when determining the amount of revenue to be recognised. Due to the significance and complexity associated with the above, revenue recognition from sale of energy farms and projects is considered a Key Audit Matter.

Further reference is made to notes 1.2 and 2.2 in the consolidated financial statements and note 2.1 in the parent company financial statements.

Key audit matters: Valuation of inventories

Inventories comprises development projects, projects under construction and projects in operation in the group.
The valuation risk associated with development projects is considered high, especially as to whether or not a project will be completed or cancelled, due to permits, financing, finding a buyer, etc. In addition, the valuation risk is also dependent on estimation of the net realisable value of inventory.

Due to the high level of uncertainty related to Management's assessment of whether projects in development should be written off or should be written down to a lower net realisable value and the high balance of the projects in development, the valuation of such inventories is considered a Key Audit Matter.

Further reference is made to notes 1.2 and 3.5 in the consolidated financial statements.

How our audit addressed the key audit matter

Our audit procedures included considering the appropriateness of the revenue recognition accounting policies and assessing compliance with the accounting standards.
We performed risk assessment procedures to obtain an understanding of sales contracts, business processes and relevant controls related to revenue recognition.
For the controls we assessed if these have been designed and implemented in a way that effectively addresses the risk of material misstatement.
Based on our risk assessment of the sales recognized as revenue during the year, we selected specific sales contracts for substantive testing. This testing included:

- ensuring based on the contracts, that revenue related to the different identified performance obligations is recognised when control as well as all material risks and rewards as stipulated in the sales contracts have been unrestrictedly passed on to the buyers.
- challenging the key assumptions applied by Management when measuring revenue and any associated uncertainties. This work included examining and challenging the used assumptions regarding the variable considerations to ensure that the recognized variable consideration is based on the most likely consideration that European Energy is entitled to and that it is highly probable that a significant reversal will not be made in subsequent periods.
- evaluating whether the method for determining the variable considerations is appropriate in the context of the applicable financial reporting framework and has been applied consistently.
- evaluating whether the methods, assumptions and data were applied appropriately by testing the calculations made and the integrity of the assumptions and data used in the calculations.

Further, we have assessed the appropriateness of the disclosures including the descriptions of significant judgments and estimates made by Management. We are referring to note 1.1 and 2.2 in the consolidated financial statements and note 2.1 in the parent company financial statements

Our audit procedures included performing risk assessment procedures to obtain an understanding of the risks and the stage of completion of the individual projects, Management's assessment of project success, the financial expectations and whether or not a related sales contract has been agreed on with a customer or is expected to be agreed in the near future.

We also obtained an understanding of the processes and relevant controls related to Management's determination of whether projects should be written off or should be written down to a lower net realisable value.

For the controls we assessed if these have been designed and implemented in a way that effectively addresses the risk of material misstatement.

Based on our risk assessment, we have audited on a sample basis the impairment tests for projects under development.

For the selected samples we have used our valuation specialists to assist us in evaluating and challenging the appropriateness and reasonableness of key market-related assumptions in Management's valuation models, including strategy, market conditions, discount rates and budgets etc., after the project has been completed and production commenced.

Additionally, we have evaluated and challenged the appropriateness and reasonableness of significant financial and non-financial assumptions made by Management for the success completion of projects for the selected samples.

We have also evaluated whether the method for determining the net realizable value is appropriate and has been applied consistently. We have evaluated whether the methods, assumptions and data were applied appropriately by testing the calculations made and the integrity of the assumptions and data used in the calculations.

Further, we have assessed the appropriateness of the disclosures including the descriptions of significant judgments and estimates made by Management. We are referring to note 1.2 and 3.5 in the consolidated financial statements.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required by the Danish Financial Statements.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and parent company financial statements of European Energy A/S we performed procedures to express an opinion on whether the annual report of European Energy A/S for the financial year 1 January – 31 December 2023 with the file EE-2023-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

Independent auditor's report

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of European Energy A/S for the financial year 1 January – 31 December 2023 with the file EE-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 28. February 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jon Wilson Beck
State Authorised
Public Accountant
mne32169

Kenn Wolff Hansen
State Authorised
Public Accountant
mne30154

Independent auditor's limited assurance report on selected ESG data in the Sustainability statements

To the shareholders and other stakeholders of European Energy A/S

The Management of European Energy A/S has engaged us to issue a limited assurance report on selected ESG data as described below for the period 1 January – 31 December 2023 as presented on pages 57-79 in tables marked with an "assurance report"-icon (the 'Selected ESG Data').

When preparing the selected ESG data, European Energy A/S has applied the accounting policies described on page 52-53 and 57-79. The selected ESG data must be read and understood in conjunction with the applied accounting policies developed by European Energy A/S which Management is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure ESG data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Regarding reporting on article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation) on pages 58-63 we only provide limited assurance on whether the included data have been stated in accordance with the EU Taxonomy related accounting policies as stated on pages 59-60, and not whether the data are in compliance with the EU regulation.

We have not performed any procedures on the additional information, which is included in the report covering the period 1 January – 31 December 2023, and consequently we do not express any form of assurance conclusion thereon.

Management's responsibility

Management is responsible for establishing objective accounting policies for the preparation of the Sustainability statements, for the overall content of the Sustainability statements, and for measuring and reporting ESG data in accordance with accounting policies applied.

This responsibility comprises establishing and maintaining internal controls, maintaining appropriate registers and preparing estimates relevant for recognition and measurement of the selected ESG data in the report free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the selected ESG data based on our examinations and evidence obtained.

We have performed our examinations in accordance with the ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and ISAE 3410 Assurance Engagements on Greenhouse Gas Statements and additional requirements under Danish audit regulation in order to obtain limited assurance for our conclusion. Greenhouse Gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gasses.

KPMG Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

Description of work performed

The nature, timing and scope of the selected procedures depend on our assessment, including assessment of the risk for material misstatement whether due to fraud or error. As part of our examinations we have performed the following procedures:

- Evaluated the appropriateness of the accounting policies applied, their consistent application and related disclosures
- Conducted interviews with relevant key personnel in order to understand key processes and controls for collection and consolidation as well as measurement and reporting of ESG data.
- Performed analyses to identify areas with increased risk of material misstatement in the selected ESG data and obtained understanding of significant developments in the reported data.
- Performed limited substantive procedures around underlying source information to control the completeness and accuracy of the selected ESG data, including controlled consistency with the methods described in the accounting policies applied.
- Based on our collection of data we have assessed the fairness of the accounting policies applied and as to whether these

have been applied consistently and in accordance with the GHG protocol.

- We have assessed the reliability and validity of the evidence obtained.

IIn addition to the procedures performed, we have read the additional information contained in European Energy A/S management review included in the annual report for the financial year 2023 for the purpose of identifying whether there is any major inconsistency between the presented additional information and the selected ESG data or our obtained understanding.

The procedures performed during our examinations are substantially less in extent than for a reasonable assurance engagement. Consequently, the level of assurance for our conclusion is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Conclusion

Based on the procedures performed and evidence obtained nothing has come to our attention that causes us not to believe that the ESG data selected by European Energy A/S for the period 1 January – 31 December 2023 as presented on pages 57-79, in all material respects, have been prepared in accordance with the accounting policies applied as presented on pages 52-53 and 57-79.

Copenhagen, 28. February 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Kenn Wolff Hansen State Authorised Public Accountant mne30154	Christian Møllegaard Larsen State Authorised Public Accountant mne46614

Disclaimer and cautionary statement

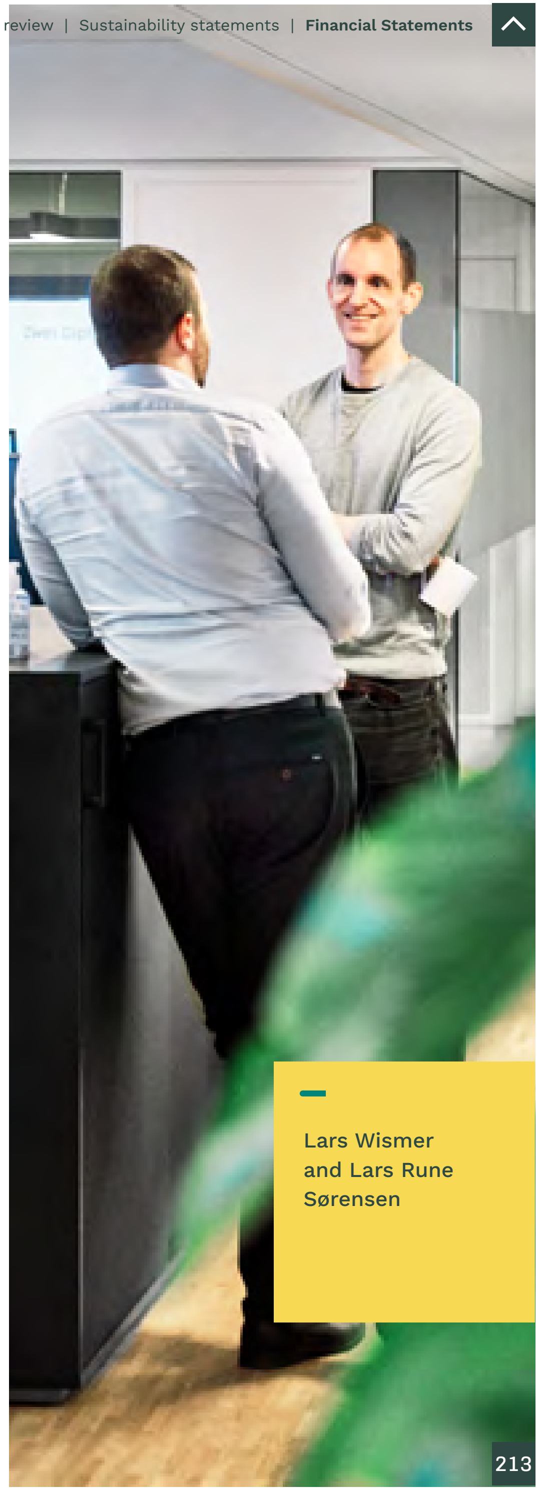
Disclaimer and cautionary statement
This document contains forward-looking statements concerning European Energy's financial conditions, results of operations and business activities.

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.



Lars Wismer and Lars Rune Sørensen

EUROPEAN ENERGY

European Energy A/S
Gyngemose Parkvej 50
DK-2860 Søborg
Reg. no. 18351331

info@europeanenergy.dk
www.europeanenergy.com

Publishing date
28 February 2024