Interim Report H1 2024

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EUROPEAN ENERGY

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Frontpage image: Flakkebjerg agri-PV test facility, Denmark

1 MW

Flakkebjerg
agri-PV test
facility, Denmark

Letter from the CEO

In the first half of 2024, European Energy continued its high level of activity with 28 ongoing construction projects in eight different countries. European Energy also signed a historic number of Power Purchase Agreements (PPAs).

In Europe, the first half of 2024 marked a significant milestone in renewable energy with more than half of the electricity used produced from fossil free sources. Renewable energy is transforming our energy system, which is good news in terms of reducing the use of fossil fuels, but this also contributes to significant fluctuations in electricity prices due to big fluctuations in the production of renewable energy sources.

PPAs are taking off

Green power at stable prices is a service that is increasingly in demand. In the first half of 2024, European Energy signed nine PPAs to support the construction of 1,411 MW of renewable energy across five countries with companies that want to secure a stable supply of renewable energy.

Excluding a dip in 2022 due to the turmoil following the Russian invasion of Ukraine, the number of signed PPAs has increased strongly. From 2020 to 2023, annual contracted capacity in Europe more than tripled from 3.1 GW to 10.4 GW. We expect this development to continue.

Similarly, more European countries introduce CFD support regimes for new renewable energy projects. Italy, Romania, and Estonia are among the latest countries supporting the installation of new renewable capacity with long-term price regimes.

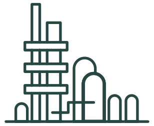
Pay-as-produced PPAs and CFD regimes are important for two main reasons: for many investors in renewable energy projects, it is an advantage to acquire a project where the income stream is well known for the first 5-10 years, as this provides a secure and stable return. The PPAs also increase the opportunity of closing financing to develop and construct the renewable energy park.

Power-to-X starts to materialise

In our Power-to-X projects under construction, most of the off-takers have been in place for some time. In the second quarter of 2024, we finalized the construction of our green hydrogen facility in Måde, Denmark. The first hydrogen was produced from wind power in June 2024, and final commissioning is now taking place before commercial operation later this year.

At our e-methanol facility in Kassø, Denmark, the largest commercial e-methanol facility in world, construction is also progressing well and by the end of the second quarter we were approaching mechanical completion of the first production line. We expect to start production of the first e-methanol by the end of the year.

It has only been three years since the first Power-to-X offtake agreements were signed by European Energy. demonstraing our ability to develop, design and execute in a short time-frame. This provides important lessons that we are already taking with us into the next generation of green fuel facilities.



Power-to-X

Our first **green hydrogen** was produced from wind power in June of 2024.

First battery storage project approved

In the second quarter of 2024, on several occasionspower production was curtailed due to negative prices.

As we transition to renewable energy sources ensuring stable power production is a recurring challenge in our industry. That is why, in the first half of 2024, we have seen strong demand for battery storage - driven by both more competitive battery prices and maturing technology.

In H1 2024, we decided to initiate our first battery storage project, which we expect to be operational in the first half of 2025. Besides ensuring a more stable supply of green power to the grid, batteries will also contribute positively to revenues as we can store power and sell it when prices are more favourable. Interest in battery storage is high in most markets where we construct. For PV projects in particular, we see good potential for batteries that can further strengthen project returns.The total pipeline of battery projects exceeds 2 GW at the end of H1 24.

High construction activities

The increased value that battery storage adds to projects should be seen in light of the cost of building PV parks in particular is decreasing rapidly. The historically low prices of panels make PV parks highly competitive in comparison to power from nuclear, coal or gas- even when adding battery storage to the parks.

The lower costs are positively impacting our construction activities. With a total of 1.2 GW of projects under construction, we have maintained a high construction activity for the third year in a row. In total, 700 MW of new projects have been added to the pipeline, while 600 MW have been commissioned in the last 12 months. The projects are spread across many countries and several technologies, ensuring a diversification of investments and counterparts

Increased construction activity may increase potential safety incidents for both in-house and contract employees. In the first half of 2024, we have seen 3 recordable incidents (TRI) that we are learning from. We have launched a number of initiatives to support our efforts to keep the number of incidents to a minimum and ensure that the risk of injury is minimal.

Sales status

With a 24% increase in electricity production in H1 2024 compared to the same time last year, electricity production from European Energy-owned plants is at a historically high level. In H1 2024, we produced 1,020 GWh of renewable energy compared to 825 GWh in H1 2023, equivalent to 237,252 tonnes of avoided CO_2e greenhouse gas emissions. However, lower electricity prices resulted in a lower revenue compared to H1 2023. In total, sales of energy decreased by 14% compared to the same time last year from EUR 53.9m in H1 2023 to EUR 46.4m in H1 2024.

We have seen a changing investment environment in renewable energy projects over the past year. Combined with projects becoming larger and more complex, we are generally seeing sales processes taking longer to conclude At the same time, the expected interest rate cut in the first half of 2024 across Europe and USA that may increase the appetite for project investments, did not materialise.

For H1 2024, EBITDA decreased from EUR 49.1m in H1 2023 to EUR -2.4m in H1 2024. Likewise, profit before tax decreased from EUR 22.3m in H1 2023 to EUR -49.6m in H1 2024.

Due to higher energy production and ongoing sales processes, we are maintaining our 2024 financial outlook of an EBITDA of EUR 230m, however with an increased risk margin of +/- 20% up from +/- 10%. Profit before tax is also expected to continue to grow but at a lower rate than EBITDA with the majority of this year's earnings to take place in the fourth quarter.

Although the realized H1 financials do not improve, the first half of 2024 is among the highest value-creating periods for European Energy. The value generated from our record PPA conclusions and the progress on the construction, battery, and Power-to-X activities will materialize in the financials for 2025-2026.

Integrating sustainability

In Q2 2024, the implementation of our 2026 sustainability strategy was initiated and we are addressing strategic sustainability priorities, within environmental, social and governance-related impacts, risks and opportunities.

The Corporate Sustainability Reporting Directive (CSRD) and its European Sustainability Reporting Standards (ESRS), effective from 2024, were integrated into the Danish Financial Statements Act in Q2 2024.

We revisited our gap assessment against the ESRS to plan for publishing Sustainability Statements in our Annual Report. At European Energy, we support the standardisation of sustainability reporting. We acknowledge that developing ESRS-compliant Sustainability Statements is a long-term effort requiring time and dedication. Our 2026 strategy reflects our commitment to ESRS compliance.

Knud Erik Andersen
CEO

Main events in Q2 2024

April

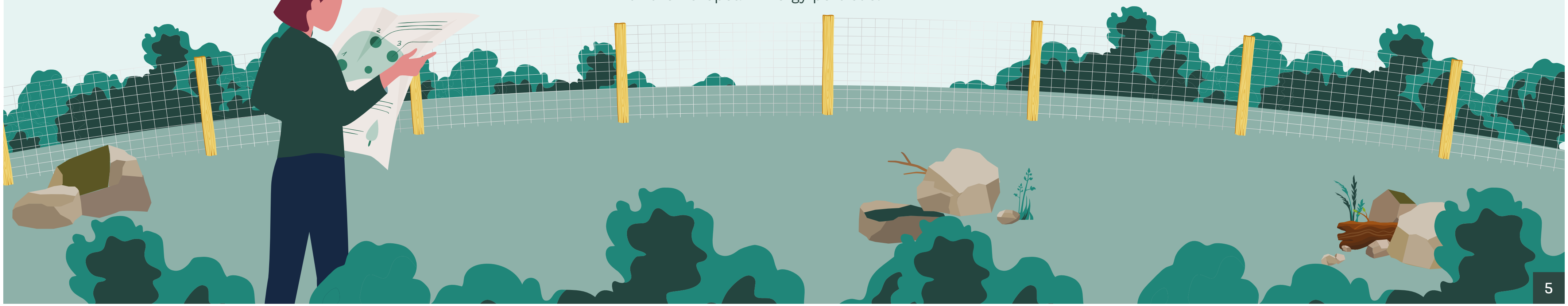
- European Energy completes the transaction with Mitsubishi HC Capital, in which Mitsubishi HC Capital acquires a 20% stake in European Energy raising proceeds of approx. EUR 700m.
- European Energy starts the construction of Sweden's first large-scale hybrid wind and solar farm in Skåramåla. A solar park will supplement the existing wind farm, and by co-locating the plants, the land will be used more optimally, and the produced electricity will contribute to the grid via the same grid connection.

May

- European Energy signs an exclusivity agreement with the First Bailai Gurang Gooreng Gooreng Taribelang Bunda People Aboriginal Development Corporation (PBC) to explore wind and solar projects on PBC’s traditional lands near Gladstone, Queensland, Australia with Fortescue as a potential offtaker.
- European Energy wins a tender for constructing a wind farm in Nalbach, Saarland, Germany. The project will help the area develop renewable energy and benefit the local municipality.
- Metafuels AG partners with European Energy to build a synthetic sustainable aviation fuel (eSAF) facility near Padborg, Southern Denmark. The facility, located next to a future Power-to-X plant by European Energy, expected to produce about 12,000 litres of eSAF daily.
- Ammongas, a subdivision of European Energy, appoints Jaime Casasus-Bribian as its new CEO. This leadership change aims to strengthen Ammongas' market presence and integration with the European Energy portfolio.

June

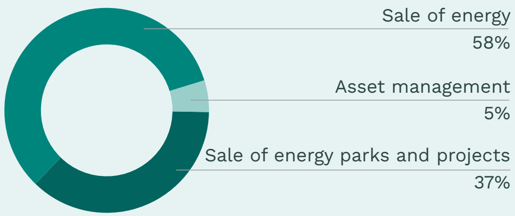
- The Måde Power-to-X plant produces its first batch of green hydrogen.
- European Energy enters several long-term power purchasing agreements (PPAs) with Microsoft. The renewable energy will be produced by a portfolio of wind and solar assets in Sweden and Denmark.
- Danske Commodities partners with Solar Park Kassø (SPK) to optimise the world’s largest commercial Power-to-X plant in Southern Denmark. SPK, co-owned by European Energy (51%) and Mitsui & Co. (49%), is developing the facility, which is expected to produce 32,000 tonnes of e-methanol annually when it becomes operational later this year.

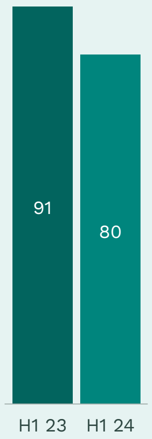


Financial highlights

Revenue

EURm



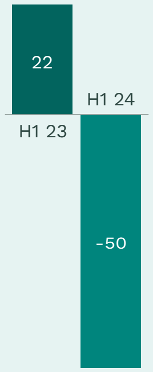


Revenue declined by 13% to EUR 79.9m, mainly due to lower sales of energy parks and sale of energy.

Profit before tax

EURm

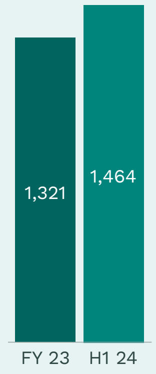
Profit before tax decreased to EUR -49.6m, mainly as a result of the lower EBITDA and higher financial items related to redemption of hybrid capital and senior bonds.



Inventory

EURm

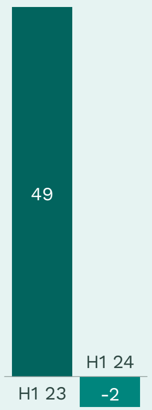
Inventory increased by EUR 143m to EUR 1,464m and reflects an increased activity on projects in development and under construction and limited sales of energy parks and projects in the period.



EBITDA

EURm

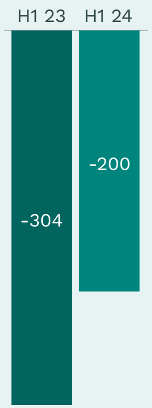
EBITDA reached EUR -2.4m, reflecting a decrease of EUR 51.5m compared to the previous year. This decline primarily resulted from less sales of energy parks and projects and sale of energy.



Cash flow from operating activities

EURm

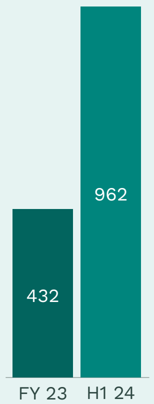
Cash flow from operating activities was negative at EUR -200.1m, marking an improvement of EUR 103.6m compared to H1 2023. The primary factor behind the negative operating cash flow was a change in inventories.



Equity

EURm

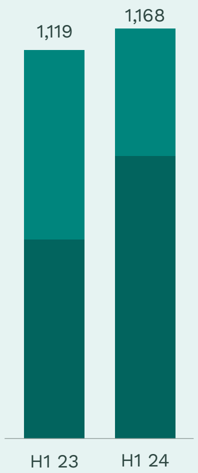
Equity increased by EUR 530m to EUR 962m, primarily as a result of the capital increase from sale of 20% stake to Mitsubishi HC Capital Inc (EUR 697m) partly off-set by redemption of hybrid capital (EUR 115m).



Business highlights

Power producing assets

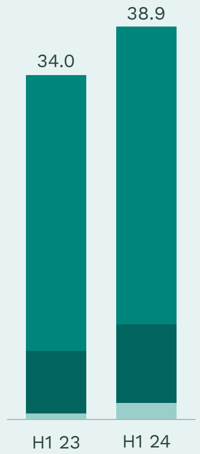
MW



Our power-producing capacity increased by 4% to 1,168 MW from 1,119 MW in H1 2023.

Development pipeline

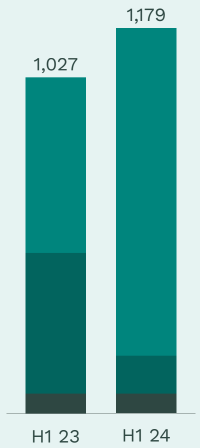
GW



In H1 2024, our development pipeline increased by 14% to 38.9 GW compared to last year. Of this, wind energy accounts for 7.8 GW, solar energy for 29.5 GW, and other technologies contribute 1.6 GW.

Under construction

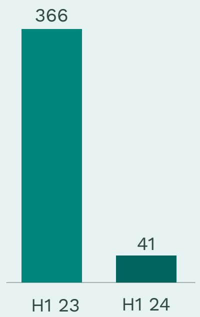
MW



At the end of H1 2024, projects under construction included 9 wind projects, 17 solar projects and 2 PtX projects. During the second quarter, we completed the construction of and connected an 88 MW solar park in Denmark to the grid.

Divested capacity

MW



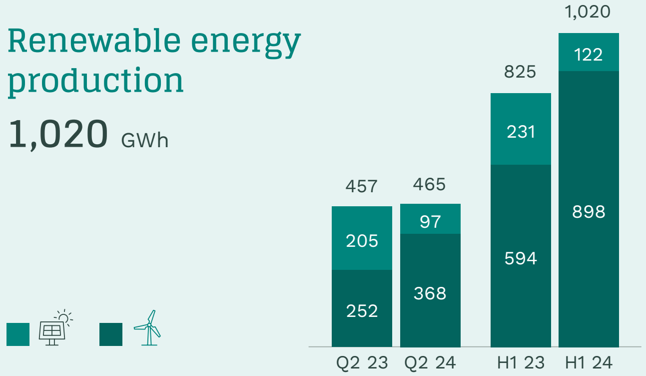
European Energy divested 41 MW of wind capacity during H1 2024, compared to 366 MW in H1 2023.

Power-to-X Other

Sustainability highlights

Renewable energy production

1,020 GWh

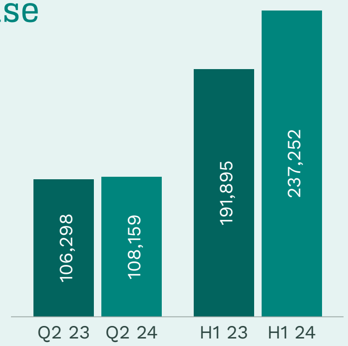


In H1 2024, we produced 1,020 GWh renewable energy, which is a 24% increase compared to H1 2023. The share of solar power production decreased in Q2 due to the sale of Kassø.

Avoided greenhouse gas emissions

237,252

tonnes CO_2e



We avoided 237,252 tonnes of CO_2e GHG emissions through the 1,020 GWh renewable energy we produced in H1 2024, which is an increase of 24% compared to H1 2023.

EU Taxonomy-eligible KPIs

Revenue
96%

Capex
66%

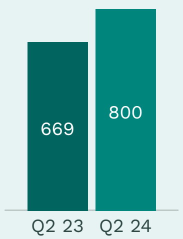
Opex
98%

Our share of Taxonomy-eligible revenue was 96% in H1 2024 up from 83% compared to the FY 2023, caused by greater volumes of wind power activities compared to Power-to-X.

Employees

Number

800



We employed 800 employees by the end of Q2 2024, which is an increase of 20% compared to the 669 employees we employed by the end of Q2 2023.

Gender diversity

In Q2 2024, 34% of our employees were female (35% in Q2 2023). The share of female board members was 14% in Q2 2024, and our 2030-target is 40%.

Sustainability integration

Asset-level operating model

> We have reviewed our asset-level operating model and developed a plan to update and further standardise how we incorporate sustainability tasks

Key figures and financial ratios

EURk	Q2 2024	Q2 2023*	H1 2024	H1 2023	FY 2023
Income statement					
Revenue	46,209	48,354	79,930	91,433	420,255
Direct costs	-28,740	-9,877	-52,315	-24,690	-251,041
Gross profit	21,289	48,631	32,176	79,153	238,116
EBITDA	**1,339**	**32,831**	**-2,410**	**49,098**	**178,438**
EBITDA, LTM	126,930	112,198	126,930	112,198	178,438
Operating profit	-3,480	28,244	-11,661	40,396	154,515
Net financial items	-21,317	-9,435	-37,904	-18,086	-28,914
Profit/loss before tax	**-24,797**	**18,809**	**-49,565**	22,310	125,601
Tax	8,099	-3,651	11,333	-7,524	-12,598
Profit/loss for the period	**-16,698**	**15,158**	**-38,232**	**14,786**	**113,003**
Balance sheet					
Property, plant and equipment	181,934	159,932	181,934	159,932	177,853
Inventories	1,464,106	1,396,318	1,464,106	1,396,318	1,320,526
Total assets	2,437,204	2,048,635	2,437,204	2,048,635	2,027,600
Hybrid capital	-	172,450	-	172,450	115,000
Equity	961,915	429,126	961,915	429,126	432,484
Net interest-bearing debt (NIBD), excluding hybrid capital	928,031	1,177,376	928,031	1,177,376	1,229,897
NIBD (excluding hybrid capital)/EBITDA, LTM	7.3	10.5	7.3	10.5	6.9
Gearing (NIBD as % of group equity)	**96%**	**274%**	**96%**	**274%**	**284%**

EURk	Q2 2024	Q2 2023*	H1 2024	H1 2023	FY 2023
Cash flow statement					
Cash flow from operating activities	-126,308	-134,680	-200,079	-303,690	-272,096
Change in inventories	-108,237	-230,103	-160,970	-357,828	-342,427
Cash flow from operating activities, excluding inventories	-18,071	95,423	-39,109	54,138	70,331
Investments in property, plant and equipment	2,143	172	6,990	1,608	10,655
Cash flow from investing activities	-217,252	3,447	-233,841	472	-13,271
Cash flow from financing activities	364,621	163,550	447,487	270,049	194,443
Change in cash and cash equivalents	21,061	32,317	13,567	-33,169	-90,924
Financial key figures					
Gross margin	46%	101%	40%	87%	57%
EBITDA margin	3%	68%	-3%	54%	42%
Group solvency ratio	39%	21%	39%	21%	21%
Return on equity (average/ LTM)	9%	12%	9%	12%	27%
Average number of full-time employees (IFRS)	744	656	727	613	615
Number of employees end of period	800	669	800	669	713
Earnings per share, basic	-0.07	0.05	-0.17	0.03	0.34
Earnings per share, diluted	-0.06	0.05	-0.16	0.03	0.33
Number of outstanding shares (1,000), excluding treasury shares	374,141	302,232	374,141	302,232	302,166

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

*Comparative figures for Q2 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Sustainability key figures

Indicator	Unit	Q2 2024	Q2 2023	△	H1 2024	H1 2023	△	FY 2023
Energy production								
Renewable share of energy production	%	100	100	0%p	100	100	0%p	100
- Wind power	%	79	55	24%p	88	72	16%p	78
- Solar power	%	21	45	-24%p	12	28	-16%p	22
Renewable energy production	GWh	465	457	2%	1,020	825	24%	1,870
- Wind power	GWh	368	252	46%	898	594	51%	1,450
- Solar power	GWh	97	205	-53%	122	231	-47%	420
Avoided Greenhouse Gas (GHG) Emissions								
Avoided GHG emissions	Tonnes CO_2e	108,159	106,298	2%	237,252	191,895	24%	434,962
EU Taxonomy-eligible KPIs								
Revenue, share of Taxonomy-eligible	%	95	-	-	96	-	-	83
Capex, share of Taxonomy-eligible	%	9	-	-	66	-	-	77
Opex, share of Taxonomy-eligible	%	94	-	-	98	-	-	97
People								
Total number of employees (as of 31. March)	Number	800	669	20%	-	-	-	713
Total employee turnover	%	15.1	18.8	-3.7%p	-	-	-	20.3
Safety								
Lost Time Injury Rate (LTIR) - Own employees	Rate	0.0	0.0	0%	0.0	0.0	0%	0.0
Lost Time Injury Rate (LTIR) - Contractor employees	Rate	-	-	-	-	-	-	3.3
Board of Directors								
Members	Number	7	7	0	-	-	-	6
Gender with the lowest representation, female)	%	14	14	0%p	-	-	-	0
Whistleblower cases								
Substantiated whistleblower cases	Number	0	0	0	0	0	0	0

Management review

15 MW

Sulimierz Solar Park, Poland

Group results

H1 2024 Group financial performance

Revenue
Revenue in H1 2024 was EUR 79.9m, a decrease of EUR 11.5m or 13% compared to H1 2023 (EUR 91.4m).

The decrease in revenue from H1 2023 mainly derives from lower sale of energy and lower sales of energy parks and projects, as only a few projects were divested in H1 2024.

Result from investments in joint ventures and associates
The result from investments in joint ventures and associated companies was a gain of EUR 1.7m in H1 2024, compared to a gain of EUR 2.1m in H1 2023.

During H1 2024, there were no significant events or transactions impacting the results in joint ventures and associates.

Gross profit
Gross profit in H1 2024 amounted to EUR 32.2m, compared to EUR 79.2m for H1 2023, a decrease of EUR 47.0m or 59%. Sale of energy parks and projects in H1 2024 was recognised with positive margins, offset by adjustments to parks sold in previous periods, screening costs and impairments, gross profit totalled EUR 2.7m (H1 2023: EUR 26.5m). Gross profit from sale of energy was EUR 28.6m down from EUR 49.0m the year before mainly as a result of lower margin on sale of energy due to higher balancing costs and lower power prices.

EBITDA
For H1 2024, EBITDA totalled EUR -2.4m, compared to EUR 49.1m for H1 2023, a decrease of EUR 51.5m. The decrease in EBITDA primarily stems from the lower gross profit.

Apart from gross profit, EBITDA was also impacted by increasing staff costs of EUR 3.5m. The addition of 131 new employees compared to H1 2023 following the growth in our business and project pipeline was the main driver of the increased costs.

Other external costs amounted to EUR 14.8m, an increase of EUR 1.0m from H1 2023 (EUR 13.8m) primarily due to higher premises and IT costs related to the increased number of employees.

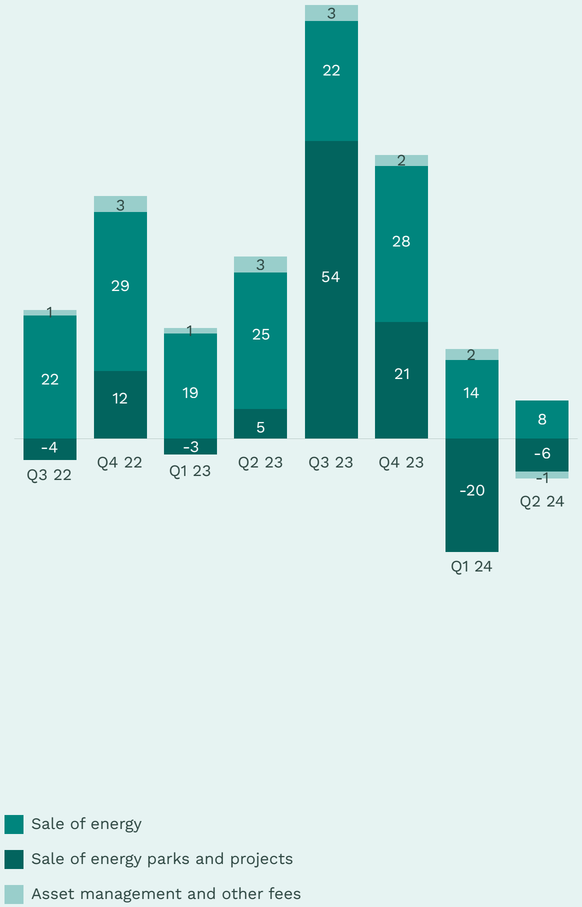
Profit before tax
Profit before tax for H1 2024 was EUR -49.6m compared to EUR 22.3m for H1 2023. This was mainly due to lower EBITDA and higher financial items.

Depreciation and impairment totalled EUR 9.3m in H1 2024, an increase of EUR 0.6m compared to H1 2023 (EUR 8.7m). This increase reflects an increased number of parks in operation.

Net financial items worsened from EUR -18.1m to EUR -37.9m. The increase in financial expenses stems from higher base interest rates and margins, one time costs related to the early and partial redemption of the 2025 and 2026 senior bonds (in total EUR 5.5m related to redemption premium, write-off of capitalised establishment cost and modifications), hybrid coupons reclassified to interest expenses from dividend payments from time of redemption notice to time of redemption (EUR 1.0m), and lower capitalised interest on projects due to the higher number of energy parks in operation.

EBITDA by segment

EURm



Finally, tax on profit for the period amounted to an income of EUR 11.3m in H1 2024 (H1 2023: EUR -7.5m). The effective tax rate for H1 2024 totalled 22.9%.

Cash flow

H1 2024 operating cash flow was an outflow of EUR 200.1m, compared to an outflow of EUR 303.7m in H1 2023, which is an improvement of EUR 103.6m. The investments in projects recorded as inventories made up the majority of outgoing cash flows, and the change in inventories decreased from EUR 357.8m to EUR 161.0m, reflecting a development of EUR 196.8m between H1 2023 and H1 2024.

Investing activities during H1 2024 resulted in a net cash outflow of EUR 233.8m compared to H1 2023 with EUR 0.5m in cash inflow. European Energy has placed part of the proceeds from the sale of shares to Mitsubishi HC Capital Inc. in short-term securities in Danish Mortgage Bonds with a maturity date up of to 6 months, totalling EUR 201.5m. Other movements of EUR 32.3m relate to capital increases and loans to some of the Group's joint ventures and associates.

Financing activities in the first half of 2024 resulted in a net cash inflow of EUR 447.5m (H1 2023: EUR 270.0m), driven by proceeds of EUR 696.6m from the issuance of share capital to Mitsubishi HC Capital Inc., repayment of senior bonds of EUR -160.0m, redemption of hybrid capital of EUR -118.5m, coupon payments to hybrid bondholders amounting to EUR -15.1m, purchase of treasury shares of EUR -19.4m and other financing activities of net EUR 63.9m.

The change in cash and cash equivalents for the first half year was an increase of EUR 13.6m to EUR 132.5m from EUR 118.9m at year-end 2023.

Total assets

Total assets increased to EUR 2,437m as of 30 June 2024, up from EUR 2,028m as of 31 December 2023, an increase of EUR 409m or 20%.

Debate about green carbon at Folkemødet on Bornholm.

Inventories increased by EUR 143m to EUR 1,464m at 30 June 2024, compared to EUR 1,321m as of 31 December 2023, reflecting a modest cash spending level on projects in development and under construction and modest sale of projects.

A part of the Mitsubishi HC Capital Inc equity injection has been used to acquire securities of EUR 201.5m which also contributed to the increase in current assets.

Our total non-current asset base amounted to EUR 474m, an increase of EUR 40m compared to 31 December 2023, and mainly included investments in joint ventures and PPE.

Liabilities

Total bond debt decreased by EUR 153m from 31 December 2023 to EUR 288m as of 30 June 2024, due to partial redemption of the 2025 and 2026 senior bonds at the beginning of May 2024.
Current and non-current project financing decreased by EUR 71m to EUR 819m as of 30 June 2024, as part of the received MHC proceeds also repaid certain project financings.
Current debt to creadit institutions increased to EUR 139m stemming from drawings under corporate RCF's as well as REPO'ed securities.

Equity

Equity increased by EUR 530m during the period, from EUR 432m as of 31 December 2023 to EUR 962m as of 30 June 2024. The increase was driven by a capital increase of EUR 697m, a net positive fair value adjustment on the hedging instruments of EUR 33m (net of tax), partly offset by a net loss for the period of EUR 38m, the redemption of hybrid capital of EUR 118m, the purchase of treasury shares of EUR 19m, coupon payments on the hybrid capital of EUR 15m, and currency translations and other movements of EUR 10m.

Debt management and liquidity resources

The Group operates as a two-layered capital structure. The parent company constitutes the top layer, which includes unsecured funding and structurally subordinated to the project-level financing at the bottom. Top-layer funding consists of two outstanding senior bonds of EUR 195 and EUR 98m maturing in 2025 and 2026, respectively.

In addition to the bonds, the parent company has a EUR 100m committed RCF, maturing in 2026.

The bottom-layer funding consists predominantly of secured bank financing of renewable energy projects either under construction or in operation and totalled EUR 819m at the end of H1 2024. Our liquidity resources as of 30 June 2024 comprised the following:

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

Q2 2024 Group financial performance

Revenue

Revenue for Q2 2024 amounted to EUR 46.2m, a decrease of EUR 2.1m or 4% (Q2 2023: EUR 48.3m). The decrease mainly derives from lower sale of energy in Q2 2024 due to lower power prices.

Result from investments in joint ventures and associates

The result from investments in joint ventures and associated companies was a gain of EUR 1.7m in Q2 2024, compared to a gain of EUR 1.3m in Q2 2023.

Gross profit

Gross profit amounted to EUR 21.3m, a decrease of EUR 27.3m or 56% (Q2 2023: EUR 48.6m.) Of this, the gross profit from sale of energy parks and projects in Q2 2024 totalled EUR 10.6m (Q2 2023: EUR 19.3m) and gross profit from sale of energy was EUR 11.1m (Q2 2023: EUR 27.3m).
The decrease in gross profit is explained, as mentioned above, by fewer divestments of energy parks and projects but also lower sale of energy.

EBITDA

EBITDA for Q2 2024 totalled EUR 1.3m (Q2 2023: EUR 32.8m), a decrease of EUR 31.5m.
The decrease in EBITDA primarily stems from the lower gross profit, as explained above.

Staff expenses totalled EUR 11.1m, an increase of EUR 2.3m from Q2 2023 (EUR 8.8m). Other external costs amounted to EUR 8.8m, an increase of EUR 1.8m from Q2 2023 (EUR 7.0m).

Profit before tax

Profit/loss before tax totalled EUR -24.8m (Q2 2023: 18.8m), a decrease of EUR 43.6m, mainly due to lower EBITDA and higher net financial items.

52 MW

Kassø
Power-to-X,
Denmark

Depreciation and impairment totalled EUR 4.8m in Q2 2024, an increase of EUR 0.2m compared to Q2 2023.

Net financial items was EUR -21.3m (Q2 2023: EUR -9.4m), an increase of EUR 11.9m, mainly due to redemption fees, extra coupon interest on the hybrid redemption notice, and higher interest payments on energy parks in operation.

Tax on the profit for the period amounted to an income of EUR 8.1m in Q2 2024 (Q2 2023: EUR -3.7m). The effective tax rate for Q2 2024 was at 32.7%.

Cash flow

Cash flow from operating activities ended at EUR -126.3m (Q2 2023: EUR -134.7m), an improvement of EUR 8.4m. The main part of the operating activities are investments in projects recorded as inventories (change in inventories), which resulted in a cash outflow of EUR 108.2m in Q2 2024, a decrease of EUR 121.9m compared to Q2 2023 (Q2 2023: EUR -230.1m).

Cash flow from investing activities was EUR -217.3m (Q2 2023: EUR 3.4m). The movement predominately relates to the aforementioned investment in short-term securities of EUR 201.5m.

Cash flow from financing activities resulted in a cash inflow of EUR 364.6m (Q2 2023: EUR 163.5m), an increase of EUR 201.1m. The increase is attributed to received proceeds from the issue of share capital.

The resulting change in cash and cash equivalents during the quarter was an increase of EUR 21.1m and with a balance at the end of Q2 2024 of EUR 132.5m.

Sale of energy parks and projects

Revenue

The sale of energy parks and projects totalled EUR 29.5m in H1 2024, a decrease of EUR 4.0m compared to H1 2023 (EUR 33.5m). The total capacity of divested energy parks in H1 2024 amounted to 41 MW, divested as repowering projects. In H1 2023, the total divested capacity was 433 MW, all at the ready-to-build stage.

Project development and construction

Development portfolio

At the end of H1 2024, European Energy had a renewable energy pipeline of 65 GW, of which 26 GW was in screening, 36 GW was in development, and 3 GW was in structuring. The pipeline in the developing phase increased by 5 GW from H1 2023.

9 MW

Our 9 MW green hydrogen project in Måde has started the production of green hydrogen.

The part of the pipeline in the developing phase in H1 2024 included wind projects of 7.5 GW (21%), solar PV projects of 27.0 GW (75%) and 4% in other technologies, including Power-to-X, battery storage and floating PV. Geographically, these projects were distributed as follows: Denmark (29%), Northern Europe (10%), Southern Europe (17%), Central Europe (24%) and the rest of the world (20%).

Construction portfolio

At the end of H1 2024, we were engaged in construction activities for wind, solar, and Power-to-X projects at 28 sites across seven European countries and Australia. A total of 1.2 GW of projects were under construction, up from 1.0 GW in H1 2023.

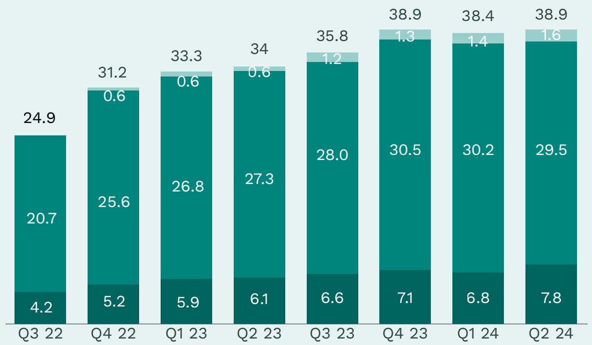
During H1 2024, 0.4 GW of projects were added to the construction portfolio. 0.1 GW were completed and put into operation in this period, including 8 MW onshore wind and 88 MW solar projects.

By the end of H1 2024, the projects under construction included 9 wind projects, 17 solar projects, and 2 Power-to-X projects.

Our 9 MW green hydrogen project in Måde has started the production of green hydrogen. We expect the plant to supply the first commercial deliveries in Q3 2024. Construction of our e-methanol facility in Kassø, with a nominal production capacity of 42,000 MT p.a. has also progressed according to plan, and we expect the first methanol in Q4 2024.

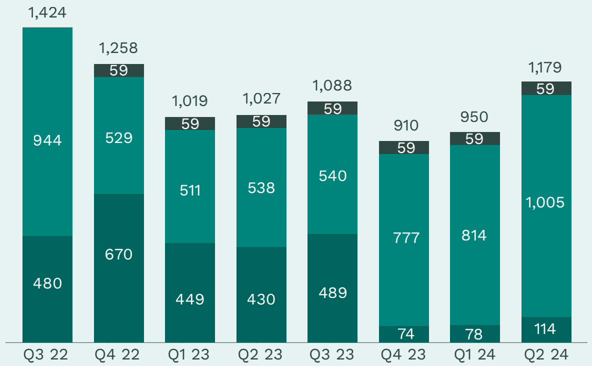
Development pipeline (including Structuring)

GW



Construction pipeline

MW



Power-to-X
Other

Sale of energy

Revenue
Energy sales in H1 2024 amounted to EUR 46.4m, a decrease of EUR 7.5m or 14% compared to H1 2023 (EUR 53.9m).

Total power production in H1 2024 yielded 1.0 GWh, an increase of 0.2 GWh or 24% compared to H1 2023. Wind production increased from 0.6 GWh in H1 2023 to 0.9 GWh in H1 2024, mainly due to the addition of new wind parks. Solar production decreased from 0.2 GWh in H1 2023 to 0.1 GWh in H1 2024, mainly as a result of the deconsolidation of Kassø after the partial divestment to Mitsui in Q3 2023.

More than two-thirds of the production stemmed from Denmark, Germany, Lithuania and Poland. Production was impacted by an increase in power-producing assets from 1,119 MW at the end of H1 2023 to 1,168 MW at the end of H1 2024, representing a 4% increase. Power-producing assets from wind and solar amounted to 803 MW and 365 MW respectively by the end of H1 2024, compared to 585 MW and 534 MW at the end of H1 2023.

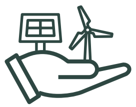
Similarly, the average capacity factor increased from 17% at the end of H1 2023 to 20% at the end of H1 2024, mainly due to new parks built with newer technology.

The increase in power-generating assets was mainly offset by a 32% decrease in the average sales price including portfolio hedges, which corresponds to a drop in the weighted average power price across markets in the company's portfolio compared to H1 2023 levels.

Asset Management & operations

Revenue
External revenue in our Asset Management segment totalled EUR 4.0m in H1 2024, unchanged from H1 2023.

At the end of H1 2024, European Energy managed 3.0 GW of assets, split between 1.7 GW wind power and 1.3 GW solar power plants, representing a total year-on-year increase of 23% and an increase of 39% in parks administered for external customers.

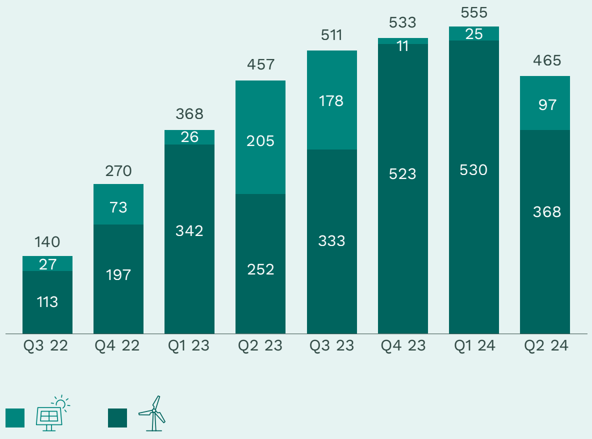


3.0 GW

At the end of H1 2024, European Energy managed **3.0 GW of assets**

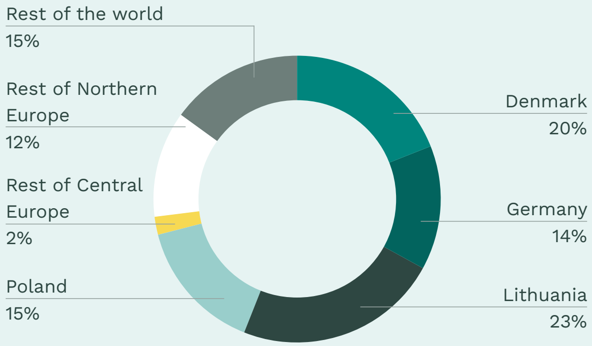
Sale of energy

GWh



Sale of energy by region in %

GW



Parent company and Outlook

Financial performance

The parent company reported an after-tax loss of EUR 19.7m for Q2 2024 and a loss of EUR 41.8m for H1 2024. The majority of energy sales, as well as divestments of energy parks and projects, are recognised in the parent company's subsidiaries and consequently reflected in "Results from investments in subsidiaries" in the parent company's financial statements.

The description of the parent company's financial performance is similar to that for the Group for H1 2024 in all material respects.

Outlook

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

We are currently engaged in the divestment of numerous energy parks and projects, now in the due diligence phase. However, the decision-making process among many of our business partners has become more prolonged than previously. Consequently, we expect the majority of this year's EBITDA will occur in the fourth quarter adding additional uncertainty to the outlook.

Based on the above, we maintain our 2024 financial outlook of an EBITDA of EUR 230m, however with an increased risk margin of +/- 20% up from +/- 10%. Profit before tax is also expected to continue to grow but at a lower rate than EBITDA.

Signing of agreement with Danske Commodities to optimise Kassø Power-to-X.

Sustainability Statements

15.25 MW

Drawsko Wind Park, Poland

Introduction

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

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

Renewable energy that revitalises the environment

In H1 2024, we avoided 237,252 tonnes of CO_2e greenhouse gas emissions through the production of 1,020 GWh of renewable energy at our wind farms and solar parks. This is an increase of 24% as compared to H1 2023.

The Taxonomy-eligible shares of our economic activities in H1 2024 were: 96% Taxonomy-eligible revenue, 66% Taxonomy-eligible CapEx, and 98% Taxonomy-eligible OpEx.

The primary contributor to the eligible share of revenue (96%) was electricity sales generated from wind power. The eligible share of CapEx (66%) was related mainly to investments in wind assets held as property, plant and equipment. The eligble share (98%) of OpEx was related to repair and maintenance of wind farms held as property, plant and equipment.

The EU Taxonomy's definition of CapEx and OpEx only relates to assets held as property, plant and equipment, and not assets held as inventory. As a renewable energy developer that sells wind farms, solar PV parks and Power-to-X facilities at various project stages, the majority of our assets are held as inventory. We are addressing this gap by developing a set of voluntary disclosures that allow us to account for all of our assets as part of our EU Taxonomy reporting.

A people-centric sustainable transformation

In Q2 2024, we employed 800 people, which is an increase of 20% as compared to the 669 people we employed in Q2 2023. 34% of our workforce were women and 42 nationalities were represented among our employees.

Governance that empowers business accountability

In Q2 2024, we welcomed Keiro Tamate to our Board of Directors representing our shareholder Mitsubishi HC Capital. We are continously professionalising the Board of Directors, with a special focus on increasing independence and diversity among the Board members.

Cross-company involvement

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

In Q2 2024, with cross-company involvement, implementation of our 2026 sustainability strategy began and we are addressing all three strategic sustainability priorities, including environmental, social and governance-related impacts, risks and opportunities.

One of our cross-cutting strategic initiatives for the quarter was to review our current asset-level operating model and identify actions to further incorporate sustainability tasks. This will enable us to better standardise how we consider sustainability-related matters throughout the entire project life cycle, all the way from screening, development, structuring and construction, to the operation of our assets.

A new era of sustainability reporting

To meet our stakeholders' demands for ESG performance data, we merged our Annual Report and our ESG Report into one integrated report for the 2023 financial year. As a natural extension of this, we now include Sustainability Statements in our interim reports.

The Corporate Sustainability Reporting Directive (CSRD) and its European Sustainability Reporting Standards (ESRS), effective from 2024, were integrated into the Danish Financial Statements Act with immediate effect in Q2 2024.

In Q2 2024, we revisited our gap assessment against the ESRS to prioritise and plan for publishing Sustainability Statements in our Annual Report and for what is truly a new era in sustainability reporting.

At European Energy, we embrace advancements that promote the standardisation of sustainability reporting and drive the sustainability agenda forward. The ESRS are extensive and ambitious, and we recognise that developing ESRS-compliant Sustainability Statements in our Annual Report is a long-term process.

It takes time and dedication to fully embed sustainability in our business activities and across our value chain. With our 2026 strategy we are taking significant steps towards ESRS compliance.

Basis of reporting

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

The reporting period covers 1 January 2024 to 30 June 2024. Our H1 2024 report was published on 30 August 2024. Previous interim and annual reports are available online. Please visit **europeanenergy.com/sustainability**.

ESG data and consolidation

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

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

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

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

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

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

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

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

- Relevance
- Faithful representation
- Comparability
- Verifiability
- Understandability

Towards ESG data excellence

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

71.41 MW

Rødby Fjord
Solar Park,
Denmark

EU Taxonomy-eligible KPIs

Once again, the assessment of our EU Taxonomy-eligible economic activities highlight the dynamic nature of European Energy as a renewable energy developer and producer. Our economic activities change regularly and rapidly as we seize new opportunities, enter into new partnerships, or divest our assets.

96% Taxonomy-eligible revenue

In H1 2024, 96% of our revenue was Taxonomy-eligible. The primary contributor to the eligible share of revenue was electricity sales generated from wind power.

European Energy is primarily a renewable energy developer, meaning that the greatest source of our revenue is the sale of wind farms, solar PV parks and Power-to-X facilities at various project stages. However, the EU Taxonomy does not include the development and sale of wind farms and solar parks as a Taxonomy-eligible economic activity.

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

66% Taxonomy-eligible CapEx

In H1 2024, 66% of our CapEx additions were Taxonomy-eligible and related mainly to investments in wind assets held as property, plant and equipment.

98% Taxonomy-eligible OpEx

Our Taxonomy-eligible proportion of OpEx was 98% in H1 2024 and primarily related to the maintenance and repair of our wind farms held as property, plant and equipment.

The EU Taxonomy's definition of CapEx and OpEx only relates to assets held as property, plant and equipment, and not assets held as inventory. Our CapEx additions to property, plant, and equipment amounted to EURk 569 whereas our CapEx additions to inventory amounted to EURk 186,894 (Section 5. Inventories, Consolidated Financial Statements).

As a renewable energy developer that sells wind farms, solar PV parks and Power-to-X facilities at various project stages, the majority of our assets are held as inventory. We are addressing this gap by developing a set of voluntary disclosures that allow us to account for all of our assets.

EU Taxonomy-eligible KPIs

Closing gaps against the EU Taxonomy

At European Energy, we strongly believe that Power-to-X will be a great catalyst for decarbonising energy-intensive industries. Power-to-X development, construction and production will play an increasing role in our portfolio of activities within renewable energy and renewable fuels.

In Q2 2024, we produced the first hydrogen from wind power at our Power-to-X facility in Måde and we expect final commissioning and commercial operation later this year.

The construction of our joint venture Power-to-X facility in Kassø is progressing well and we expect to start production of the first e-methanol from solar PV power at year-end.

By complying with the technical screening criteria, our ambition is to add economic actitivty CCM 3.10 Manufacture of hydrogron to our long list of Taxonomy-eligble economic activities.

The results of our full-year 2023 assessment showed that our company, although substantially contributing to mitigating climate change, is not yet fully aligned with the EU Taxonomy. The reason is that we have not yet been able to document that we do not significantly harm the other five environmental objectives, or comply with all the minimum safeguards, as required by the EU Taxonomy.

Through our strategic sustainability priorities and ambitions towards 2026, we will further embed sustainability in our business activities and across our value chain and close gaps against the EU Taxonomy.

EU Taxonomy-eligible KPI's

Indicator	Code	Unit	Q2 2024	Q2 2023	Δ	H1 2024	H1 2023	Δ	FY 2023
Revenue		**EURk**	**46,209**	**-**	**-**	**79,930**	**-**	**-**	**420,255**
Taxonomy-eligible revenue		**%**	**95**	**-**	**-**	**96**	**-**	**-**	**83**
Electricity generation using solar photovoltaic technology	CCM 4.1	%	17	-	-	11	-	-	44
Electricity generation from wind power	CCM 4.3	%	75	-	-	77	-	-	31
Storage of electricity	CCM 4.10	%	0	-	-	0	-	-	1
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	%	2	-	-	8	-	-	7
Close to market research, development, and innovation	CCM 9.1	%	0	-	-	0	-	-	0
Research, development and innovation for direct air capture of CO_2	CCM 9.2	%	1	-	-	1	-	-	0
Taxonomy-non-eligible revenue		**%**	**5**	**-**	**-**	**4**	**-**	**-**	**17**
CapEx		**EURk**	**569**	**-**	**-**	**7,131**	**-**	**-**	**11,426**
Taxonomy-eligible CapEx		**%**	**9**	**-**	**-**	**66**	**-**	**-**	**77**
Electricity generation using solar photovoltaic technology	CCM 4.1	%	0	-	-	0	-	-	55
Electricity generation from wind power	CCM 4.3	%	9	-	-	66	-	-	22
Storage of electricity	CCM 4.10	%	0	-	-	0	-	-	0
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	%	0	-	-	0	-	-	0
Close to market research, development, and innovation	CCM 9.1	%	0	-	-	0	-	-	0
Research, development and innovation for direct air capture of CO_2	CCM 9.2	%	0	-	-	0	-	-	0
Taxonomy-non-eligible CapEx		**%**	**91**	**-**	**-**	**34**	**-**	**-**	**23**
OpEx		**EURk**	**633**	**-**	**-**	**1,837**	**-**	**-**	**3,206**
Taxonomy-eligible OpEx		**%**	**94**	**-**	**-**	**98**	**-**	**-**	**97**
Electricity generation using solar photovoltaic technology	CCM 4.1	%	1	-	-	1	-	-	1
Electricity generation from wind power	CCM 4.3	%	93	-	-	97	-	-	96
Storage of electricity	CCM 4.10	%	0	-	-	0	-	-	0
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	%	0	-	-	0	-	-	0
Close to market research, development, and innovation	CCM 9.1	%	0	-	-	0	-	-	0
Research, development and innovation for direct air capture of CO_2	CCM 9.2	%	0	-	-	0	-	-	0
Taxonomy-non-eligible OpEx		**%**	**6**	**-**	**-**	**2**	**-**	**-**	**3**

Accounting policies

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

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

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

Taxonomy-eligible activities
We identified five material primary activities outlined in Annexes I and II of the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139) as a result of our screening of European Energy's business model and economic activities for the full year of 2023. In Q2 2024, we have added economic activity CMM 9.1.

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)
CMM 9.1. Close to market research, development, and innovation (Nace code 71.12)
CCM 9.2. Research, development and innovation for direct air capture of CO_2 (Nace codes M71.12, M72.19)

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

Renewable energy that revitalises the environment

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

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

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

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

Energy production

Indicator	Unit	Target	Q2 2024	Q2 2023	Δ	H1 2024	H1 2023	Δ	FY 2023
Renewable share of energy production	%		100	100	0%p	100	100	0%p	100
- Wind power	%		79	55	24%p	88	72	16%p	78
- Solar Power	%		21	45	-24%p	12	28	-16%p	22
Renewable energy production	**GWh**		**465**	**457**	**2%**	**1,020**	**825**	**24%**	**1,870**
- Wind power	GWh		368	252	46%	898	594	51%	1,450
- Solar Power	GWh		97	205	-53%	122	231	-47%	420

European Energy is a 100% renewable energy company. In H1 2024, we produced 1,020 GWh of renewable energy, which is a 24% increase compared to H1 2023. Solar power production decreased by 53% in Q2 2024 compared to Q2 2023 due to the divestment of Solar Park Kassø.

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

Accounting policies

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

Avoided greenhouse gas (GHG) emissions

Indicator	Unit	Target	Q2 2024	Q2 2023	△	H1 2024	H1 2023	△	FY 2023
Avoided greenhouse gas (GHG) emissions									
Avoided GHG emissions	Tonnes CO_2e		108,159	106,298	2%	237,252	191,895	24%	434,962

In H1 2024, European Energy avoided 237,252 tonnes of CO_2e emissions through the renewable energy that was produced at our wind farms and solar parks. This is an increase of 24% as compared to the 191,895 tonnes of CO_2e greenhouse gas emissions we avoided in H1 2023.

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 period and do not include potential avoided emissions in the future.

A people-centric sustainable transformation

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

People

Indicator	Unit	Target	Q2 2024	Q2 2023	Δ	FY 2023
Employees						
Total number of employees (as of 31 June)	Number		800	669	20%	713
-female employees	Number		271	236	15%	257
-male employees	Number		529	433	22%	456
Gender with the lowest representation	%		34	35	-1%p	36
Number of nationalities	Number		42	41	2%	43
Average number of full-time employees (IFRS)	FTEs		744	656	13%	615
Employee turnover						
Total employee turnover rate	%		15.1	18.8	-3.7%p	20.3
Voluntary employee turnover rate	%		12.7	12.3	0.4%p	13.9

Number of employees increased by 20%

In Q2 2024, we saw a 20% increase in our workforce, bringing the total number of employees up to 800, compared to 669 employees in Q2 2023.

Our employees remain the cornerstone of our mission to champion the green transition, develop innovative green energy solutions, and inspire global participation in the green transition. In Q2 2024, 42 different nationalities were represented amongst our employees.

Employee turnover rate of 15.1%

Our total employee turnover rate was 15.1% in Q2 2024, which is a decrease of 3.7%p as compared to Q2 2023, and a 5.2%p decrease compared to FY 2023.

The majority (12.7%) of our turnover is caused by voluntary leavers. To better understand our employees' reasons for leaving the company, we have established a taskforce, which is working on improving our current exit processes including exit questionnaires and interviews.

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

Accounting policies

Employees
The number of employees is determined as the number of employees contractually employed by European Energy A/S as of 30 June of the financial year, based on a headcount.

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

Safety

Indicator	Unit	Target	Q2 2024	Q2 2023	△	H1 2024	H1 2023	△	FY 2023
Safety									
Lost Time Injuries (LTIs)									
- Own employees	Number		0	0	0	0	0	0	0
- Contractor employees	Number		0	2	-2	1	3	-2	3
Lost Time Injury Rate (LTIR)									
- Own employees	Rate	0 (2026)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Contractor employees	Rate	0 (2030)	-	-	-	-	-	-	3.3
Total Recordable Injuries (TRIs)									
- Own employees	Number		1	0	1	1	0	1	2
- Contractor employees	Number		1	3	-2	2	4	-2	4
Total Recordable Injury Rate (TRIR)									
- Own employees	Rate		3.5	0.0	3.5	3.5	0.0	3.5	2.1
- Contractor employees	Rate		-	-	-	-	-	-	4.3
Fatalities	**Number**		**0**	**0**	**0**	**0**	**0**	**0**	**0**

Safety performance

In Q2 2024, we registered 0 lost time injuries (LTIs) among our own employees, resulting in a lost time injury rate (LTIR) of 0.0, which is in alignment with our 2026 target of 0 LTIR.

We recorded 1 total recordable injury (TRIs) in Q2 2024 among our own employees, resulting in a lost time injury rate (TRIR) of 3.5 up from 0.0 in Q2 2023.

The safety of our contractors' employees is just as important as the safety of our own employees. In Q2 2024, we recorded 0 lost time injuries (LTIs) among our contractors' employees, compared to 2 LTIs in Q2 2023. Our contractors' employees registered 1 TRIs in Q2 2024, compared to 3 TRIs in Q2 2023.

In Q2 2024, we were not able to obtain the hours worked by our contractors' employees on our projects under construction and sites in operation.

Accounting policies

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

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

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

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

Hours worked by our own employees in Denmark and abroad are obtained through company records. For contractors' employees, on-site working hours are based on reports and inputs from contractors, and estimates based on the number of turbines and the capacity of solar PV modules. In Q2 2024, we were not able to obtain hours worked for contractors' employees.

Lost Time Injuries includes Lost Time Injuries and Fatalities.

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

Rate = Injuries per million hours worked

Governance that empowers business accountability

SUSTAINABILITY TOPIC	RESPONSIBLE BUSINESS CONDUCT	RESPONSIBLE BUSINESS PARTNERSHIPS	RESPONSIBLE TAX
Sustainability challenge	Companies have a responsibility to conduct their business without labour and human rights violations, and without corruption, and to fulfil legislative requirements. Corruption and other fraudulent practices can impact society by destabilising institutions, and undermining fair business competition and sustainable growth.	Businesses have a responsibility to identify, address and mitigate any risks in connection with labour and human rights violations, corruption and environmental misconduct among their business partners. Irresponsible business conduct can have a negative impact on society by preventing just and sustainable development.	Companies are responsible for paying tax and supporting international tax reforms. This contributes to the development of the societies in which they operate and supports well-functioning tax systems and stable institutions, which are beneficial to both local societies and businesses.
Our ambition	We will reach the highest possible standards that are of relevance to us by promoting ethical business practices, and we are committed to acting professionally, fairly and with integrity in all our business dealings. We take a zero-tolerance approach to bribery, corruption, and human rights and labour rights violations. We also seek to increase the independence and diversity of our Board of Directors.	To live up to our commitment to responsible business practices, we set high expectations of our business partners. We will strengthen our resilience to supply chain disruptions through a robust business partner due diligence process and human rights assessment. We also pledge to engage and collaborate with our business partners to promote sustainable development.	We comply with local and international tax legislation and act with responsibility and integrity in all tax matters. We strive for transparent tax reporting by reporting on corporate tax as inspired by GRI 207, and we voluntarily disclose country-specific tax payments.
Our approach	We conduct our work in an honest and ethical manner and in line with our Good Business Code of Conduct. We focus on both our own operations and our stakeholders by strengthening our company-wide expertise in and know-how of responsible business conduct, and through close stakeholder engagement by prioritising our 'Know-your-Counterparty' screening programme.	We conduct screenings and assessments of our partners and suppliers to evaluate their adherence to various sustainability criteria. We work together with our counterparties to address identified material performance gaps or risks through corrective and preventive action plans.	Our business structure is established to support our commercial operations. This means that we do not use tax structures that are intended for tax avoidance and have no commercial rationale. If we establish an entity in a tax haven jurisdiction, this will be for commercial reasons.
Our progress in Q2 2024	• We launched new approval and signing rules in relation to decision making throughout our company. • We continued implementing our business partner and supplier screening tool to screen critical and strategic business partners and suppliers in relation to international sanctions and anti-bribery and corruption related matters.	• All high-risk tier 1 suppliers for solar and wind projects have conducted in-depth assessments. We have begun preparing corrective action plans to ensure continuous improvement. • We launched our Joint Venture Partners Working Group to build due diligence measures that will manage the sustainability risks related to joint venture partnerships.	• We discussed and acted on important tax-related affairs and tax risk management as part of the role and responsibility of our Tax Committee.
Our plan towards 2026	• We will strengthen the roles, expertise and monitoring of administrative, management and supervisory bodies related to responsible business conduct. • We will ensure employee training in good business conduct, including anti-corruption and anti-bribery training. • We will strengthen our 'Know-your-Counterparty' screening programme, focusing on sanctions, government watch lists and adverse media.	• We will screen the sustainability performance of all our tier 1, tier 2 and tier 3 direct suppliers for solar, wind and Power-to-X. • We will conduct in-depth sustainability assessments with supported action plans for all tier 1 suppliers. • We will conduct a human rights assessment at Group level. • We will map the value chain of six key minerals and metals across our technologies. • We will promote job opportunities and capacity building for local value chain workers.	• We will increase the transparency of our tax reporting. • We will work on publishing more transparent tax information, inspired by the GRI 207 Framework, taking the complexity of our business into consideration, and with the preparation required to fulfil our ambitions.

Board of Directors

Indicator	Unit	Target	Q2 2024	Q2 2023	△	FY 2023
Board of Directors, European Energy A/S						
Members	Number		7	7	0	6
- Danish	Number		5	7	-2	6
- Non-Danish	Number		2	0	2	0
- Female	Number		1	1	0	0
- Male	Number		6	6	0	6
Gender with the lowest representation / female (40% in 2026)	%	40 (2023)	14	14	0%p	0
Average age	Years		57	56	1	58
Average seniority	Years		8	10	-2	12
Independent board members	%		57	57	0%p	50

Board of Directors

In Q2 2024, we welcomed Keiro Tamate, who joined our Board of Directors representing our shareholder Mitsubishi HC Capital. We are continously professionalising the Board of Directors, with a special focus on increasing independence and diversity among the Board members.

Accounting policies

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

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

Business accountability

Indicator	Unit	Target	Q2 2024	Q2 2023	Δ	H1 2024	H1 2023	Δ	FY 2023
Whistleblower cases									
Substantiated whistleblower cases	Number		0	0	0	0	0	0	0
Whistleblower cases transferred to the police	Number		0	0	0	0	0	0	0

Whistleblower mechanism

In Q2 2024, we did not receive any whistleblower reports. We are working on heightening the awareness of our whistleblower mechanism and on encouraging our stakeholders to report concerns to us so that we can uphold our ambitions for ethical and responsible business conduct and employee behaviour.

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

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

Accounting policies

Whistleblower cases

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

Consolidated financial statements

1 MW

Flakkebjerg agri-PV test facility, Denmark

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Visit to Kassø Power-to-X by Danish Minister for Climate, Energy and Utilities.

Consolidated income statement

EURk	Q2 2024	Q2 2023*	H1 2024	H1 2023	FY 2023
Revenue	46,209	48,354	79,930	91,433	420,255
Results from investments in joint ventures	877	-77	116	71	8,245
Results from investments in associates	832	1,413	1,625	2,023	2,540
Other income	2,111	8,818	2,820	10,316	59,082
Direct costs	-28,740	-9,877	-52,315	-24,690	-251,041
Other costs	-	-	-	-	-965
Gross profit	**21,289**	**48,631**	**32,176**	**79,153**	**238,116**
Staff costs	-11,133	-8,828	-19,774	-16,248	-32,278
Other external costs	-8,817	-6,972	-14,812	-13,807	-27,400
EBITDA	**1,339**	**32,831**	**-2,410**	**49,098**	**178,438**
Depreciation and impairment	-4,819	-4,587	-9,251	-8,702	-23,923
Operating profit	**-3,480**	**28,244**	**-11,661**	**40,396**	**154,515**
Financial income	6,907	7,512	13,127	10,586	27,496
Financial expenses	-28,224	-16,947	-51,031	-28,672	-56,410
Profit/loss before tax	**-24,797**	**18,809**	**-49,565**	**22,310**	**125,601**
Tax	8,099	-3,651	11,333	-7,524	-12,598
Profit/loss for the period	**-16,698**	**15,158**	**-38,232**	**14,786**	**113,003**
Attributable to:					
Shareholders of European Energy A/S	-22,475	14,388	-56,871	8,801	102,945
Hybrid capital holders	2,735	-667	15,098	1,290	4,809
Non-controlling interests	3,042	1,437	3,541	4,695	5,249
Profit/loss for the period	**-16,698**	**15,158**	**-38,232**	**14,786**	**113,003**
Earnings per share:					
Earnings per share, basic	-0.07	0.05	-0.17	0.03	0.34
Earnings per share, diluted	-0.06	0.05	-0.16	0.03	0.33

EURk	Q2 2024	Q2 2023*	H1 2024	H1 2023	FY 2023
Profit/loss for the period	-16,698	15,158	-38,232	14,786	113,003
Items that may be reclassified to profit or loss:					
Value adjustments of hedging instruments	20,115	5,480	41,361	-10,782	-47,336
Tax of value adjustments of hedging instruments	-3,554	-1,158	-8,193	2,146	9,729
Currency translation of foreign operations	-7,221	7,245	-8,025	8,508	4,138
Other comprehensive income for the period	**9,340**	**11,567**	**25,143**	**-128**	**-33,469**
Comprehensive income for the period	**-7,358**	**26,725**	**-13,089**	**14,658**	**79,534**
Attributable to:					
Shareholders of European Energy A/S	-13,139	27,473	-32,006	11,607	73,639
Hybrid capital holders	2,735	-667	15,098	1,290	4,809
Non-controlling interests	3,046	-81	3,819	1,761	1,086
Comprehensive income for the period	**-7,358**	**26,725**	**-13,089**	**14,658**	**79,534**

*Comparative figures for Q2 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Consolidated balance sheet

EURk	30 Jun 2024	30 Jun 2023	31 Dec 2023
Non-current assets			
Goodwill	10,649	10,656	10,652
Other intangible assets	3,797	5,062	4,430
Property, plant and equipment	181,934	159,932	177,853
Lease assets	8,963	9,913	9,251
Investments in joint ventures	108,213	15,088	85,422
Investments in associates	42,745	29,511	41,707
Other investments	10,384	10,400	10,334
Loans to joint ventures	48,972	37,899	42,727
Loans to associates	1,298	5,070	1,597
Derivatives	4,245	-	5,842
Trade receivables and contract assets	2,466	2,613	2,542
Other receivables	4,695	4,930	8,833
Deferred tax	45,567	17,663	33,178
Total non-current assets	**473,928**	**308,737**	**434,368**
Current assets			
Inventories	1,464,106	1,396,318	1,320,526
Derivatives	3,045	1,479	262
Trade receivables and contract assets	101,530	87,679	112,753
Other receivables	44,037	62,264	33,526
Prepayments	16,636	15,501	7,263
Securities	201,453	-	-
Cash and cash equivalents	118,740	158,922	93,212
Restricted cash and cash equivalents	13,729	17,735	25,690
Total current assets	**1,963,276**	**1,739,898**	**1,593,232**
Total assets	**2,437,204**	**2,048,635**	**2,027,600**

EURk	30 Jun 2024	30 Jun 2023	31 Dec 2023
Equity			
Share capital	50,538	40,624	40,624
Retained earnings and reserves	890,500	197,268	255,951
Equity attributable to shareholders' of the company	**941,038**	**237,892**	**296,575**
Hybrid capital	-	172,450	115,000
Non-controlling interests	20,877	18,784	20,909
Total Equity	**961,915**	**429,126**	**432,484**
Non-current liabilities			
Bond	287,675	439,904	441,190
Project financing	580,568	797,055	652,745
Other debt	4,767	5,188	4,721
Lease liabilities	10,713	8,812	13,572
Provisions	49,643	39,683	42,586
Derivatives	30,529	29,064	66,652
Deferred tax	15,726	21,281	15,988
Total non-current liabilities	**979,621**	**1,340,987**	**1,237,454**
Current liabilities			
Credit Institutions	138,821	-	-
Project financing	238,901	105,388	237,600
Lease liabilities	4,853	2,688	3,505
Derivatives	618	6,942	1,070
Trade payables	57,264	101,714	47,910
Payables to related parties	422	186	187
Corporation tax	22,372	15,010	20,200
Provisions	-	3,810	-
Deferred income	3,756	5,139	3,474
Other payables	28,661	37,645	43,716
Total current liabilities	**495,668**	**278,522**	**357,662**
Total liabilities	**1,475,289**	**1,619,509**	**1,595,116**
Total equity and liabilities	**2,437,204**	**2,048,635**	**2,027,600**

Consolidated statement of cash flow

EURk	Q2 2024	Q2 2023*	H1 2024	H1 2023	FY 2023
Profit/loss before tax	-24,797	18,809	-49,565	22,310	125,601
Adjustment for:					
Financial income	-6,907	-7,512	-13,127	-10,586	-27,496
Financial expenses	28,224	16,947	51,031	28,672	56,410
Depreciation and impairment	4,819	4,587	9,251	8,702	23,923
Results from investments in joint ventures	-877	77	-116	-71	-8,245
Results from investments in associates	-832	-1,413	-1,625	-2,023	-2,540
Change in net working capital, excluding inventories	3,901	59,555	1,892	11,532	-23,906
Change in inventories	-108,237	-230,103	-160,970	-357,828	-342,427
Interest paid on lease liabilities	-249	-108	-506	-232	-604
Dividends	2,465	1,444	2,844	1,444	3,268
Other non-cash items	-2,774	14,750	4,518	14,514	-27,698
Cash generated from operation before financial items and tax	**-105,264**	**-122,967**	**-156,373**	**-283,566**	**-223,714**
Taxes paid	-3,952	-1,241	-8,773	-2,360	-8,192
Interest paid and realised currency losses	-20,733	-11,726	-41,023	-21,453	-51,170
Interest received and realised currency gains	3,641	1,254	6,090	3,689	10,980
Cash flow from operating activities	**-126,308**	**-134,680**	**-200,079**	**-303,690**	**-272,096**
Cash flow from investing activities					
Acquisition/disposal of property, plant and equipment	896	254	1,113	-1,192	-3,712
Acquisition/disposal of other investments	105	5,506	-50	4,706	6,671
Acquisition of enterprises	-1,029	-	-1,104	-	-2,806
Investments in joint ventures and associates	-8,621	-203	-25,106	-1,103	-11,617
Loans to joint ventures and associates	-7,150	-2,110	-7,241	-1,939	-1,807
Investment in securities	-201,453	-	-201,453	-	-
Cash flow from investing activities	**-217,252**	**3,447**	**-233,841**	**472**	**-13,271**

EURk	Q2 2024	Q2 2023*	H1 2024	H1 2023	FY 2023
Cash flow from financing activities					
Proceeds from issue of share capital	696,640	-	696,640	-	-
Proceeds from issue of bonds	-	-	-	74,703	74,703
Repayment of bonds	-160,031	-	-160,031	-	-
Proceeds from credit institutions	66,676	-	138,821	-	-
Proceeds from project financing	89,684	155,085	137,181	191,048	399,776
Repayment of project financing	-183,145	-5,664	-208,056	-12,364	-233,190
Repayment of lease liabilities	-823	-781	-1,710	-1,410	-3,264
Payables to associates	275	91	235	-735	-734
Capital increase through exercise of warrants	-2	175	1,614	175	175
Purchase of treasury shares	-19,447	-4	-19,447	-4	-280
Proceeds from issue of hybrid capital	-	14,880	-	113,930	113,930
Repayment of hybrid capital	-118,450	-	-118,450	-92,550	-150,000
Coupon payments, hybrid capital	-2,735	667	-15,098	-1,290	-4,809
Transactions with non-controlling interests	-4,021	-899	-4,212	-1,454	-1,864
Cash flow from financing activities	**364,621**	**163,550**	**447,487**	**270,049**	**194,443**
Change in cash and cash equivalents	**21,061**	**32,317**	**13,567**	**-33,169**	**-90,924**
Total cash and cash equivalents at beginning of period	111,408	144,340	118,902	209,826	209,826
Total cash and cash equivalents end of period	**132,469**	**176,657**	**132,469**	**176,657**	**118,902**
Cash and cash equivalents	118,740	158,922	118,740	158,922	93,212
Restricted cash and cash equivalents	13,729	17,735	13,729	17,735	25,690
Total cash and cash equivalents end of period	**132,469**	**176,657**	**132,469**	**176,657**	**118,902**

*Comparative figures for Q2 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Consolidated statement of shareholders' equity

EURk	Share capital	Share premium	Translation reserve	Hedging reserve	Treasury shares	Retained earnings	Total	Hybrid capital	Non-controlling interest	Total Group
	H1 2024									
Equity at 1 January 2024	**40,624**	**1,911**	**686**	**-70,593**	**-461**	**324,408**	**296,575**	**115,000**	**20,909**	**432,484**
Profit/loss for the period	-	-	-	-	-	-56,871	-56,871	15,098	3,541	-38,232
Other comprehensive income										
Value adjustments of hedging instruments	-	-	1,911	39,023	-	-	40,934	-	427	41,361
Tax of value adjustments of hedging instruments	-	-	-420	-7,692	-	-	-8,112	-	-81	-8,193
Currency translation of foreign operations	-	-	-7,957	-	-	-	-7,957	-	-68	-8,025
Other comprehensive income	**-**	**-**	**-6,466**	**31,331**	**-**	**-**	**24,865**	**-**	**278**	**25,143**
Total comprehensive income	**-**	**-**	**-6,466**	**31,331**	**-**	**-56,871**	**-32,006**	**15,098**	**3,819**	**-13,089**
Transactions with owners										
Increase in share capital	9,702	686,938	-	-	-	-	696,640	-	-	696,640
Dividends	-	-	-	-	-	-	-	-	-4,212	-4,212
Purchase of treasury shares	-	-	-	-	-19,447	-	-19,447	-	-	-19,447
Exercise of warrants	212	1,402	-	-	-	-	1,614	-	-	1,614
Share-based compensation expenses	-	-	-	-	-	2,219	2,219	-	-	2,219
Redeem of hybrid capital	-	-	-	-	-	-3,450	-3,450	-115,000	-	-118,450
Coupon payments, hybrid capital	-	-	-	-	-	-	-	-15,098	-	-15,098
Disposals	-	-	-	-	-	-	-	-	142	142
Other transactions	-	-	-	-	-	-1,107	-1,107	-	219	-888
Total transactions with owners	**9,914**	**688,340**	**-**	**-**	**-19,447**	**-2,338**	**676,469**	**-130,098**	**-3,851**	**542,520**
Equity at 30 June 2024	**50,538**	**690,251**	**-5,780**	**-39,262**	**-19,908**	**265,199**	**941,038**	**-**	**20,877**	**961,915**

The share capital consists of nom. 376,298,861 shares of DKK 1 each, corresponding to EUR 50.5m. Increase in share capital EUR 9.7m is from the agreement with Mitsubishi HC Capital Inc. to acquire 20% stake in the company. The transaction costs related to the increase amounts to EUR 9.0m and is deducted in share premium. 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 30 June 2024, the Group held nom. 2,157,824 shares of DKK 1 each corresponding to EUR 0.3m 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 company has decided to conclude a share buy-back from current and former employees as a result of Mitsubishi HC Capital Inc. acquiring 20% stake of the company.

The hybrid capital is fully redeemed per H1 2024. See further in note 6.

Consolidated statement of shareholders' equity, continued

	H1 2023									
EURk	**Share capital**	**Share premium**	**Translation reserve**	**Hedging reserve**	**Treasury shares**	**Retained earnings**	**Total**	**Hybrid capital**	**Non-controlling interest**	**Total Group**
Equity at 1 January 2023	**40,602**	**1,758**	**-3,582**	**-37,019**	**-181**	**223,699**	**225,277**	**150,000**	**16,077**	**391,354**
Profit/loss for the period	-	-	-	-	-	8,801	8,801	1,290	4,695	14,786
Other comprehensive income										
Value adjustments of hedging instruments	-	-	-	-7,139	-	-	-7,139	-	-3,643	-10,782
Tax of value adjustments of hedging instruments	-	-	-	1,454	-	-	1,454	-	692	2,146
Currency translation of foreign operations	-	-	8,491	-	-	-	8,491	-	17	8,508
Other comprehensive income	**-**	**-**	**8,491**	**-5,685**	**-**	**-**	**2,806**	**-**	**-2,934**	**-128**
Total comprehensive income	**-**	**-**	**8,491**	**-5,685**	**-**	**8,801**	**11,607**	**1,290**	**1,761**	**14,658**
Transactions with owners										
Dividends	-	-	-	-	-	-	-	-	-1,364	-1,364
Purchase of treasury shares	-	-	-	-	-4	-	-4	-	-	-4
Exercise of warrants	22	153	-	-	-	-	175	-	-	175
Share-based compensation expenses	-	-	-	-	-	2,000	2,000	-	-	2,000
Issue of hybrid capital	-	-	-	-	-	-1,070	-1,070	115,000	-	113,930
Redeem of hybrid capital	-	-	-	-	-	-	-	-92,550	-	-92,550
Coupon payments, hybrid capital	-	-	-	-	-	-	-	-1,290	-	-1,290
Additions	-	-	-	-	-	-	-	-	5,221	5,221
Disposals	-	-	-	-	-	-93	-93	-	-2,911	-3,004
Total transactions with owners	**22**	**153**	**-**	**-**	**-4**	**837**	**1,008**	**21,160**	**946**	**23,114**
Equity at 30 June 2023	**40,624**	**1,911**	**4,909**	**-42,704**	**-185**	**233,337**	**237,892**	**172,450**	**18,784**	**429,126**

The share capital consists of nom. 302,328,808 shares of DKK 1 each, corresponding to EUR 40.6m. 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 30 June 2023, the Group held nom. 96,512 shares of DKK 1 each corresponding to EUR 0.013m 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 30 June 2023 amounts to EUR 7.3m, which will reduce retained earnings if European Energy A/S does not elect to defer coupon payment on the next interest payment date in September 2023/January 2027.

Notes for consolidated financial statements

Visit to Vejle Ådal with the Danish Nature Fund where European Energy has purchased nature worthy of preservation as part of a new biodiversity agreement.

Notes for consolidated financial statements

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17.28 MW

Tuscania I Solar Park, Italy

1. Basis for preparation

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

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

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

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

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

In 2024, we have purchased securities which comprise of bonds that are solely payments of principal and interest (SPPI). The securities are therefore measured at amortised cost.

Divested securities where repurchase agreements (repo transaction) have been made at the time of sale are recognised in the balance sheet at the settlement date as if the securities were still held. The amount received is recognised as a liability, and the difference between the selling price and purchase price is recognised in profit/loss for the year over the term as interest. The return on the securities is recognised in profit/loss for the year.

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

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

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

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

When revisiting previously made key accounting estimates, we have considered the recent market developments. These developments have had a minor impact in our H1 consolidated financial statement as previously explained, and we are expecting this to continue in the future. All key accounting estimates and judgements will be reassessed quarterly.

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

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

60 MW

Telšiai I Wind Park, Lithuania

Definitions

Alternative performance measures

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

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

Key figures

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

Net working capital, excluding inventory

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

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

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

Financial ratios

Gross margin
Gross profit as a percentage of revenue.

EBITDA margin
EBITDA as a percentage of revenue.

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

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

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

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

Share ratios

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

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

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

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

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

2. Segment information

	Q2 2024						Q2 2023*					
EURk	Sale of energy parks and projects	Sale of energy	Asset management and other fees	Reportable segments	Eliminations	Total	Sale of energy parks and projects	Sale of energy	Asset management and other fees	Reportable segments	Eliminations	Total
Revenue external	25,232	19,353	1,624	46,209	-	46,209	18,993	27,581	1,780	48,354	-	48,354
Inter-segment revenue	-	-	906	906	-906	0	-	-	1,099	1,099	-1,099	-
Revenue	**25,232**	**19,353**	**2,530**	**47,115**	**-906**	**46,209**	**18,993**	**27,581**	**2,879**	**49,453**	**-1,099**	**48,354**
Results from investments in joint ventures	-	877	-	877	-	877	-	-77	-	-77	-	-77
Results from investments in associates	-	832	-	832	-	832	-	1,413	-	1,413	-	1,413
Other income	1,500	611	-	2,111	-	2,111	1,739	7,079	-	8,818	-	8,818
Direct costs	-16,091	-10,535	-2,114	-28,740	-	-28,740	-1,439	-8,694	256	-9,877	-	-9,877
Other costs	-	-	-	-	-	-	-	-	-	-	-	-
Gross profit	**10,641**	**11,138**	**416**	**22,195**	**-906**	**21,289**	**19,293**	**27,302**	**3,135**	**49,730**	**-1,099**	**48,631**
Staff costs	-10,130	-832	-171	-11,133	-	-11,133	-8,229	-564	-35	-8,828	-	-8,828
Other external costs	-6,846	-1,015	-956	-8,817	-	-8,817	-5,686	-1,111	-175	-6,972	-	-6,972
Inter-group costs	-	-906	-	-906	906	-	-	-1,099	-	-1,099	1,099	-
EBITDA	**-6,335**	**8,385**	**-711**	**1,339**	**-**	**1,339**	**5,378**	**24,528**	**2,925**	**32,831**	**-**	**32,831**
Depreciation and impairment	-317	-4,502	-	-4,819	-	-4,819	-316	-4,271	-	-4,587	-	-4,587
Segment profit (Operating profit)	**-6,652**	**3,883**	**-711**	**-3,480**	**-**	**-3,480**	**5,062**	**20,257**	**2,925**	**28,244**	**-**	**28,244**
Financial income						6,907						7,512
Financial expenses						-28,224						-16,947
Tax						8,099						-3,651
Profit/loss for the period						**-16,698**						**15,158**

*Comparative figures for Q2 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

2. Segment information, continued

	H1 2024						H1 2023					
EURk	Sale of energy parks and projects	Sale of energy	Asset management and other fees	Reportable segments	Eliminations	Total	Sale of energy parks and projects	Sale of energy	Asset management and other fees	Reportable segments	Eliminations	Total
Revenue external	29,463	46,444	4,023	79,930	-	79,930	33,524	53,934	3,975	91,433	-	91,433
Inter-segment revenue	-	-	1,914	1,914	-1,914	0	-	-	1,501	1,501	-1,501	-
Revenue	**29,463**	**46,444**	**5,937**	**81,844**	**-1,914**	**79,930**	**33,524**	**53,934**	**5,476**	**92,934**	**-1,501**	**91,433**
Results from investments in joint ventures	-	116	-	116	-	116	-	71	-	71	-	71
Results from investments in associates	-	1,625	-	1,625	-	1,625	-	2,023	-	2,023	-	2,023
Other income	1,500	1,320	-	2,820	-	2,820	2,539	7,777	-	10,316	-	10,316
Direct costs	-28,231	-20,878	-3,206	-52,315	-	-52,315	-9,603	-14,793	-294	-24,690	-	-24,690
Other costs	-	-	-	-	-	-	-	-	-	-	-	-
Gross profit	**2,732**	**28,627**	**2,731**	**34,090**	**-1,914**	**32,176**	**26,460**	**49,012**	**5,182**	**80,654**	**-1,501**	**79,153**
Staff costs	-18,132	-1,380	-262	-19,774	-	-19,774	-15,127	-1,004	-118	-16,248	-	-16,248
Other external costs	-11,174	-1,850	-1,788	-14,812	-	-14,812	-11,830	-1,614	-363	-13,807	-	-13,807
Inter-group costs	-	-1,914	-	-1,914	1,914	-	-	-1,501	-	-1,501	1,501	-
EBITDA	**-26,574**	**23,483**	**681**	**-2,410**	**-**	**-2,410**	**-497**	**44,893**	**4,702**	**49,098**	**-**	**49,098**
Depreciation and impairment	-633	-8,618	-	-9,251	-	-9,251	-633	-8,069	-	-8,702	-	-8,702
Segment profit (Operating profit)	**-27,207**	**14,865**	**681**	**-11,661**	**-**	**-11,661**	**-1,130**	**36,824**	**4,702**	**40,396**	**-**	**40,396**
Financial income						13,127						10,586
Financial expenses						-51,031						-28,672
Tax						11,333						-7,524
Profit/loss for the period						**-38,232**						**14,786**

Geographical markets within sale of energy exceeding 10% of the total revenue consist of the following markets: Germany 15% and Poland 16%.

Sale of energy within Denmark amounts to 4% of the total revenue.

Geographical markets within sale of energy parks and projects exceeding 10% of the total revenue consist of the following markets: Germany 22%.

3. Revenue by segment and type

EURk	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Sale of energy parks and projects					
Wind	19,379	28	19,760	828	50,308
Solar	263	13,239	547	20,899	226,350
Other activities	5,590	5,726	9,156	11,797	22,994
Total	**25,232**	**18,993**	**29,463**	**33,524**	**299,652**
Sale of energy					
Wind	14,396	13,745	40,747	37,205	88,509
Solar	4,957	13,836	5,697	16,729	25,042
Total	**19,353**	**27,581**	**46,444**	**53,934**	**113,551**
Asset management and other fees					
Wind	587	1,093	1,461	1,714	3,101
Solar	950	1,063	2,401	2,261	3,822
Other activities	87	-376	161	-	129
Total	**1,624**	**1,780**	**4,023**	**3,975**	**7,052**
Total segment and type					
Wind	34,362	14,866	61,968	39,747	141,918
Solar	6,170	28,138	8,645	39,889	255,214
Other activities	5,677	5,350	9,317	11,797	23,123
Total revenue	**46,209**	**48,354**	**79,930**	**91,433**	**420,255**

4. Property, plant and equipment

EURk	Wind power generating assets	Solar power generating assets	Tools and equipment	Land and buildings	Total	Wind power generating assets	Solar power generating assets	Tools and equipment	Land and buildings	Total	Total
	H1 2024					H1 2023					FY 2023
Cost at 1 January	176,519	12,095	8,001	35,488	232,103	176,616	12,514	5,981	6,711	201,822	201,822
Exchange rate adjustments	491	265	-3	88	841	1,368	343	-	-57	1,654	1,655
Additions	4,703	-	914	1,373	6,990	198	-	530	880	1,608	10,655
Disposals	-	-	-	-6,687	-6,687	-719	-629	-	-80	-1,428	-19,440
Transfer to/from inventories	-	-	-	12,342	12,342	3,890	-	-	6,212	10,102	37,411
Cost end of period	**181,713**	**12,360**	**8,912**	**42,604**	**245,589**	**181,353**	**12,228**	**6,511**	**13,720**	**213,812**	**232,103**
Accumulated depreciation and impairment losses at 1 January	-47,107	-2,382	-4,365	-396	-54,250	-40,470	-2,408	-2,882	-306	-46,066	-46,066
Exchange rate adjustments	-342	-63	-	10	-395	-587	-66	-	17	-636	-604
Disposals	-	-	-	15	15	-	-	-	-	-	12,497
Depreciation	-6,234	-307	-1,634	-53	-8,228	-6,988	403	-541	-52	-7,178	-15,517
Impairment/reversal of impairment	-797	-	-	-	-797	-	-	-	-	-	-4,560
Accumulated depreciation and impairment losses end of period	**-54,480**	**-2,752**	**-5,999**	**-424**	**-63,655**	**-48,045**	**-2,071**	**-3,423**	**-341**	**-53,880**	**-54,250**
Carrying amount end of period	**127,233**	**9,608**	**2,913**	**42,180**	**181,934**	**133,308**	**10,157**	**3,088**	**13,379**	**159,932**	**177,853**

5. Inventories

	H1 2024				H1 2023				FY 2023
EURk	Under develop-ment	Under con-struction	In operation	Total	Under develop-ment	Under con-struction	In operation	Total	Total
Cost at 1 January	262,330	193,189	898,990	1,354,509	181,447	461,905	438,906	1,082,258	1,083,592
Reclassification opening amounts	4,152	131,507	-135,659	-	-	-	-	-	-
Exchange rate adjustments	-345	145	-9,721	-9,921	259	7,969	6,585	14,813	17,341
Additions	74,842	61,630	50,422	186,894	85,237	250,533	27,963	363,733	631,049
Disposals	-378	-554	-16,030	-16,962	-6,887	-991	-16,576	-24,454	-214,841
Deconsolidated entities	-	-	-	-	-	-	-	-	-124,647
Transfers to/from PPE	-	-	-12,342	-12,342	-6,212	-	-3,890	-10,102	-37,411
Write-offs	-1,528	-	-	-1,528	1,328	-	-	1,328	-574
Transfers	-30,835	-51,607	82,442	-	-17,049	-299,085	316,134	-	-
Cost end of period	**308,238**	**334,310**	**858,102**	**1,500,650**	**238,123**	**420,331**	**769,122**	**1,427,576**	**1,354,509**
Writedown at 1 January	-33,153	-	-830	-33,983	-32,592	-	-	-32,592	-32,592
Exchange rate adjustments	-51	-19	9	-61	-124	-	-	-124	44
Impairments	-2,500	-	-	-2,500	1,452	-	-	1,452	-1,454
Disposals	-	-	-	-	6	-	-	6	19
Writedown end of period	**-35,704**	**-19**	**-821**	**-36,544**	**-31,258**	**-**	**-**	**-31,258**	**-33,983**
Carrying amount end of period	**272,534**	**334,291**	**857,281**	**1,464,106**	**206,865**	**420,331**	**769,122**	**1,396,318**	**1,320,526**

Inventory recognised in profit or loss (EURk)	H1 2024	H1 2023
Disposals	-16,962	-24,454
Write-offs	-1,528	1,328
Impairments, recognised in direct costs	-2,500	1,452
Total	**-20,990**	**-21,674**

6. Equity - Hybrid capital

On 16 April 2024, European Energy announced the decision on an early redemption of its hybrid capital with a principal of EUR 115m. Due to the decision on redemption, European Energy has a contractual obligation to repay the principal, hence the hybrid bond was reclassified from equity to current liabilities during H1 2024.

The reclassification was made at fair value at the date of the announcement of the decision on redemption, which was equal to the redemption amount. The difference between the carrying amount of the equity component and the fair value of the current liability, equal to EUR 3.5m, was recognized in equity.

Following the reclassification, coupon payments equal to EUR 1.0m has been recognized in the income statement as financial expenses. Coupon payments relating to the period up to decision on early redemption are recognised directly in equity.

24.6 MW

Holmen II Wind Park, Denmark

7. Other financial derivatives

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

In H1 2024, the fair value adjustments net of tax recognised through Other comprehensive income for our portfolio of Other financial derivatives amounts to a gain of EUR 27.4m compared to a gain of EUR 12.5m for H1 2023.

The fair value net of tax of Other financial derivatives recognised in Hedging reverse at Equtiy amounts to EUR -11.8m as per 30 June 2024.

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

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

Valuation principles and methodology

The fair value of power purchase agreements is measured on the basis of level 3 within the fair value hierarchy, since we are utilising non-observable inputs as described in Note 8.

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

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

8. Fair value measurement

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

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

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

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

Principles for determination of fair value of hedging instruments are described in Note 1.1 Basis for preparation in the 2023 Group financial statements and principles applied when preparing the H1 2024 interim financial statements are consistent herewith.

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

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

Level 3
Valuation techniques for which the lowest level input significant to fair value measurement is unobservable. In addition to the other financial derivates as explained in Note 7 the Group also recognises fair value adjustments from contracts related to interest rates and currencies. Combined fair values recognized in the consolidated financial statements from all financial derivates measured on all levels in the fair value hierarchy amounts to a loss of EUR 44.9m.

Other financial derivatives
Other financial derivatives are recognised and measured at a net amount of EUR 10.5m following Level 3 techniques. Of this amount EUR 14.7m is classificed as financial long term financial liabilities in the balance sheet and EUR 4.2m is classified as financial assets.

9. Pledges and Securities for debt

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

End of H1 2024 total outstanding debt at the parent level equalled EUR 429m (H1 2023: EUR 440m) comprising of issued bonds and debt towards credit institutions. Total debt on project level amounted to EUR 819m (H1 2023: EUR 902m) including short-term construction financings, long-term project financing and excluding any external shareholder loans.

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 H1 2024 the total outstanding project level financing with pledged assets or shares amounted to EUR 814m (H1 2023: EUR 900m). The corresponding carrying book value of the pledged assets or shares amounted to EUR 1.433m (H1 2023: EUR 1.340m) corresponding to a debt to book value ratio of 57% of leveraged assets (H1 2023: 67%).

Furthermore, the total outstanding current credit institution financing with pledged assets amounts to EUR 101m. The corresponding carrying book value of the pledged assets (securities) amounted to EUR 100m.

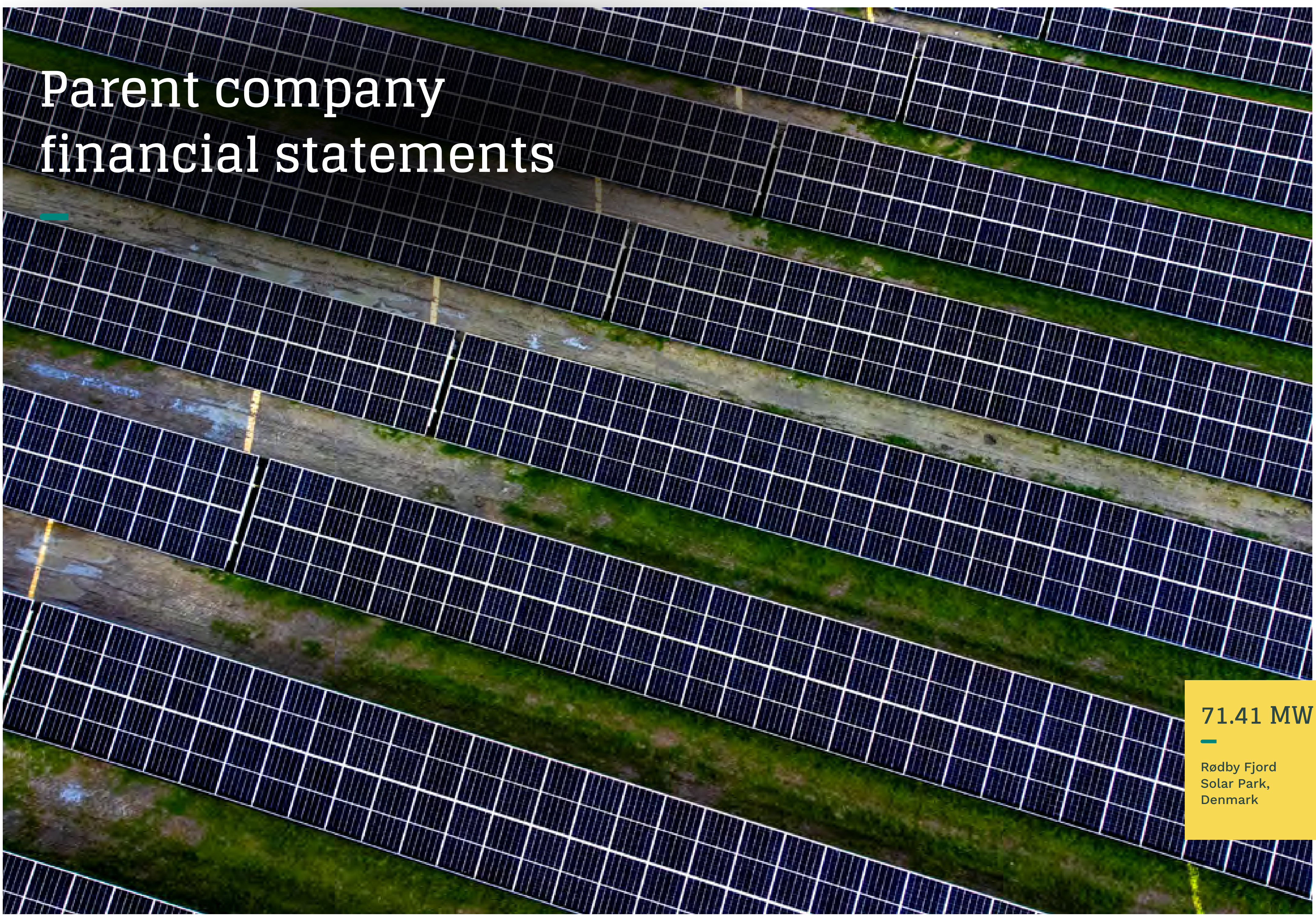
Guarantees as security of debt
Besides asset- and share pledges, we also provide parent company guarantees toward financial counterparts for short-term construction financing. For long-term project financing, this guarantee is removed, and the debt is refinanced to or obtained as non-recourse financing.

End of H1 2024 the total recourse debt at the project levels amounted to EUR 430m (H1 2023: 571m).

32.4 MW

Nøjsomheds Odde Wind Park, Denmark

Parent company financial statements



71.41 MW

Rødby Fjord Solar Park, Denmark

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103 MW

Troia Solar Park, Italy

Income statement

EURk	Q2 2024	Q2 2023*	H1 2024	H1 2023	FY 2023
Revenue	9,249	23,810	18,786	36,397	113,183
Results from investments in subsidiaries	-17,958	459	-34,492	5,372	61,267
Results from joint ventures	386	-13	1,127	110	7,951
Results from associates	548	15	781	504	903
Other income	1,433	4,644	1,807	4,644	12,262
Direct costs	-9,989	-10,192	-19,979	-20,857	-52,980
Gross profit	**-16,331**	**18,723**	**-31,970**	**26,170**	**142,586**
Staff costs	-7,801	-5,074	-14,032	-9,058	-16,470
Other external costs	-3,961	-4,403	-6,441	-8,099	-13,717
EBITDA	**-28,093**	**9,246**	**-52,443**	**9,013**	**112,399**
Depreciation	-1,572	-735	-2,426	-1,391	-3,151
Operating profit	**-29,665**	**8,511**	**-54,869**	**7,622**	**109,248**
Financial income	25,175	17,059	39,745	29,721	58,645
Financial expenses	-19,614	-11,522	-33,325	-23,607	-47,794
Profit/loss before tax	**-24,104**	**14,048**	**-48,449**	**13,736**	**120,099**
Tax	4,364	-327	6,676	-3,645	-12,345
Profit/loss for the period	**-19,740**	**13,721**	**-41,773**	**10,091**	**107,754**
Attributable to:					
Shareholders of European Energy A/S	-22,475	14,388	-56,871	8,801	102,945
Hybrid capital holders	2,735	-667	15,098	1,290	4,809
Profit/loss for the period	**-19,740**	**13,721**	**-41,773**	**10,091**	**107,754**

EURk	Q1 2024	Q2 2023*	H1 2024	H1 2023	FY 2023
Profit/loss for the period	-19,740	13,721	-41,773	10,091	107,754
Items that may be reclassified to profit or loss:					
Value adjustments of hedging instruments	20,063	7,388	40,934	-7,139	-42,355
Tax of value adjustments of hedging instruments	-3,544	-1,520	-8,112	1,454	8,781
Currency translation of foreign operations	-7,183	7,217	-7,957	8,492	4,267
Other comprehensive income for the period	**9,336**	**13,085**	**24,865**	**2,807**	**-29,307**
Comprehensive income for the period	**-10,404**	**26,806**	**-16,908**	**12,898**	**78,447**
Attributable to:					
Shareholders of European Energy A/S	-13,139	27,473	-32,006	11,608	73,638
Hybrid capital holders	2,735	-667	15,098	1,290	4,809
Comprehensive income for the period	**-10,404**	**26,806**	**-16,908**	**12,898**	**78,447**

*Comparative figures for Q2 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Balance sheet

EURk	30 Jun 2024	30 Jun 2023	31 Dec 2023
Non-current assets			
Other intangible assets	3,797	5,062	4,430
Property, plant and equipment	1,964	2,144	2,702
Lease assets	1,170	2,422	1,782
Investments in subsidiaries	228,215	144,366	215,593
Investments in joint ventures	8,351	9,029	8,902
Investments in associated companies	23,141	9,141	21,675
Other investments	4,188	4,132	4,137
Loans to subsidiaries	921,644	664,778	625,367
Loans related to joint ventures and associates	36,695	35,374	37,303
Trade receivables and contract assets	97	571	97
Other receivables	556	-	4,319
Deferred tax	12,052	3,603	8,342
Total non-current assets	**1,241,870**	**880,622**	**934,649**
Current assets			
Inventories	8,883	12,800	12,830
Derivatives	3,045	-	262
Trade receivables and contract assets	18,504	10,920	17,045
Other receivables	3,603	4,978	4,508
Prepayments from goods and services	3,220	3,318	2,997
Securities	201,453	-	-
Cash and cash equivalents	3,362	75,343	5,542
Restricted cash and cash equivalents	25	25	32
Total current assets	**242,095**	**107,384**	**43,216**
Total assets	**1,483,965**	**988,006**	**977,865**

EURk	30 Jun 2024	30 Jun 2023	31 Dec 2023
Equity			
Share capital	50,538	40,624	40,624
Retained earnings and reserves	890,500	197,268	255,951
Equity attributable to shareholders of the Company	**941,038**	**237,892**	**296,575**
Hybrid capital	-	172,450	115,000
Total equity	**941,038**	**410,342**	**411,575**
Non-current liabilities			
Bond	287,675	439,904	441,190
Lease liabilities	-	1,518	1,533
Provisions	18,035	8,720	30,431
Derivatives	3,072	4,628	7,761
Deferred tax	321	2,401	1,281
Other liabilities	1,482	1,439	1,464
Total non-current liabilities	**310,585**	**458,610**	**483,660**
Current liabilities			
Credit Institutions	141,244	-	-
Lease liabilities	1,241	1,020	347
Derivatives	618	6,942	1,070
Trade payables	3,494	1,591	3,602
Payables to subsidiaries	65,929	89,691	34,286
Payables to related parties	146	94	34
Corporation tax	12,738	6,677	13,754
Provisions	-	2,950	-
Deferred income	759	2,457	825
Other payables	6,173	7,632	28,712
Total current liabilities	**232,342**	**119,054**	**82,630**
Total liabilities	**542,927**	**577,664**	**566,290**
Total equity and liabilities	**1,483,965**	**988,006**	**977,865**

Statement of cash flow

EURk	Q2 2024	Q2 2023*	H1 2024	H1 2023	FY 2023
Profit/loss before tax	-24,105	14,048	-48,450	13,736	120,099
Adjustment for:					
Financial income	-25,175	-17,059	-39,745	-29,721	-58,645
Financial expenses	19,614	11,522	33,325	23,607	47,794
Depreciations	1,572	735	2,426	1,391	3,151
Profit after tax from subsidiaries	17,958	-459	34,492	-5,372	-61,267
Profit after tax from joint venture's	-386	13	-1,127	-110	-7,951
Profit after tax from associates	-548	-15	-781	-504	-903
Change in net working capital	-449	-9,749	-14,037	-22,412	-19,830
Dividends received	1,288	22,700	1,288	22,700	49,311
Other non-cash items	3,152	1,585	6,995	2,506	4,263
Cash flow from operating activities before financial items and tax	**-7,079**	**23,321**	**-25,614**	**5,821**	**76,022**
Taxes paid	-326	-128	-1,154	-247	-3,738
Interest paid and realised currency losses	-13,601	-9,732	-25,035	-20,222	-42,891
Interest received and realised currency gains	23,010	14,779	35,697	27,466	55,005
Cash flow from operating activities	**2,004**	**28,240**	**-16,106**	**12,818**	**84,398**
Cash flow from investing activities					
Acquisition/disposal of property, plant and equipment	-465	-922	-764	-1,286	-1,898
Acquisition of enterprises	-	-	-	-	-2,816
Purchase of other investments	17	4,706	-51	4,706	6,539
Investments in subsidiaries, joint ventures and associates	-22,403	-8	-24,506	-915	-15,396
Loans to subsidiaries	-257,306	-13,505	-314,437	-121,798	-130,036
Loans to joint ventures and associates	-355	-2,471	-617	-1,369	-1,775
Investment in securities	-201,453	-	-201,453	-	-
Cash flow from investing activities	**-481,965**	**-12,200**	**-541,828**	**-120,662**	**-145,382**

EURk	Q2 2024	Q2 2023*	H1 2024	H1 2023	FY 2023
Cash flow from financing activities					
Proceeds from issue of share capital	696,640	-	696,640	-	-
Proceeds from credit institutions	76,928	-	138,875	-	-
Proceeds from issue of bonds	-	-1	-	74,703	74,703
Repayment of bonds	-160,031	-	-160,031	-	-
Capital increase through exercise of warrants	-1	175	1,615	175	175
Purchase of treasury shares	-19,447	-	-19,447	-	-280
Payments to subsidiaries	6,915	34,409	31,643	42,238	-13,167
Proceeds from issue of hybrid capital	-	14,880	-	113,930	113,930
Repayment of hybrid capital	-118,450	-	-118,450	-92,550	-150,000
Coupon payments, hybrid capital	-2,734	667	-15,098	-1,290	-4,809
Cash flow from financing activities	**479,820**	**50,130**	**555,747**	**137,206**	**20,552**
Change in cash and cash equivalents	**-141**	**66,170**	**-2,187**	**29,362**	**-40,432**
Total cash and cash equivalents at beginning of period	3,528	9,198	5,574	46,006	46,006
Total cash and cash equivalents end of period	**3,387**	**75,368**	**3,387**	**75,368**	**5,574**
Cash and cash equivalents	3,362	75,343	3,362	75,343	5,542
Restricted cash and cash equivalents	25	25	25	25	32
Total cash and cash equivalents end of period	**3,387**	**75,368**	**3,387**	**75,368**	**5,574**

*Comparative figures for Q2 2023 have been restated related to the finalization of purchase price allocation of Ammongas A/S

Statement of shareholders' equity

	H1 2024								
EURk	Share capital	Share premium	Reserves (equity method)	Hedging reserve	Treasury shares	Retained earnings	Total	Hybrid capital	Total Parent
Equity at 1 January 2024	**40,624**	**1,911**	**37,400**	**-24,440**	**-461**	**241,541**	**296,575**	**115,000**	411,575
Profit/loss for the period	-	-	-32,584	-	-	-24,288	-56,872	15,098	-41,774
Other comprehensive income									
Value adjustments of hedging instruments	-	-	30,761	10,173	-	-	40,934	-	40,934
Tax of value adjustments of hedging instruments	-	-	-5,865	-2,247	-	-	-8,112	-	-8,112
Currency translation of foreign operations	-	-	-7,957	-	-	-	-7,957	-	-7,957
Other comprehensive income	**-**	**-**	**16,939**	**7,926**	**-**	**-**	**24,865**	**-**	**24,865**
Total comprehensive income	**-**	**-**	**-15,645**	**7,926**	**-**	**-24,288**	**-32,007**	**15,098**	**-16,909**
Transactions with owners									
Increase in share capital	9,702	686,938	-	-	-	-	696,640	-	696,640
Dividends	-	-	-1,289	-	-	1,289	-	-	-
Purchase of treasury shares	-	-	-	-	-19,447	-	-19,447	-	-19,447
Exercise of warrants	212	1,402	-	-	-	-	1,614	-	1,614
Share-based compensation expenses	-	-	-	-	-	2,219	2,219	-	2,219
Redeem of hybrid capital	-	-	-	-	-	-3,450	-3,450	-115,000	-118,450
Coupon payments, hybrid capital	-	-	-	-	-	-	-	-15,098	-15,098
Other transactions	-	-	-523	-	-	-583	-1,106	-	-1,106
Total transactions with owners	**9,914**	**688,340**	**-1,812**	**-**	**-19,447**	**-525**	**676,470**	**-130,098**	**546,372**
Equity at 30 June 2024	**50,538**	**690,251**	**19,943**	**-16,514**	**-19,908**	**216,728**	**941,038**	**-**	**941,038**

The share capital consists of nom. 376,298,861 shares of DKK 1 each, corresponding to EUR 50.5m. Increase in share capital EUR 9.7m is from the agreement with Mitsubishi HC Capital Inc. to acquire 20% stake in the company. The transaction costs related to the increase amounts to EUR 9.0m and is deducted in share premium. 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 30 June 2024, the Group held nom. 2,157,824 shares of DKK 1 each corresponding to EUR 0.3m 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 company has decided to conclude a share buy-back from current and former employees as a result of Mitsubishi HC Capital Inc. acquiring 20% stake of the company.

The hybrid capital is fully redeemed per H1 2024. See further in note 6 under consolidated financial statements.

Statement of shareholders' equity, continued

	H1 2023								
EURk	Share capital	Share premium	Reserves (equity method)	Hedging reserve	Treasury shares	Retained earnings	Total	Hybrid capital	Total Parent
Equity at 1 January 2023	**40,602**	**1,758**	**39,077**	**-22,538**	**-181**	**166,559**	**225,277**	**150,000**	**375,277**
Profit/loss for the period	-	-	5,986	-	-	2,815	8,801	1,290	10,091
Other comprehensive income									
Value adjustments of hedging instruments	-	-	-6,585	-554	-	-	-7,139	-	-7,139
Tax of value adjustments of hedging instruments	-	-	1,332	122	-	-	1,454	-	1,454
Currency translation of foreign operations	-	-	8,491	-	-	-	8,491	-	8,491
Other comprehensive income	**-**	**-**	**3,238**	**-432**	**-**	**-**	**2,806**	**-**	**2,806**
Total comprehensive income	**-**	**-**	**9,224**	**-432**	**-**	**2,815**	**11,607**	**1,290**	**12,897**
Transactions with owners									
Regulation on disposal of companies	-	-	78	-	-	-78	-	-	-
Dividends	-	-	-22,490	-	-	22,490	-	-	-
Purchase of treasury shares	-	-	-	-	-4	-	-4	-	-4
Exercise of warrants	22	153	-	-	-	-	175	-	175
Share-based compensation expenses	-	-	-	-	-	2,000	2,000	-	2,000
Issue of hybrid capital	-	-	-	-	-	-1,070	-1,070	115,000	113,930
Redeem of hybrid capital	-	-	-	-	-	-	-	-92,550	-92,550
Coupon payments, hybrid capital	-	-	-	-	-	-	-	-1,290	-1,290
Other transactions	-	-	888	-	-	-981	-93	-	-93
Total transactions with owners	**22**	**153**	**-21,524**	**-**	**-4**	**22,361**	**1,008**	**21,160**	**22,168**
Equity at 30 June 2023	**40,624**	**1,911**	**26,777**	**-22,970**	**-185**	**191,735**	**237,892**	**172,450**	**410,342**

The share capital consists of nom. 302,328,808 shares of DKK 1 each, corresponding to EUR 40.6m. 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 30 June 2023, the Group held nom. 96,512 shares of DKK 1 each corresponding to EUR 0.013m of the parent company's shares. The shares have been bought back under the warrant programme, where the parent company has a right, but not an obligation, to buy back shares from resigned employees.

The obligation to pay coupon payments on hybrid capital is at the discretion of European Energy A/S, and treated as dividend. Accumulated coupon payments as per 30 June 2023, amounts to EUR 7.3m, which will reduce retained earnings if European Energy A/S does not elect to defer coupon payment on the next interest payment date in September 2023/January 2027.

Management's Statement

5.98 MW

Palo Solar Park, Italy

Statement by the Board of Directors and Management Board

The Board of Directors and the Management have considered and adopted the Interim Report of European Energy A/S for the period 1 January – 30 June 2024. The Interim Report is presented in accordance with the International Accounting Standard IAS 34 on Interim Financial Reporting.

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

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

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

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

Søborg, 30 August 2024

Registered Executive Management

Knud Erik Andersen

Board of Directors

Jens Due Olsen
Chair

Keiro Tamate
Deputy Chair

Knud Erik Andersen

Mikael Dystrup Pedersen

Hilde Bakken

Jesper Helmuth Larsen

Claus Dyhr Christensen

Disclaimer and cautionary statement

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

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

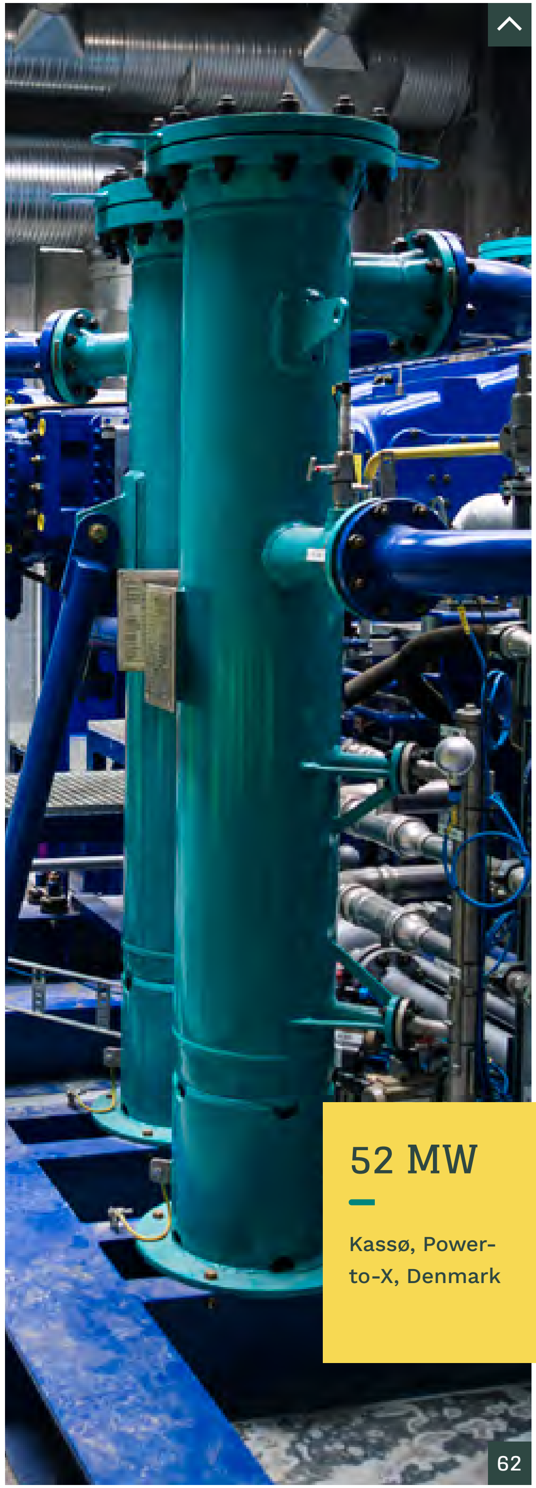
Forward-looking statements include, among other things, statements concerning potential new accounting standards and policies, and European Energy's potential exposure to market risks and statements expressing Management's expectations, beliefs, estimates, forecasts, projections and assumptions.

There are a number of factors that could affect European Energy's future operations and could cause European Energy's results to differ materially from those expressed in the forward-looking statements included in this document, including (without limitation):

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

All forward-looking statements contained in this document are expressly qualified by the cautionary statements contained or referred to in this statement. Undue reliance should not be placed on forward-looking statements. Each forward-looking statement speaks only as of the date of this document. European Energy does not undertake any obligation to publicly update or revise any forward-looking statement as a result of new information or future events other than as required by Danish law.

In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this document.



52 MW

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9 MW

Måde
Power-to-X test
plant, Denmark