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Interim  
Report  
H1 2023



EUROPEAN  
ENERGY

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Johannes von Dechend, Vice President, Head of Sourcing & Procurement, EPC

# A record second quarter for European Energy

In Q2 and H1 2023, European Energy continued its growth trajectory and achieved several record milestones both in terms of projects under construction, a new record level of total power production capacity, and a record sale of energy in terms of MWh. In addition, the construction of the world's largest e-methanol plant is on track for completion in H1 2024. Financially, Q2 EBITDA and profit before tax both grew by more than 200% to EUR 36.1m and EUR 21.7m, respectively, compared to Q2 2022.

Extreme rainfall in Scandinavia and Southern Europe over the summer, unprecedented temperatures in Southern Europe in July, forest fires in Greece and Hawaii, giant hailstorms in Northern Italy, winter turning into summer in South America, forests dying in Germany, and floods and storms in many parts of the world are seen by leading scientists to be the consequences of carbon emissions.

## We must succeed

As a renewable energy producer, we must play our part in addressing the escalating climate crisis. Success requires the use of our available resources and competences to develop, design, build and connect a large amount of projects in as short an amount of time as practically possible. Since the end of Q2 2022, we have more than doubled our power generating assets to 1,119 MW and in Q2 2023, we produced 457 GWh of energy, more than three times the amount produced in the same quarter last year. At the end of the quarter, assets under management were more than 40% higher than one year ago.

## Record in construction activity

Our all-time-high energy production was supported by the continuous high construction activity and Q2 2023 was the sixth consecutive quarter with construction activity of approximately 1GW. Our large development pipeline, well in excess of 30 GW, supports a future high and accelerating construction activity level.

## Power-to-X progresses further

Permits to break ground for the world's largest e-methanol plant to-be in Kassø, Denmark were received during the quarter. When completed during the first half of 2024, the Kassø plant will supply a number



Groundbreaking event at the Kassø Power-to-X facility



22.5 MW

Quatro Ventos  
Wind Farm,  
Brazil

of customers, including the Maersk Solstice, the world's first container vessel operated on e-methanol. The plant will produce approximately 40,000 tonnes of e-methanol annually and the green energy for the production will be supplied by Northern Europe's largest solar park located next to the plant.

### Biogenic CO<sub>2</sub> is on the agenda

The conversion to green fuel of the transportation- and industrial sectors will not only require huge amounts of green energy but also biogenic CO<sub>2</sub> and the Kassø Power-to-X plant is sourcing biogenic CO<sub>2</sub> from a local biogas plant

In European Energy, we have forwarded recommendations to the European Commission's Carbon Capture Utilization and Storage (CCUS) strategy initiative, an important step towards creating a European CCUS industry. Our recommendation is to create a favorable framework, promoting the use of biogenic CO<sub>2</sub> from biomass and biogas for the production of e-methanol. The use of the fossil-free fuels, e-fuels, can convert non-biogenic carbon emitting sectors to fossil-free emitters and hence, CO<sub>2</sub> emissions and underground storage of CO<sub>2</sub> can be avoided. In European Energy, we are ready to help solve the challenges for CO<sub>2</sub> emitting industries.

Our advantages in Power-to-X have also created new business opportunities. At the beginning of Q3 2023, we signed an agreement with the Japanese company, Mitsui, to become a 49% partner of both Kassø Solar Park and the Kassø Power-to-X plant. Closing of the transaction is pending relevant authority approvals.

### Positive trend in our key figures

Project sales fluctuate during the year and over several years. During the quarter, we divested a total of 366 MW, predominantly comprising a ready-to-build project in the US. With the expected closing of the sale of the Kassø Solar Park and the Kassø Power-to-X Plant, we are on track to achieve the expected project sales for the full year.

The overall positive trends can also be seen in financial key figures. EBITDA grew to EUR 36.1m in Q2 2023 from EUR 11.9m in Q2 2022. Likewise, profit before tax was EUR 21.7m for the quarter compared to EUR 6.4m in the same quarter last year.

With the achieved project sales and power sales to date, we maintain our guidance for 2023 of an EBITDA of approximately EUR 180m and a profit before tax of approximately EUR 140m.

**Knud Erik Andersen**  
CEO

# Main events

## Q2 2023

### April

- European Energy signs an agreement with the LEGO Group and Novo Nordisk on the supply of e-methanol
- Aarhus University, Copenhagen University, Slagelse Municipality and European Energy partner up in a research project on Agri-PV funded by the Danish Innovation Fund

### May

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

### June

- European Energy signs a PPA with Faerch in the UK
- European Energy divests a 20 MW solar project in Sicily, Italy, to IREN
- European Energy signs an MoU on eSAF with Metafuels



# Key financials

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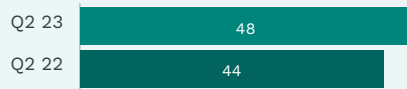
32 MW

Svindbæk Wind  
Park, Denmark

# Financial highlights

## Revenue

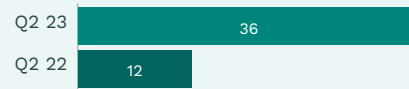
EURm



Revenue for Q2 2023 was slightly up driven by higher energy sales from our growing base of operating assets.

## EBITDA

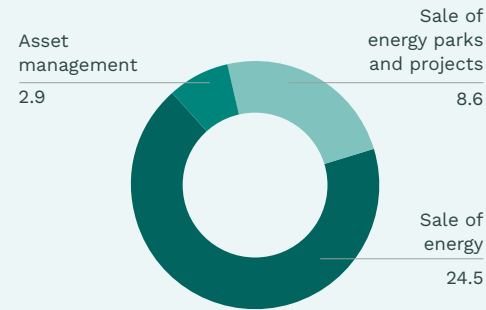
EURm



Increase in EBITDA for the quarter mainly stems from increases in energy sales and asset management, some non-recurring profits under sale of energy parks partly offset by higher opex.

## EBITDA split

EURm



## Profit before tax

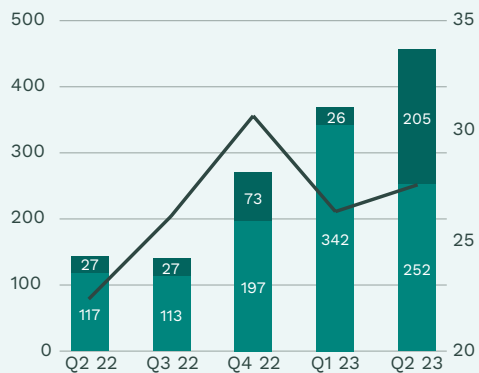
EURm



Profit before tax is higher than Q2 of last year due to the increase in EBITDA partly offset by higher depreciations and net financial expenses.

## Energy sales

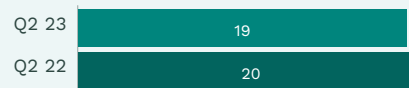
GWh (left axis) and EURm (right axis)



■ Energy sales (GWh) ■ Revenue from energy sales (EURm)

## Project sales

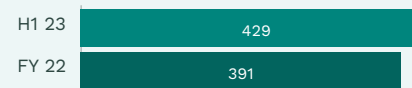
EURm



Revenue from project sales for the quarter were on level with Q2 2022 however with larger share of ready-to-build project sales.

## Equity

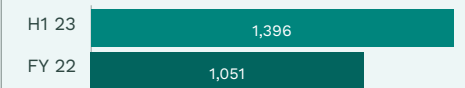
EURm



Equity increased during H1 2023 primarily as a result of retained earnings for the period and net issue of hybrid capital.

## Inventory

EURm

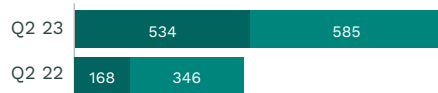


During H1 2023 inventories increased by 33% as a result of increasing investments in development and construction. Value of operating assets increased to EUR 769m from EUR 439m at end of year 2022 reflecting successful completion of construction activities during H1 2023.

# Business highlights

## Power generating assets

MW



Increased number of permits were turned into a substantial increase in our portfolio of power generating assets compared to Q2 2022.

## Development pipeline\*

GW

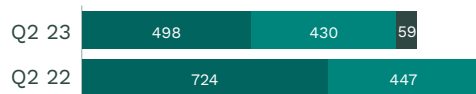


Our pipeline has grown substantially over the last year.

\*Excluding screening phase

## Under construction

MW



Our construction pipeline remains around 1 GW reflecting that completed, have been replaced by new construction activities.

# +234

We have grown to **669 colleagues** H1 2023, from 435 in H1 2022.



Michael V. Pedersen, Head of Project Development, South Eastern Europe, LAMPA Festival in Latvia



# Key figures and financial ratios

EURK	Q2 2023	Q2 2022	H1 2023	H1 2022	FY2022*
<b>Income statement</b>					
Revenue	48,354	43,699	91,433	285,534	438,077
Direct costs	-6,642	-21,112	-24,690	-197,419	-270,440
Gross profit	51,866	23,161	79,153	98,963	186,671
<b>EBITDA</b>	<b>36,066</b>	<b>11,889</b>	<b>49,098</b>	<b>77,006</b>	<b>140,106</b>
Operating profit	31,163	7,799	40,396	73,307	125,155
Net financial items	-9,435	-1,368	-18,086	-4,152	-10,441
<b>Profit before tax</b>	<b>21,728</b>	<b>6,431</b>	<b>22,310</b>	<b>69,155</b>	<b>114,714</b>
Tax	-4,293	-1,519	-7,524	-6,034	-16,360
<b>Profit / loss for the period</b>	<b>17,435</b>	<b>4,912</b>	<b>14,786</b>	<b>63,121</b>	<b>98,354</b>
<b>Balance sheet</b>					
Property, plant, and equipment	159,932	157,034	159,932	157,034	155,756
Inventories	1,396,318	735,566	1,396,318	735,566	1,051,000
Total assets	2,048,635	1,353,260	2,048,635	1,353,260	1,744,410
Hybrid capital	172,450	150,000	172,450	150,000	150,000
Equity	429,126	404,077	429,126	404,077	391,354
Net interest-bearing debt (NIBD)	1,177,376	576,142	1,177,376	576,142	892,815
NIBD (excluding hybrid capital)/EBITDA, LTM	11.0	4.0	11.0	4.0	6.4
Gearing (NIBD as % of group equity)	274%	143%	274%	143%	228%
<b>Cash flow statement</b>					
Change in net working capital, excluding inventories	56,320	8,062	11,532	6,431	-4,222
Cash flow from operating activities	-134,680	-159,942	-303,690	-88,461	-374,341
Change in inventories	-230,103	-201,111	-357,828	-157,358	-479,039
Cash flow from operating activities, excluding inventories	95,423	41,169	54,138	68,897	104,698
Investments in property, plant, and equipment	172	2,635	1,608	3,579	10,337
Cash flow from investing activities	3,447	-4,708	472	-11,955	-25,054
Cash flow from financing activities	163,550	54,319	270,049	31,885	381,860
Change in cash and cash equivalents	32,317	-110,331	-33,169	-68,531	-17,535
<b>Financial key figures</b>					
Gross margin	107%	53%	87%	35%	43%
EBITDA margin	75%	27%	54%	27%	32%
Group solvency ratio	21%	30%	21%	30%	22%
Return on equity (average/ LTM)	11%	33%	11%	33%	27%
Average number of full-time employees	656	400	613	375	431
Number of employees end of period	669	435	669	435	550
Earnings per share, basic	0.05	0.01	0.03	0.19	0.27
Earnings per share, diluted	0.05	0.01	0.03	0.19	0.26
Outstanding shares (1,000), excluding treasury shares	302,232	302,046	302,232	302,046	302,073

\*Comparative figures have been restated related to the finalization of purchase price allocation of Ammogas A/S

## Definitions

### Gross margin

Gross profit or loss as a percentage of revenue.

### EBITDA

Earnings before net financial items, tax, depreciation, amortisation and impairments.

### EBITDA margin

EBITDA as a percentage of revenue.

### NIBD (excl. Hybrid Capital)/ EBITDA

A factor of current year NIBD (excl. hybrid capital) compared to current year EBITDA.

### Solvency ratio

Equity at period-end as a percentage of total assets.

### Return on equity

Profit or loss after tax for the period as a percentage of average equity.

### Earnings per share

Profit attributable to the shareholders of European Energy A/S for the period, divided by the average number of shares.

### Earnings per share diluted

Profit attributable to the shareholders of European Energy A/S for the period, divided by the average number of shares diluted.



Management's  
review

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40 MW

Bubney Solar  
Farm, UK

# Financial performance

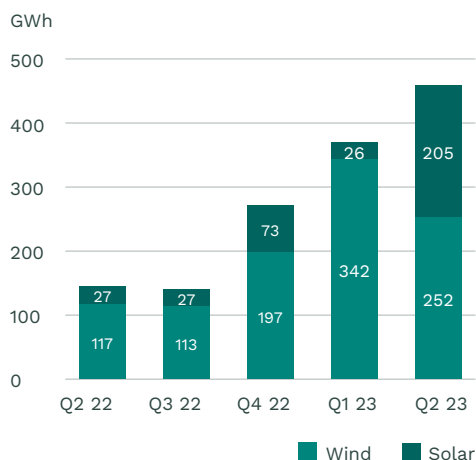
## Group financial performance

### Revenue

Revenue in Q2 2023 was EUR 48.4m, an increase of EUR 4.6m or 11% compared to Q2 2022.

Sale of energy amounted to EUR 27.6m, with an increase of EUR 5.3m or 24% compared to sale of energy in Q2 2022 (EUR 22.3m). The total power production volume ended at 457 GWh, a 217% increase compared to Q2 2022.

### Energy sales

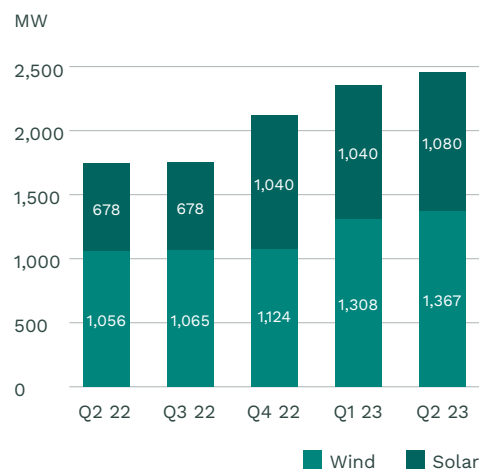


Revenue from sale of energy parks and projects had a value of EUR 19.0m on par with Q2 2022. The project sales in Q2 2023 comprise two solar projects - one

ready-to-build in Italy and one ready-to-build in the USA - with a total of 366 MW capacity, together with Ammongas project revenues for the quarter. In Q2 2022, a divestment of a 8 MW constructed wind asset was recognized.

Revenue recognized from asset management and other fees was EUR 1.8m in Q2 2023, compared to EUR 1.7m in Q2 2022.

### Asset management



### Result from investments in joint ventures and associates

The result from investments in joint ventures and associated companies was a gain of EUR 1.3m in Q2 2023 compared to a gain of EUR 0.3m in Q2 2022. During the quarter there were no significant events or transactions impacting the results in joint ventures and associates.

### Gross profit

Gross profit in Q2 2023 amounted to EUR 51.9m, compared to EUR 23.2m in Q2 2022, an increase of EUR 28.7m. This increase in

gross profit and also gross profit margin is the result of high margin ready-to-build project sales and of two non-recurring events in Q2 2023. Direct costs and also gross profit were affected by the positive outcome of a claim against a supplier relating to previously divested projects. Finally, we have received compensation from a supplier related to performance issues on two wind parks in Sweden.

### EBITDA

For Q2 2023, EBITDA totalled EUR 36.1m, compared to EUR 11.9m for Q2 2022, an increase of EUR 24.2m. Apart from the explanation stated under gross profit, EBITDA is also impacted by increasing staff costs and other external costs following the growth in our business and project pipeline.

### Profit before tax

Profit before tax for Q2 2023 was EUR 21.7m an increase of EUR 15.3m, compared to Q2 2022 (EUR 6.4m) mainly as a result of the higher EBITDA. Depreciation and impairment increased by EUR 0.8m to EUR 4.9m primarily following the amortisation of an intangible asset recognised after the completion of the Ammongas purchase price allocation. Net financial items were also increased, due to increasing debt and higher interest rates on bonds and project financing.

Finally, tax expenses recognised in Q2 2023 amounted to EUR 4.3m compared to an expense of EUR 1.5m in Q2 2022.

### Cash flow

The Q2 2023 operating cash flow was an outflow of EUR 134.7m, compared to a cash outflow of EUR 159.9m in Q2 2022.

The vast majority of this reflects a quarter without any material divestments of energy parks and projects in combination with the increase in construction activities, resulting in increasing inventories.

Investing activities during Q2 2023 amounted to a net cash inflow of EUR 3.4m, compared to an outflow in Q2 2022 (EUR 4.7m). The financing activities for the quarter ended with a net cash inflow of EUR 163.6m, primarily from project financing activities. The resulting change in cash and cash equivalents during the quarter was an increase to EUR 176.7m.

## H1 2023 Group financial performance

### Revenue

Revenue in H1 2023 was EUR 91.4m, a decrease of EUR 194.1m or 68% compared to H1 2022 (EUR 285.5m).

Sale of energy amounted to EUR 53.9m, an increase of EUR 5.2m or 11% compared to the sale of energy in H1 2022 (EUR 48.7m). Production was impacted by an increase in power producing assets from 514 MW at the end of H1 2022 to 1,119 MW at the end of H1 2023, an increase of 118%. Around 65% of the production stems from Denmark and Germany.

The increase in power generating assets was offset by a lower capture price for wind in Germany and Denmark, compared to H1 2022. Wind resources were 15% lower in Germany and 2% lower in Denmark compared to H1 2022, while solar irradiation was 27% higher in Denmark compared to H1 2022. Power prices in key markets such as

Denmark and Germany have increased to figures above subsidy levels. Consequently, these assets sell produced power at market prices and received zero subsidies during the period. For energy parks with a Power Purchase Agreement with a third party offtaker, there was no extra revenue from increased spot prices.

The decrease in revenue from H1 2022 derives from sale of energy parks and projects, as only a few projects were divested in H1 2023, compared to two larger Italian operational projects divested in H1 2022.

Revenue from sale of energy parks and projects for H1 2023 amounted to EUR 33.5m, compared to EUR 233.7m in H1 2022. Total capacity of divested energy parks for H1 2023 amounted to 433 MW. All were at ready-to-build stage. In H1 2022, the total divested capacity was 201 MW, all operational parks.

External revenue from asset management and other fees was EUR 4.0m in H1 2023, compared to EUR 3.1m in H1 2022. At the end of H1 2023, European Energy managed 2.4 GW of assets, split between 1.3 GW wind power and 1.1 GW solar power plants, representing a total year-on-year increase of 41%. European Energy's consolidated share was 1,119 MW, with the remainder managed on behalf of investors.

### **Result from investments in joint ventures and associates**

The result from investments in joint ventures and associated companies was a gain of EUR 2.1m in H1 2023, compared to a gain of EUR 10.5m in H1 2022. During H1 2022, the majority of the gain was non-recurring and

related to the revaluation of a net equity interest, following change of control of an associate, combined with a reversal of the prior year's write-down of our Brazilian assets. During H1 2023, there were no significant events or transactions impacting the results in joint ventures and associates.

### **Gross profit**

Gross profit in H1 2023 amounted to EUR 79.2m, compared to EUR 99.0m for H1 2022, a decrease of EUR 19.8m or 20%. The decrease in gross profit is explained by fewer divestments of energy parks and projects.

### **EBITDA**

For H1 2023, EBITDA totalled EUR 49.1m, compared to EUR 77.0m for H1 2022, a decrease of EUR 27.9m or 36%. Apart from the explanation stated under gross profit, EBITDA was also impacted by increasing staff costs and other external costs following the growth in our business and project pipeline.

### **Profit before tax**

Profit before tax for H1 2023 was EUR 22.3m compared to EUR 69.2m for H1 2022. This was mainly the result of the lower EBITDA, higher depreciation and impairment and financing costs. Depreciation and amortizations increased by EUR 5.0m to EUR 8.7m mainly as a result of H1 2022 including a reversal of prior year impairments, hence H1 2023 depreciations reflecting normal levels. Net financial items worsened significantly from EUR -4.2m to EUR -18.1m due to increasing debt and higher interest rates on floating rate bonds and project financing. Finally, tax expenses recognized in H1 2023 were EUR 7.5m compared to EUR 6.0m in H1 2022.



Caroline Greve Grønhøj, Talent Acquisition Manager, Headquarters, Søborg.

## Cash flow

The H1 2023 operating cash flow was an outflow of EUR 303.7m, compared to a cash outflow of EUR 88.5m for H1 2022, an increase of EUR 215.2m. The investments in projects recorded as inventories comprises the majority of all the outgoing cash flows and this increased from EUR 157.4m to EUR 357.8m, or EUR 200.4m. Investing activities during H1 2023 were a net cash inflow of EUR 0.5m compared to H1 2022 with EUR 12.0m in cash outflow. The financing activities of the half year period were a net cash inflow of EUR 270.0m, driven by issue of both senior bonds and hybrid capital together with positive net proceeds from project financing. Change in cash and cash equivalents for the half year was a decrease of EUR 33.2m to EUR 176.7m from EUR 209.8m at year end 2022.

## Total assets

Total assets increased to EUR 2,049m as at 30 June 2023, from EUR 1,744m as at 31 December 2022, an increase of EUR 305m or 17%.

Inventories increased by EUR 345m to EUR 1,396m as at 30 June 2023, compared to EUR 1,051m as at 31 December 2022. This increase was a result of increased investments in energy parks, as well as projects in development, under construction or in operational parks for sale. The Group has succeeded in finalising a high number of energy parks, bringing the value of operational parks in inventory up to EUR 769.1m, compared to EUR 438.9m at year-end 2022. This will secure high and stable cash flow for the Group going forward.

Our total non-current asset base amounted to EUR 308.7m, slightly below 31 December

2022 at EUR 313.1m, and mainly included investments in operating energy parks and projects and investments in/loans to joint ventures or associates.

## Liabilities

Total bond debt increased by EUR 76.2m to EUR 439.9m at 30 June 2023. This was the result of the tapping of the 2026 senior bond in January. Current and non-current project financing increased by EUR 178.6m to EUR 902.4m as at 30 June 2023, as a consequence of the increasing construction activities – as reflected under inventories. Other non-current and current liabilities account balances were at the same level as at 31 December 2022.

## Equity

Equity increased by EUR 37.7m during the period, from EUR 391.4m as at 31 December 2022, to EUR 429.1m as at 30 June 2023. Equity was impacted by the profit for the period of EUR 14.8m, net issuance of hybrid capital of EUR 21.4m combined with a net negative value adjustment of the hedging reserve of EUR 8.6m and a gain on the translation reserve and other adjustments of EUR 10.2m.

## Parent company's financial performance

The parent company's result after tax was a profit of EUR 14.9m for Q2 2023 and EUR 10.1m for H1 2023. The majority of energy sales, as well as divestments of energy parks and projects, are recognised in the subsidiaries of the parent company and consequently recognised in "Results from investments in subsidiaries" in the parent company's financial statements.

The explanation for the parent company's financial performance is in all material aspects similar to that of the Group for Q2 and H1 2023.

## Debt management and liquidity resources

The Group operates a two-layered capital structure. The parent company constitutes the top layer, which includes funding that is unsecured and structurally subordinated to the project-level financing at the bottom. Top-layer funding consists of two outstanding senior bonds of EUR 300m and EUR 150m maturing in 2025 and 2026, respectively, together with two hybrid bonds of EUR 57m and EUR 115m maturing in 3020 and 3023, respectively. In addition to the bonds, the parent company has a EUR 75m committed Revolving Credit Facility in place, maturing in 2026 at the latest. The bottom-layer funding consists predominantly of secured bank financing of renewable energy projects either under construction or in operation and totalled EUR 902m at the end of H1 2023.

Our liquidity resources as at 30 June 2023 comprised the following:

Liquidity resources EURk	End of H1 2023
Committed undrawn facilities (0-1 years)	0
Committed undrawn credit facilities (1-3 years)	50.000
<b>Total committed credit facilities</b>	<b>50.000</b>
Cash non-restricted	158.922
<b>Total liquidity resources available</b>	<b>208.922</b>
Uncommitted undrawn credit facilities	20.000
Restricted cash	17.735

## Events after balance sheet day

In the beginning of Q3 2023, we signed an agreement with Japanese Mitsui, who will take 49% co-ownership of both Kassø Solar Park and the Kassø Power-to-X plant.

## Outlook

The Group announced its financial outlook for 2023 on 28 February 2023, and this outlook is maintained. The reconfirmation is based on our financial results achieved year-to-date and expectations for the remainder of the year.

Management expect the power price levels experienced on average over H1 2023 to remain approximately the same for the rest of the year. Sales of energy parks and projects are planned to pick up significantly in the last two quarters of the year.

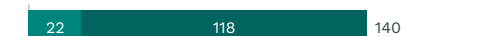
Based on the above, we expect an EBITDA of EUR 180m and a profit before tax of EUR 140m for 2023. We assess that the outlook is subject to a series of risk, including the sale of Kassø, and volatility could impact realised results by a margin of +/- 20% compared to the aforementioned corporate announcement.

## Outlook 2023

### EBITDA



### PROFIT BEFORE TAX



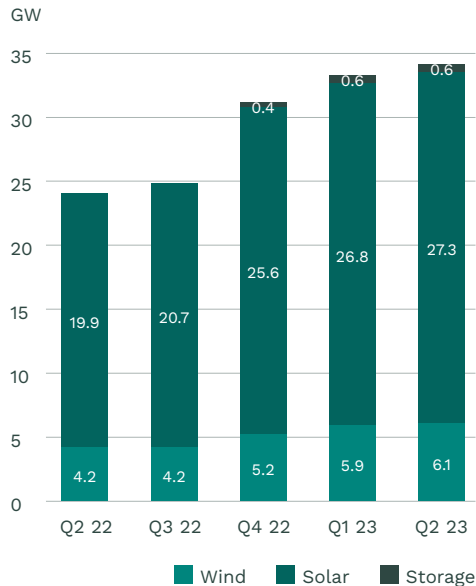
■ H1 ■ Remaining

# Business performance

## Project development

At the end of Q2 2023, European Energy had a renewable energy pipeline of 58.7 GW (down 2.5 GW since Q1 2023) of which 41.3 GW was within solar and 14.3 GW was off- and onshore wind projects. Of the total pipeline, 24.7 GW was in the screening phase, 31.3 GW was in development and 2.7 GW was in the structuring phase. This positions European Energy as one of the largest European onshore wind and solar energy developers.

## Development pipeline (Development and structuring)

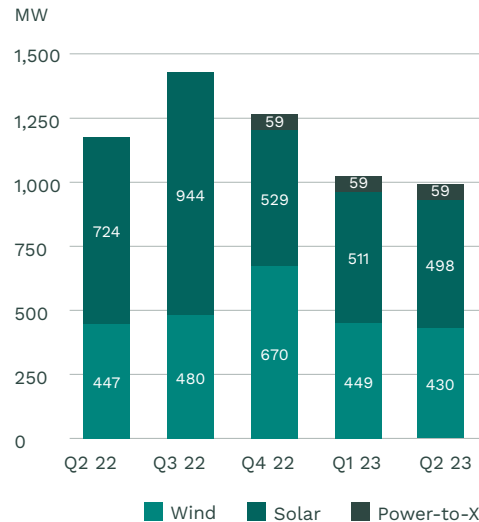


Excluding screening, projects within onshore wind energy accounted for 5.3 GW (15.6%) of the development pipeline, offshore wind projects for 0.8 GW (2.3%) and solar projects for 27.3 GW (80.3%).

## Construction

During Q2 2023, European Energy was engaged in construction activities at 25 different sites (26 at the end of Q1 2023) across eight European countries, as well as Brazil. By the end of Q2 2023, 1.0 GW of projects were under construction (1.0 GW at the end of Q1 2023). Our construction portfolio is set to grow continuously through 2023 and support our expected trajectory of continued growth for 2023 and beyond.

## Construction pipeline



## Onshore wind

At the end of Q2 2023, European Energy had 14 wind power projects under construction across five European countries, as well as Brazil. In total, active construction activities constituted some 430 MW of the new renewable energy capacity expected for grid connection during 2023-24. The main construction sites are located in Lithuania (176 MW), Germany (134 MW) and Sweden (85 MW). Grid-connected wind projects during the quarter totalled 59 MW, of which 39 MW and 20 MW are located in Poland and Lithuania, respectively.

## Solar

By the end of Q2 2023, European Energy had ten solar projects under construction, with a total of 498 MW new renewable energy capacity scheduled for grid connection in 2023-24. During Q2 2023, one 40MW solar park was grid connected in the UK. Supply chain and production capacity issues are no longer a major challenge, which was the case in parts of 2021 and 2022. Instead, we see solar panel and transportation costs below pre-Covid levels.



15 MW

Sulimierz Solar Park, Poland

# Financial statements



# Consolidated income statement and statement of comprehensive income

EURk	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022*
Revenue	48,354	43,699	91,433	285,534	438,077
Results from investments in joint ventures	-77	-233	71	7,957	10,460
Results from investments in associates	1,413	498	2,023	2,582	5,787
Other income	8,818	309	10,316	309	2,787
Direct costs	-6,642	-21,112	-24,690	-197,419	-270,440
<b>Gross profit</b>	<b>51,866</b>	<b>23,161</b>	<b>79,153</b>	<b>98,963</b>	<b>186,671</b>
Staff costs	-8,828	-5,279	-16,248	-11,679	-22,437
Other external costs	-6,972	-5,993	-13,807	-10,278	-24,128
<b>EBITDA</b>	<b>36,066</b>	<b>11,889</b>	<b>49,098</b>	<b>77,006</b>	<b>140,106</b>
Depreciation and impairment	-4,903	-4,090	-8,702	-3,699	-14,951
<b>Operating profit</b>	<b>31,163</b>	<b>7,799</b>	<b>40,396</b>	<b>73,307</b>	<b>125,155</b>
Financial income	7,512	1,018	10,586	2,852	16,106
Financial expenses	-16,947	-2,386	-28,672	-7,004	-26,547
<b>Profit before tax</b>	<b>21,728</b>	<b>6,431</b>	<b>22,310</b>	<b>69,155</b>	<b>114,714</b>
Tax	-4,293	-1,519	-7,524	-6,034	-16,360
<b>Profit / loss for the period</b>	<b>17,435</b>	<b>4,912</b>	<b>14,786</b>	<b>63,121</b>	<b>98,354</b>
Attributable to:					
Shareholders of European Energy A/S	15,527	3,614	8,801	58,237	80,025
Hybrid capital holders	-667	-	1,290	-	9,188
Non-controlling interests	2,575	1,298	4,695	4,884	9,142
<b>Profit / loss for the period</b>	<b>17,435</b>	<b>4,912</b>	<b>14,786</b>	<b>63,121</b>	<b>98,354</b>
<b>Earnings per share:</b>					
Earnings per share, basic	0.05	0.01	0.03	0.19	0.26
Earnings per share, diluted	0.05	0.01	0.03	0.19	0.25

EURk	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022*
<b>Profit / loss for the period</b>	<b>17,435</b>	<b>4,912</b>	<b>14,786</b>	<b>63,121</b>	<b>98,354</b>
Items that may be reclassified to profit or loss:					
Value adjustments of hedging instruments	5,480	766	-10,782	-9,173	-44,688
Tax of value adjustments of hedging instruments	-1,158	-1,629	2,146	581	10,680
Currency differences on translating foreign operations	7,245	-128	8,508	-36	-3,554
<b>Other comprehensive income for the period</b>	<b>11,567</b>	<b>-991</b>	<b>-128</b>	<b>-8,628</b>	<b>-37,562</b>
<b>Comprehensive income for the period</b>	<b>29,002</b>	<b>3,921</b>	<b>14,658</b>	<b>54,493</b>	<b>60,792</b>
Attributable to:					
Shareholders of European Energy A/S	28,612	598	11,607	46,514	39,546
Hybrid capital holders	-667	-	1,290	-	9,188
Non-controlling interests	1,057	3,323	1,761	7,979	12,058
<b>Comprehensive income for the period</b>	<b>29,002</b>	<b>3,921</b>	<b>14,658</b>	<b>54,493</b>	<b>60,792</b>

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



# Consolidated statement of financial position

EURk	30 Jun 2023	30 Jun 2022	31 Dec 2022*
<b>Non-current assets</b>			
Goodwill	10,656	4,526	10,662
Other intangible assets	5,062	-	5,695
Property, plant, and equipment	159,932	157,034	155,756
Lease assets	9,913	12,845	11,834
Investments in joint ventures	15,088	19,447	15,778
Investments in associates	29,511	17,672	29,352
Other investments	10,400	13,453	13,447
Loans to joint ventures	37,899	39,149	37,367
Loans to associates	5,070	3,314	2,138
Derivatives	-	23,929	6,904
Trade receivables and contract assets	2,613	2,949	4,699
Other receivables	4,930	3,259	4,515
Deferred tax	17,663	10,288	14,903
<b>Total non-current assets</b>	<b>308,737</b>	<b>307,865</b>	<b>313,050</b>
<b>Current assets</b>			
Inventories	1,396,318	735,566	1,051,000
Derivatives	1,479	3,359	8,905
Trade receivables and contract assets	87,679	52,722	79,308
Other receivables	62,264	42,552	59,354
Prepayments	15,501	52,366	22,967
Cash and cash equivalents	158,922	135,919	165,285
Restricted cash and cash equivalents	17,735	22,911	44,541
<b>Total current assets</b>	<b>1,739,898</b>	<b>1,045,395</b>	<b>1,431,360</b>
<b>TOTAL ASSETS</b>	<b>2,048,635</b>	<b>1,353,260</b>	<b>1,744,410</b>

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

EURk	30 Jun 2023	30 Jun 2022	31 Dec 2022*
<b>Equity</b>			
Share capital	40,624	40,591	40,602
Retained earnings and reserves	197,268	194,337	184,675
<b>Equity attributable to owners of the company</b>	<b>237,892</b>	<b>234,928</b>	<b>225,277</b>
Hybrid capital	172,450	150,000	150,000
Non-controlling interests	18,784	19,149	16,078
<b>Total Equity</b>	<b>429,126</b>	<b>404,077</b>	<b>391,354</b>
<b>Liabilities</b>			
Bond	439,904	287,332	363,683
Project financing	797,055	326,547	668,669
Other debt	5,188	3,404	5,133
Lease liabilities	8,812	10,353	10,996
Provisions	39,683	21,610	40,212
Derivatives	29,064	18,567	31,783
Deferred tax	21,281	17,946	20,923
<b>Total non-current liabilities</b>	<b>1,340,987</b>	<b>685,759</b>	<b>1,141,399</b>
Project financing	105,388	107,697	55,090
Lease liabilities	2,688	3,039	3,282
Derivatives	6,942	5,568	3,432
Trade payables	101,714	93,566	77,426
Payables to related parties	186	4	921
Corporation tax	15,010	6,520	8,129
Provisions	3,810	3,750	8,415
Deferred income	5,139	7,964	9,347
Other payables	37,645	35,316	45,615
<b>Total current liabilities</b>	<b>278,522</b>	<b>263,424</b>	<b>211,657</b>
<b>Total liabilities</b>	<b>1,619,509</b>	<b>949,183</b>	<b>1,353,056</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,048,635</b>	<b>1,353,260</b>	<b>1,744,410</b>

# Consolidated statement of cash flow

EURk	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022*
Profit before tax	21,728	6,431	22,310	69,155	114,714
Adjustment for:					
Financial income	-7,512	-1,018	-10,586	-2,852	-16,106
Financial expenses	16,947	2,386	28,672	7,004	26,547
Depreciation and impairment	4,903	4,090	8,702	3,699	14,951
Results from investments in joint ventures	77	233	-71	-7,957	-10,460
Results from investments in associates	-1,413	-498	-2,023	-2,582	-5,787
Change in net working capital, excluding inventories	56,320	8,062	11,532	6,431	-4,222
Change in inventories	-230,103	-201,111	-357,828	-157,358	-479,039
Interest paid on lease liabilities	-108	-73	-232	-176	-464
Dividends	1,444	1,168	1,444	2,112	5,537
Other non-cash items	14,750	17,939	14,514	8,457	25
<b>Cash generated from operation before financial items and tax</b>	<b>-122,967</b>	<b>-162,391</b>	<b>-283,566</b>	<b>-74,067</b>	<b>-354,304</b>
Taxes paid	-1,241	-478	-2,360	-4,241	-7,010
Interest paid and realised currency losses	-11,726	2,225	-21,453	-11,787	-24,830
Interest received and realised currency gains	1,254	702	3,689	1,634	11,803
<b>Cash flow from operating activities</b>	<b>-134,680</b>	<b>-159,942</b>	<b>-303,690</b>	<b>-88,461</b>	<b>-374,341</b>
<b>Cash flow from investing activities</b>					
Acquisition/disposal of property, plant, and equipment	254	-1,991	-1,192	-2,662	-9,599
Acquisition/disposal of other investments	5,506	-266	4,706	-4,985	-4,670
Acquisition of enterprises	-	-	-	-	-8,120
Cash and cash equivalents related to acquired companies	-	-	-	-	1,544
Investments in joint ventures and associates	-203	-1,481	-1,103	-4,962	-5,699
Loans to joint ventures and associates	-2,110	-970	-1,939	654	1,490
<b>Cash flow from investing activities</b>	<b>3,447</b>	<b>-4,708</b>	<b>472</b>	<b>-11,955</b>	<b>-25,054</b>

EURk	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022*
<b>Cash flow from financing activities</b>					
Proceeds from issue of bonds	-1	-	74,703	-	74,411
Proceeds from project financing	155,085	69,003	191,048	152,160	505,829
Repayment of project financing	-5,663	-12,940	-12,364	-105,477	-169,631
Repayment of lease liabilities	-781	-572	-1,410	-1,118	-2,346
Payables to associates	91	-65	-735	-11,427	-10,510
Capital increase through exercise of warrants	175	208	175	208	365
Purchase of treasury shares	-4	-	-4	-	-140
Proceeds from issue of hybrid capital	14,880	-	113,930	-	-
Repayment of hybrid capital	-	-	-92,550	-	-
Coupon payments, hybrid capital	667	-	-1,290	-	-9,188
Transactions with non-controlling interests	-899	-1,315	-1,454	-2,461	-6,930
<b>Cash flow from financing activities</b>	<b>163,550</b>	<b>54,319</b>	<b>270,049</b>	<b>31,885</b>	<b>381,860</b>
Cash and cash equivalents related to acquired companies	-	-	-	-	-
<b>Change in cash and cash equivalents</b>	<b>32,317</b>	<b>-110,331</b>	<b>-33,169</b>	<b>-68,531</b>	<b>-17,535</b>
Cash and cash equivalents at beginning of period	144,340	269,161	209,826	227,361	227,361
<b>Cash and cash equivalents end of period</b>	<b>176,657</b>	<b>158,830</b>	<b>176,657</b>	<b>158,830</b>	<b>209,826</b>
Cash and cash equivalents	158,922	135,919	158,922	135,919	165,285
Restricted cash and cash equivalents	17,735	22,911	17,735	22,911	44,541
<b>Total cash and cash equivalents end of period</b>	<b>176,657</b>	<b>158,830</b>	<b>176,657</b>	<b>158,830</b>	<b>209,826</b>

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

# Consolidated statement of changes in equity

	2023									
EURk	Share capital	Share premium	Translation reserve	Hedging reserve	Treasury shares	Retained earnings	Total	Hybrid capital	Non-controlling interest	Total Group
<b>Equity at 1 January 2023</b>	<b>40,602</b>	<b>1,758</b>	<b>-3,582</b>	<b>-37,019</b>	<b>-181</b>	<b>221,792</b>	<b>223,370</b>	<b>150,000</b>	<b>17,999</b>	<b>391,369</b>
Correction re. prior business combination	-	-	-	-	-	1,907	1,907	-	-1,921	-15
<b>Restated total equity at 1 January 2023*</b>	<b>40,602</b>	<b>1,758</b>	<b>-3,582</b>	<b>-37,019</b>	<b>-181</b>	<b>223,699</b>	<b>225,277</b>	<b>150,000</b>	<b>16,078</b>	<b>391,354</b>
Profit for the period	-	-	-	-	-	8,801	8,801	1,290	4,695	14,786
<b>Other comprehensive income</b>										
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
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>8,491</b>	<b>-5,685</b>	<b>-</b>	<b>-</b>	<b>2,806</b>	<b>-</b>	<b>-2,934</b>	<b>-128</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>8,491</b>	<b>-5,685</b>	<b>-</b>	<b>8,801</b>	<b>11,607</b>	<b>1,290</b>	<b>1,761</b>	<b>14,658</b>
<b>Transactions with owners</b>										
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
<b>Total transactions with owners</b>	<b>22</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>-4</b>	<b>837</b>	<b>1,008</b>	<b>21,160</b>	<b>946</b>	<b>23,114</b>
<b>Equity at 30 June 2023</b>	<b>40,624</b>	<b>1,911</b>	<b>4,909</b>	<b>-42,704</b>	<b>-185</b>	<b>233,337</b>	<b>237,892</b>	<b>172,450</b>	<b>18,785</b>	<b>429,126</b>

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

The share capital consists of nom. 302,328,808 shares of DKK 1 each, corresponding to EUR 40,624 thousand. The share capital is fully paid in. The Equity Treasury share reserve comprises the cost of the parent company's shares held by the Group, and is recognised as retained earnings and reserves in the equity. At 30 June 2023, the Group held nom. 96,512 shares of DKK 1 each corresponding to EUR 13 thousand of the parent company's shares. The shares have been bought back under the warrant program, where the parent company has a right, but not an obligation, to buy back shares from resigned employees. The obligation to pay coupon payments on hybrid capital is at the discretion of European Energy A/S, and treated as dividend. Accumulated coupon payments as per 30 June 2023 amounts to EUR 7.3 million, which will reduce retained earnings if European Energy A/S does not elect to defer coupon payment on the next interest payment date in September 2023/January 2027.

# Consolidated statement of changes in equity - continued

	2022									
EURk	Share capital	Share premium	Translation reserve	Hedging reserve	Treasury shares	Retained earnings	Total	Hybrid capital	Non-controlling interest	Total Group
<b>Equity at 1 January 2022</b>	<b>40,559</b>	<b>1,436</b>	<b>27</b>	<b>-150</b>	<b>-39</b>	<b>145,905</b>	<b>187,738</b>	<b>150,000</b>	<b>12,750</b>	<b>350,488</b>
Profit for the period	-	-	-	-	-	58,237	58,237	-	4,884	63,121
<b>Other comprehensive income</b>										
Value adjustments of hedging instruments	-	-	-	-12,958	-	-	-12,958	-	3,785	-9,173
Tax of value adjustments of hedging instruments	-	-	-	1,359	-	-	1,359	-	-778	581
Currency translation of foreign operations	-	-	-124	-	-	-	-124	-	88	-36
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-124</b>	<b>-11,599</b>	<b>-</b>	<b>-</b>	<b>-11,723</b>	<b>-</b>	<b>3,095</b>	<b>-8,628</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-124</b>	<b>-11,599</b>	<b>-</b>	<b>58,237</b>	<b>46,514</b>	<b>-</b>	<b>7,979</b>	<b>54,493</b>
<b>Transactions with owners</b>										
Dividends	-	-	-	-	-	-	-	-	-1,315	-1,315
Exercise of warrants	32	176	-	-	-	-	208	-	-	208
Share-based compensation expenses	-	-	-	-	-	1,613	1,613	-	-	1,613
Additions	-	-	-	-	-	-	-	-	4,135	4,135
Disposals	-	-	-	-	-	-1,145	-1,145	-	-4,400	-5,545
<b>Total transactions with owners</b>	<b>32.00</b>	<b>176.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>468</b>	<b>676</b>	<b>-</b>	<b>-1,580</b>	<b>-904</b>
<b>Equity at 30 June 2022</b>	<b>40,591</b>	<b>1,612</b>	<b>-97</b>	<b>-11,749</b>	<b>-39</b>	<b>204,610</b>	<b>234,928</b>	<b>150,000</b>	<b>19,149</b>	<b>404,077</b>

The share capital consists of nom. 302,086,822 shares of DKK 1 each, corresponding to EUR 40,591 thousand. The share capital is fully paid in. The Equity Treasury share reserve comprises the cost of the parent company's shares held by the Group, and is recognised as retained earnings and reserves in the equity. At June 30, the Group held nom. 40,443 shares of DKK 1 each corresponding to EUR 5 thousand of the parent company's shares. The shares have been bought back under the warrant program, where the parent company has a right, but not an obligation, to buy back shares from resigned employees. The obligation to pay coupon payments on hybrid capital is at the discretion of European Energy A/S, and treated as dividend. Accumulated coupon payments as per June 30, 2022 amounts to EUR 7.1 million, which will reduce retained earnings if European Energy A/S does not resolve to defer coupon payment on the next interest payment date in September 2022.

# Notes



Royal event in  
Copenhagen:  
Signing agreement  
with Vårgrønn

# Note 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 second quarter of 2023 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 2022 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.

## KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the interim financial reporting of European Energy, management makes a number of accounting estimates and assumptions, which form the basis of the recognition and measurement of European Energy's assets and liabilities. The estimates and assumptions made are based on experience and other factors that management considers reasonable in the circumstances.

We are constantly monitoring market developments for power prices, inflation, interest levels, etc. and are assessing the financial impact that these implies.

When revisiting previously made key accounting estimates, we have considered the recent market developments. These developments have had a minor impact in our Q2 consolidated financial statement as previously explained, and we are expecting this to continue in the future. All key accounting estimates and judgments will be reassessed quarterly.

For all other estimates and judgments applied, reference is made to the consolidated financial statements in the annual report for the year ended December 31, 2022, Note 1.1.

## ACCOUNTING POLICIES

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

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

## 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 2023.

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

# Note 2 Segment information for Q2 2023

EURk	Q2 2023						Q2 2022					
	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	18,993	27,581	1,780	48,354	-	48,354	19,658	22,343	1,698	43,699	-	43,699
Inter-segment revenue	-	-	1,099	1,099	-1,099	-	-	-	335	335	-335	-
<b>Revenue</b>	<b>18,993</b>	<b>27,581</b>	<b>2,879</b>	<b>49,453</b>	<b>-1,099</b>	<b>48,354</b>	<b>19,658</b>	<b>22,343</b>	<b>2,033</b>	<b>44,034</b>	<b>-335</b>	<b>43,699</b>
Results from investments in joint ventures	-	-77	-	-77	-	-77	-	-233	-	-233	-	-233
Results from investments in associates	-	1,413	-	1,413	-	1,413	-	498	-	498	-	498
Other income	1,739	7,079	-	8,818	-	8,818	-	309	-	309	-	309
Direct costs	1,796	-8,694	256	-6,642	-	-6,642	-16,953	-3,277	-882	-21,112	-	-21,112
<b>Gross profit</b>	<b>22,528</b>	<b>27,302</b>	<b>3,135</b>	<b>52,965</b>	<b>-1,099</b>	<b>51,866</b>	<b>2,705</b>	<b>19,640</b>	<b>1,151</b>	<b>23,496</b>	<b>-335</b>	<b>23,161</b>
Staff costs	-8,229	-564	-36	-8,828	-	-8,828	-4,104	-998	-177	-5,279	-	-5,279
Other external costs	-5,686	-1,111	-175	-6,972	-	-6,972	-5,504	-393	-96	-5,993	-	-5,993
Inter-group costs	-	-1,099	-	-1,099	1,099	-	-	-335	-	-335	335	-
<b>EBITDA</b>	<b>8,613</b>	<b>24,528</b>	<b>2,924</b>	<b>36,066</b>	<b>-</b>	<b>36,066</b>	<b>-6,903</b>	<b>17,914</b>	<b>878</b>	<b>11,889</b>	<b>-</b>	<b>11,889</b>
Depreciation and impairment	-	-4,903	-	-4,903	-	-4,903	-	-4,090	-	-4,090	-	-4,090
<b>Segment profit (Operating profit)</b>	<b>8,613</b>	<b>19,625</b>	<b>2,924</b>	<b>31,163</b>	<b>-</b>	<b>31,163</b>	<b>-6,903</b>	<b>13,824</b>	<b>878</b>	<b>7,799</b>	<b>-</b>	<b>7,799</b>
Financial income						7,512						1,018
Financial expenses						-16,947						-2,386
Tax						-4,293						-1,519
<b>Profit for the year</b>						<b>17,435</b>						<b>4,912</b>

# Note 2 Segment information for H1 2023

EURk	H1 2023						H1 2022					
	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	33,524	53,934	3,975	91,433	-	91,433	233,737	48,653	3,144	285,534	-	285,534
Inter-segment revenue	-	-	1,501	1,501	-1,501	-	-	-	979	979	-979	-
<b>Revenue</b>	<b>33,524</b>	<b>53,934</b>	<b>5,476</b>	<b>92,934</b>	<b>-1,501</b>	<b>91,433</b>	<b>233,737</b>	<b>48,653</b>	<b>4,123</b>	<b>286,513</b>	<b>-979</b>	<b>285,534</b>
Results from investments in joint ventures	-	71	-	71	-	71	-	7,957	-	7,957	-	7,957
Results from investments in associates	-	2,023	-	2,023	-	2,023	-	2,582	-	2,582	-	2,582
Other income	2,539	7,777	-	10,316	-	10,316	-	309	-	309	-	309
Direct costs	-9,603	-14,793	-294	-24,690	-	-24,690	-189,302	-6,395	-1,722	-197,419	-	-197,419
<b>Gross profit</b>	<b>26,460</b>	<b>49,012</b>	<b>5,182</b>	<b>80,654</b>	<b>-1,501</b>	<b>79,153</b>	<b>44,435</b>	<b>53,106</b>	<b>2,401</b>	<b>99,942</b>	<b>-979</b>	<b>98,963</b>
Staff costs	-15,127	-1,004	-118	-16,248	-	-16,248	-9,386	-1,948	-345	-11,679	-	-11,679
Other external costs	-11,830	-1,614	-363	-13,807	-	-13,807	-8,888	-1,202	-188	-10,278	-	-10,278
Inter-group costs	-	-1,501	-	-1,501	1,501	-	-	-979	-	-979	979	-
<b>EBITDA</b>	<b>-497</b>	<b>44,893</b>	<b>4,702</b>	<b>49,098</b>	<b>-</b>	<b>49,098</b>	<b>26,161</b>	<b>48,977</b>	<b>1,868</b>	<b>77,006</b>	<b>-</b>	<b>77,006</b>
Depreciation and impairment	-	-8,702	-	-8,702	-	-8,702	-	-3,699	-	-3,699	-	-3,699
<b>Segment profit (Operating profit)</b>	<b>-497</b>	<b>36,191</b>	<b>4,702</b>	<b>40,396</b>	<b>-</b>	<b>40,396</b>	<b>26,161</b>	<b>45,278</b>	<b>1,868</b>	<b>73,307</b>	<b>-</b>	<b>73,307</b>
Financial income						10,586						2,852
Financial expenses						-28,672						-7,004
Tax						-7,524						-6,034
<b>Profit for the period</b>						<b>14,786</b>						<b>63,121</b>



# Note 3 Revenue

	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022
<b>Sale of energy farms and projects</b>					
Wind	28	19,097	828	20,037	47,605
Solar	13,239	513	20,899	213,147	266,435
Other activities	5,726	48	11,797	553	11,024
<b>Revenue</b>	<b>18,993</b>	<b>19,658</b>	<b>33,524</b>	<b>233,737</b>	<b>325,064</b>
<b>Sale of energy</b>					
Wind	13,745	19,253	37,205	42,110	91,122
Solar	13,836	3,090	16,729	6,543	14,407
Other activities	-	-	-	-	-
<b>Revenue</b>	<b>27,581</b>	<b>22,343</b>	<b>53,934</b>	<b>48,653</b>	<b>105,529</b>
<b>Asset management and other fees</b>					
Wind	1,093	1,201	1,714	2,058	3,709
Solar	1,063	438	2,261	962	3,700
Other activities	-376	59	-	124	75
<b>Revenue</b>	<b>1,780</b>	<b>1,698</b>	<b>3,975</b>	<b>3,144</b>	<b>7,484</b>
<b>Total segment and type</b>					
Wind	14,866	39,551	39,747	64,205	142,436
Solar	28,138	4,041	39,889	220,652	284,542
Other activities	5,350	107	11,797	677	11,099
<b>Revenue</b>	<b>48,354</b>	<b>43,699</b>	<b>91,433</b>	<b>285,534</b>	<b>438,077</b>

# Note 4 Property, plant, and equipment

EURk	30 Jun 2023					30 Jun 2022					31 Dec 2022
	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	
<b>Cost at 1 January</b>	176,616	12,514	5,981	6,711	201,822	168,726	13,098	3,880	5,623	191,327	191,327
Reclassification	-	-	-	54	54	-	-	-	-1	-1	-1
Exchange rate adjustments	1,368	343	-	-57	1,654	-683	-240	-	-2	-925	-1,699
Additions	198	-	530	880	1,608	3,045	-	532	2	3,579	10,337
Disposals	-719	-629	-	-80	-1,428	-737	-	-	-	-737	-737
Transfer to/from inventories	3,890	-	-	6,212	10,102	-	-	-	-	-	2,595
<b>Cost at 30 June</b>	<b>181,353</b>	<b>12,228</b>	<b>6,511</b>	<b>13,720</b>	<b>213,812</b>	<b>170,351</b>	<b>12,858</b>	<b>4,412</b>	<b>5,622</b>	<b>193,243</b>	<b>201,822</b>
<b>Accumulated depreciation and impairment losses at 1 January</b>	-40,470	-2,408	-2,882	-306	-46,066	-30,690	-1,387	-1,961	-6	-34,044	-34,044
Reclassification	-	-	-	-	-	-	-	-	1	1	-
Exchange rate adjustments	-587	-66	-	17	-636	304	50	2	-	356	449
Disposals	-	-	-	-	-	389	-	-	-	389	389
Depreciation	-6,988	403	-541	-52	-7,178	-6,596	-454	-353	-2	-7,405	-14,917
Impairment/reversal of impairment	-	-	-	-	-	4,494	-	-	-	4,494	2,313
Transfer to/from inventories	-	-	-	-	-	-	-	-	-	-	-256
<b>Accumulated depreciation and impairment losses at 30 June</b>	<b>-48,045</b>	<b>-2,071</b>	<b>-3,423</b>	<b>-341</b>	<b>-53,880</b>	<b>-32,099</b>	<b>-1,791</b>	<b>-2,312</b>	<b>-7</b>	<b>-36,209</b>	<b>-46,066</b>
<b>Carrying amount at 30 June</b>	<b>133,308</b>	<b>10,157</b>	<b>3,088</b>	<b>13,379</b>	<b>159,932</b>	<b>138,252</b>	<b>11,067</b>	<b>2,100</b>	<b>5,615</b>	<b>157,034</b>	<b>155,756</b>

# Note 5 Inventories

EURk	30 Jun 2023				30 Jun 2022				31 Dec 2022
	Under develop- ment	Under construc- tion	In operation	Total	Under develop- ment	Under construc- tion	In operation	Total	
<b>Carrying amount at 1 January</b>	150,189	461,905	438,906	1,051,000	111,820	197,489	215,521	524,830	524,830
Exchange rate adjustments	259	7,969	6,585	14,813	-	-	-	-	-
Additions	85,237	250,533	27,963	363,734	57,758	330,364	10,300	398,422	767,407
Disposals	-6,887	-991	-16,576	-24,455	-	-	-183,036	-183,036	-226,488
Deconsolidated	-	-	-	-	-	-	-	-	-3,487
Impairments	1,328	-	-	1,328	-3,835	-	-	-3,835	-9,027
Transfer to PPE	-6,212	-	-3,890	-10,102	-82	-733	-	-815	-2,234
Transfers	-17,049	-299,085	316,134	-	-39,235	-27,952	67,187	-	-
<b>Carrying amount at 30 June</b>	<b>206,865</b>	<b>420,330</b>	<b>769,123</b>	<b>1,396,318</b>	<b>126,426</b>	<b>499,168</b>	<b>109,972</b>	<b>735,566</b>	<b>1,051,000</b>

Inventory write-downs (EURk)	30 Jun 2023	30 Jun 2022	31 Dec 2022
Inventory write-downs at 1 January	-32,592	-24,480	-24,480
Exchange rate adjustments	-124	-	-
Write-downs for the period	1,452	-3,800	-8,125
Disposal of the period	6	-	13
<b>Total</b>	<b>-31,258</b>	<b>-28,280</b>	<b>-32,592</b>

Inventory recognised in profit or loss under direct costs(EURk)	30 Jun 2023	30 Jun 2022	31 Dec 2022
Disposals	-24,455	-183,036	-226,488
Write-offs for the period	-6	-35	-915
Write-downs reversed, projects written off	-	-	13
Write-downs for the period	1,452	-3,800	-8,125
<b>Total</b>	<b>-23,009</b>	<b>-186,871</b>	<b>-235,515</b>

# Note 6 Other financial derivatives

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

In H1 2023, 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 12.5m compared to a loss of EUR 5.3 million for H1 2022. The total fair value adjustment of Other financial derivatives recognised in Other comprehensive income as per June 30, 2023, is a negative adjustment net of tax of EUR 13.3m.

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

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

## VALUATION PRINCIPLES AND METHODOLOGY

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

The significant valuation inputs are consistent with those applied previously, which are disclosed in our financial statements for 2022.

# Note 7 Fair value measurement

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

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

The group uses valuation techniques appropriate in the circumstances and for which sufficient data is available to measure fair value, thus maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, described as follows, on the basis of the lowest level input significant to the fair value measurement as a whole.

Principles for determination of fair value of hedging instruments are described in Note 1.1 Basis for preparation in the 2022 Group financial statements and principles applied when preparing the H1 2023 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 derivatives as explained in Note 6 the Group also recognises fair value adjustments from contracts related to either interest rates and currencies. Combined fair values recognized in the consolidated financial statements from all financial derivatives measured on all levels in the fair value hierarchy amounts to a loss of EUR 52.0m.

## OTHER FINANCIAL DERIVATIVES

Other financial derivatives are recognised and measured at an amount of EUR 15.0m following Level 3 techniques. Of this amount EUR 16.7m is classified as financial liabilities in the balance sheet and EUR 1.7m is classified as financial assets.

# Note 8 Pledges and Securities for debt

## PLEDGES AS SECURITY OF DEBT

We operate a two-layered capital structure, where external financing is obtained both at parent- and project level. End of H1 2023 total outstanding debt at the parent level equalled EUR 440m (H1 2022: 287m), while total debt on project level amounted to EUR 902m (H1 2022:EUR 434m) including short-term construction financings and long-term project financing.

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

End of H1 2023 the total outstanding project level financing with pledged assets or shares amounted to EUR 900m (FY 2022: EUR 724m). The corresponding carrying amount of the pledged assets or shares amounted to EUR 1.340m (FY 2022: EUR 985m).

## GUARANTEES AS SECURITY OF DEBT

Besides asset- and share pledges, we also provide parent company guarantees toward financial counterparts for short-term construction financing. For long-term project financing, this guarantee is removed, and the debt is obtained as non-recourse. End of H1 2023 the total recourse debt at the project levels amounted to EUR 299m (FY 2022: EUR 429m).

# Note 9 Prior year adjustment

The adjustments relates to the acquisition of Ammongas in July 2022. The purchase price allocation of the identified assets, liabilities and contingent liabilities was completed within 12 months of the acquisition date. The transaction generated a change in provisions of EUR 11.1m and deferred tax of EUR 2.4m. Other intangible assets were recognised with EUR 6.3m and goodwill adjusted to EUR 6.3m. The effect of the adjustments was recognised in the profit and loss on direct costs with EUR 5.6m, amortisation with -0.6m and tax with EUR -1.1m, a total positive effect of EUR 3.9m on the result for FY 2022.



# Parent company financial statements

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304 MW

Kassø, Denmark



# Income statement and statement of comprehensive income

EURk	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022*
Revenue	23,810	10,843	36,397	185,885	229,458
Results from investments in subsidiaries	1,845	4,152	5,372	20,655	44,754
Results from joint ventures	-13	-802	110	7,307	10,853
Results from associates	15	210	504	1,204	2,026
Other income	4,644	21	4,644	21	21
Direct costs	-10,192	-8,308	-20,857	-148,901	-177,015
<b>Gross profit</b>	<b>20,109</b>	<b>6,116</b>	<b>26,170</b>	<b>66,171</b>	<b>110,097</b>
Staff costs	-5,074	-4,000	-9,058	-8,948	-14,151
Other external costs	-4,403	-2,113	-8,099	-4,384	-13,306
<b>EBITDA</b>	<b>10,632</b>	<b>3</b>	<b>9,013</b>	<b>52,839</b>	<b>82,640</b>
Depreciation	-1,051	-326	-1,391	-591	-2,005
<b>Operating profit</b>	<b>9,581</b>	<b>-323</b>	<b>7,622</b>	<b>52,248</b>	<b>80,635</b>
Financial income	17,059	8,439	29,721	15,955	37,657
Financial expenses	-11,522	-5,154	-23,607	-9,884	-25,042
<b>Profit / loss before tax</b>	<b>15,118</b>	<b>2,962</b>	<b>13,736</b>	<b>58,319</b>	<b>93,250</b>
Tax	-258	652	-3,645	-82	-4,038
<b>Profit / loss for the period</b>	<b>14,860</b>	<b>3,614</b>	<b>10,091</b>	<b>58,237</b>	<b>89,212</b>
<b>Attributable to:</b>					
Shareholders of European Energy A/S	15,527	3,614	8,801	58,237	80,024
Hybrid capital holders	-667	-	1,290	-	9,188
<b>Profit / loss for the period</b>	<b>14,860</b>	<b>3,614</b>	<b>10,091</b>	<b>58,237</b>	<b>89,212</b>

EURk	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022*
Profit / loss for the period	14,860	3,614	10,091	58,237	89,212
Items that may be reclassified to profit or loss					
Value adjustments of hedging instruments	7,388	-1,964	-7,139	-12,958	-48,205
Tax of value adjustments of hedging instruments	-1,520	-851	1,454	1,359	11,336
Currency translation of foreign operations	7,217	-200	8,492	-124	-3,610
<b>Other comprehensive income for the period</b>	<b>13,085</b>	<b>-3,015</b>	<b>2,807</b>	<b>-11,723</b>	<b>-40,479</b>
<b>Comprehensive income for the period</b>	<b>27,945</b>	<b>599</b>	<b>12,898</b>	<b>46,514</b>	<b>48,733</b>
Attributable to:					
Shareholders of European Energy A/S	28,612	599	11,608	46,514	39,545
Hybrid capital holders	-667	-	1,290	-	9,188
<b>Profit for the period</b>	<b>27,945</b>	<b>599</b>	<b>12,898</b>	<b>46,514</b>	<b>48,733</b>

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

# Statement of financial position

EURk	30 Jun 2023	30 Jun 2022	31 Dec 2022*
<b>Non-current assets</b>			
Other intangible assets	5,062	-	5,695
Property, plant, and equipment	2,144	1,805	2,097
Lease assets	2,422	4,667	3,862
Investments in subsidiaries	144,366	137,636	142,597
Investments in joint ventures	9,029	11,090	10,022
Investments in associated companies	9,141	6,769	7,844
Other investments	4,132	8,838	8,838
Loans to subsidiaries	664,778	516,041	554,252
Loans related to joint ventures and associates	35,374	33,738	32,475
Trade receivables and contract assets	571	115	571
Other receivables	-	452	466
Deferred tax	3,603	5,691	4,588
<b>Total non-current assets</b>	<b>880,622</b>	<b>726,842</b>	<b>773,307</b>
<b>Current assets</b>			
Inventories	12,800	2,455	1,773
Derivatives	-	3,359	2,215
Trade receivables and contract assets	10,920	5,457	8,485
Other receivables	4,978	7,003	1,551
Prepayments from goods and services	3,318	9,975	1,957
Free cash and cash equivalents	75,343	16,755	46,006
Restricted cash and cash equivalents	25	7	-
<b>Total current assets</b>	<b>107,384</b>	<b>45,011</b>	<b>61,987</b>
<b>Total assets</b>	<b>988,006</b>	<b>771,853</b>	<b>835,294</b>

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

EURk	30 Jun 2023	30 Jun 2022	31 Dec 2022*
Share capital	40,624	40,591	40,602
Retained earnings and reserves	197,268	194,337	184,675
Equity attributable to shareholders of the Company	237,892	234,928	225,277
Hybrid capital	172,450	150,000	150,000
<b>Total equity</b>	<b>410,342</b>	<b>384,928</b>	<b>375,277</b>
<b>Liabilities</b>			
Bond	439,904	287,332	363,683
Lease liabilities	1,518	3,097	2,295
Provisions	8,720	286	5,072
Derivatives	4,628	13,584	10,871
Deferred tax	2,401	2,271	3,516
Other liabilities	1,439	1,424	1,953
<b>Total non-current liabilities</b>	<b>458,610</b>	<b>307,994</b>	<b>387,390</b>
Lease liabilities	1,020	1,693	1,693
Derivatives	6,942	715	3,432
Trade payables	1,591	2,357	1,328
Payables to subsidiaries	89,691	51,902	47,453
Payables to related parties	94	-	94
Corporation tax	6,677	1,152	1,910
Provisions	2,950	3,750	2,950
Deferred income	2,457	4,947	3,378
Other payables	7,632	12,415	10,389
<b>Total current liabilities</b>	<b>119,054</b>	<b>78,931</b>	<b>72,627</b>
<b>Total liabilities</b>	<b>577,664</b>	<b>386,925</b>	<b>460,017</b>
<b>Total equity and liabilities</b>	<b>988,006</b>	<b>771,853</b>	<b>835,294</b>

# Statement of cash flow

EURk	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022*
Profit / loss before tax	15,118	2,962	13,736	58,319	93,250
Adjustment for:					
Financial income	-17,059	-8,439	-29,721	-15,955	-37,657
Financial expenses	11,522	5,154	23,607	9,884	25,042
Depreciations	1,051	326	1,391	591	2,005
Profit after tax from subsidiaries	-1,845	-4,152	-5,372	-20,655	-44,754
Profit after tax from Joint Venture's	13	802	-110	-7,307	-10,853
Profit after tax from associates	-15	-210	-504	-1,204	-2,026
Change in net working capital	-9,749	-18,156	-22,412	-16,140	-286
Dividends received	22,700	785	22,700	910	17,702
Other non-cash items	1,585	917	2,506	-3,296	27
<b>Cash flow from operating activities before financial items and tax</b>	<b>23,321</b>	<b>-20,011</b>	<b>5,821</b>	<b>5,147</b>	<b>42,450</b>
Taxes paid	-128	-17	-247	-246	-225
Interest paid and realised currency losses	-9,732	-4,188	-20,222	-19,312	-32,704
Interest received and realised currency gains	14,779	8,787	27,466	16,154	38,118
<b>Cash flow from operating activities</b>	<b>28,240</b>	<b>-15,429</b>	<b>12,818</b>	<b>1,743</b>	<b>47,639</b>
Acquisition/disposal of property, plant, and equipment	-922	-274	-1,286	-632	-1,226
Acquisition of enterprises	-	-	-	-	-5,695
Purchase of other investments	4,706	-	4,706	-4,711	-4,711
Investments in subsidiaries, joint ventures and associates	-8	10,056	-915	10,011	3,329
Loans to subsidiaries	-13,505	-99,571	-121,798	-69,332	-140,336
Loans to joint ventures and associates	-2,471	20,591	-1,369	4,602	9,080
<b>Cash flow from investing activities</b>	<b>-12,200</b>	<b>-69,198</b>	<b>-120,662</b>	<b>-60,062</b>	<b>-139,559</b>

EURk	Q2 2023	Q2 2022	H1 2023	H1 2022	FY 2022*
Proceeds from issue of bonds	-1	-	74,703	-	74,411
Purchase of treasury shares	-	-	-	-	-140
Capital increase through exercise of warrants	175	208	175	208	365
Payables to subsidiaries	34,409	9,120	42,238	14,489	10,326
Proceeds from issue of hybrid capital	14,880	-	113,930	-	-
Repayment of hybrid capital	-	-	-92,550	-	-
Coupon payments, hybrid capital	667	-	-1,290	-	-9,188
<b>Cash flow from financing activities</b>	<b>50,130</b>	<b>9,328</b>	<b>137,206</b>	<b>14,697</b>	<b>75,774</b>
<b>Change in cash and cash equivalents</b>	<b>66,170</b>	<b>-75,299</b>	<b>29,362</b>	<b>-43,622</b>	<b>-14,378</b>
Total cash and cash equivalents at 1 January	9,198	92,061	46,006	60,384	60,384
<b>Total cash and cash equivalents end of period</b>	<b>75,368</b>	<b>16,762</b>	<b>75,368</b>	<b>16,762</b>	<b>46,006</b>
Cash and cash equivalents	75,343	16,755	75,343	16,755	46,006
Restricted cash and cash equivalents	25	7	25	7	-
<b>Total cash and cash equivalents end of period</b>	<b>75,368</b>	<b>16,762</b>	<b>75,368</b>	<b>16,762</b>	<b>46,006</b>

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

# Statement of changes in equity

	2023							
EURk	Share capital	Reserves (equity method)	Hedging reserve	Treasury shares	Retained earnings	Total	Hybrid capital	Total Parent
<b>Equity at 1 January 2023</b>	<b>40,602</b>	<b>38,434</b>	<b>-22,538</b>	<b>-181</b>	<b>167,053</b>	<b>223,370</b>	<b>150,000</b>	<b>373,370</b>
Correction re. prior business combination	-	2,401	-	-	-494	1,907	-	1,907
<b>Restated total equity at 1 January 2023*</b>	<b>40,602</b>	<b>40,835</b>	<b>-22,538</b>	<b>- 181</b>	<b>166,559</b>	<b>225,277</b>	<b>150,000</b>	<b>375,277</b>
Profit for the period	-	5,986	-	-	2,815	8,801	1,290	10,091
<b>Other comprehensive income</b>								
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	-	8,492	-	-	-	8,492	-	8,492
<b>Other comprehensive income</b>	<b>-</b>	<b>3,239</b>	<b>-432</b>	<b>-</b>	<b>-</b>	<b>2,807</b>	<b>-</b>	<b>2,807</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>9,225</b>	<b>-432</b>	<b>-</b>	<b>2,815</b>	<b>11,608</b>	<b>1,290</b>	<b>12,898</b>
<b>Transactions with owners</b>								
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
Coupon payments, hybrid capital	-	-	-	-	-	-	-92,550	-92,550
Other adjustments	-	888	-	-	-888	-	-1,290	-1,290
Other transactions	-	-	-	-	-94	-94	-	-94
<b>Total transactions with owners</b>	<b>22</b>	<b>-21,524</b>	<b>-</b>	<b>- 4</b>	<b>22,513</b>	<b>1,007</b>	<b>21,160</b>	<b>22,167</b>
<b>Equity at 30 June 2023</b>	<b>40,624</b>	<b>28,536</b>	<b>-22,970</b>	<b>-185</b>	<b>191,887</b>	<b>237,892</b>	<b>172,450</b>	<b>410,342</b>

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

The share capital consists of nom. 302,328,808 shares of DKK 1 each, corresponding to EUR 40,624 thousand. The share capital is fully paid in. The Equity Treasury share reserve comprises the cost of the parent company's shares held by the Group, and is recognised as retained earnings and reserves in the equity. At 30 June 2023, the Group held nom. 96,512 shares of DKK 1 each corresponding to EUR 13 thousand of the parent company's shares. The shares have been bought back under the warrant programme, where the parent company has a right, but not an obligation, to buy back shares from resigned employees. The obligation to pay coupon payments on hybrid capital is at the discretion of European Energy A/S, and treated as dividend. Accumulated coupon payments as per 30 June 2023 amounts to EUR 7.3 million, which will reduce retained earnings if European Energy A/S does not elect to defer coupon payment on the next interest payment date in September 2023/January 2027.

# Statement of changes in equity – continued

	2022							
EURk	Share capital	Reserves (equity method)	Hedging reserve	Treasury shares	Retained earnings	Total	Hybrid capital	Total Parent
<b>Equity at 1 January 2022</b>	<b>40,559</b>	<b>43,530</b>	<b>-3,980</b>	<b>-39</b>	<b>107,669</b>	<b>187,739</b>	<b>150,000</b>	<b>337,739</b>
Profit for the period	-	29,166	-	-	29,071	58,237	-	58,237
<b>Other comprehensive income</b>								
Value adjustments of hedging instruments	-	5,416	-18,374	-	-	-12,958	-	-12,958
Tax of value adjustments of hedging instruments	-	-1,336	2,695	-	-	1,359	-	1,359
Currency translation of foreign operations	-	-124	-	-	-	-124	-	-124
<b>Other comprehensive income</b>	<b>-</b>	<b>3,956</b>	<b>-15,679</b>	<b>-</b>	<b>-</b>	<b>-11,723</b>	<b>-</b>	<b>-11,723</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>33,122</b>	<b>-15,679</b>	<b>-</b>	<b>29,071</b>	<b>46,514</b>	<b>-</b>	<b>46,514</b>
<b>Transactions with owners</b>								
Regulation on disposal of companies	-	-4,181	-	-	4,181	-	-	-
Dividends	-	-910	-	-	910	-	-	-
Exercise of warrants	32	-	-	-	176	208	-	208
Share-based compensation expenses	-	-	-	-	1,613	1,613	-	1,613
Other transactions	-	-	-	-	-1,146	-1,146	-	-1,146
<b>Total transactions with owners</b>	<b>32</b>	<b>- 5,092</b>	<b>-</b>	<b>-</b>	<b>5,735</b>	<b>675</b>	<b>-</b>	<b>675</b>
<b>Equity at 30 June 2022</b>	<b>40,591</b>	<b>71,560</b>	<b>-19,659</b>	<b>-39</b>	<b>142,475</b>	<b>234,928</b>	<b>150,000</b>	<b>384,928</b>

The share capital consists of nom. 302,086,822 shares of DKK 1 each, corresponding to EUR 40,591 thousand. The share capital is fully paid in. The Equity Treasury share reserve comprises the cost of the parent company's shares held by the Group, and is recognised as retained earnings and reserves in the equity. At June 30, the Group held nom. 40,443 shares of DKK 1 each corresponding to EUR 5 thousand of the parent company's shares. The shares have been bought back under the warrant programme, where the parent company has a right, but not an obligation, to buy back shares from resigned employees. The obligation to pay coupon payments on hybrid capital is at the discretion of European Energy A/S, and treated as dividend. Accumulated coupon payments as per June 30, 2022 amounts to EUR 7.1 million, which will reduce retained earnings if European Energy A/S does not resolve to defer coupon payment on the next interest payment date in September 2022.

# Statement by Board of Directors and Management

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 2023. 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 2022.

We consider the accounting policies appropriate, accounting estimates reasonable and overall presentation of the Interim Report adequate. Accordingly, we believe that the Interim Report gives

a true and fair view of the Group's financial position, results of operations and cash flows for the period.

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

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

Søborg, 31 August, 2023

Registered Executive Management:

**Knud Erik Andersen**

Board of Directors:

**Jens Due Olsen**

Chair

**Knud Erik Andersen**

**Mikael Dystrup Pedersen**

**Jens-Peter Zink**

**Jesper Helmuth Larsen**

**Claus Dyhr**

# Disclaimer and cautionary statement

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

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 the 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 new potential accounting standards and policies, and European Energy's potential exposure to market risks and statements expressing the 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):

- a. changes in demand for European Energy's products;
- b. currency and interest rate fluctuations;
- c. loss of market share and industry competition;
- d. environmental and physical risks;
- e. legislative, fiscal and regulatory developments, including changes in tax or accounting policies;
- f. economic and financial market conditions in various countries and regions;
- g. political risks, including risks of expropriation and renegotiation of the terms of contracts with governmental entities, and delays or advancements in the approval of projects;
- h. ability to enforce patents;
- i. project development risks;
- j. cost of commodities;
- k. customer credit risks;
- l. supply of components from suppliers and vendors; and
- m. 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 referenced 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.

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